

Chapter 20

RETURNED FUNDS AND IDIS

RETURNING FUNDS TO THE LETTER OF CREDIT

As yet, there is no function in IDIS OnLine to assist PJs in returning funds to their Letter of Credit. When a PJ's check or wire transfer of returned funds is received by HUD Fort Worth Accounting, a transaction is initiated that eventually becomes a "collection" voucher in IDIS OnLine. The voucher shows the amount returned as a negative draw for IDIS Activity ID 1, the HOME Funds Adjustment activity. All funds are returned to the Letter of Credit as the EN fund type.

If the collection is to be applied to an activity as EN funds, the PJ can use the Maintain Voucher function in IDIS OnLine to revise the collection to the correct activity or activities. Follow these steps:

1. Click the Funding/Drawdown tab at the top of the screen and then click the [Search Voucher](#) link at the left to display the Search Vouchers screen.
2. In the IDIS ACTIVITY ID field, enter **1** and click the <Search> button to display the search results.
3. Locate the voucher line item that reflects the repaid funds (it will be a negative amount) and click the [Maintain-Approve Voucher](#) link in the last column.
4. On the next screen, click the [Revise](#) link in the last column to display the Revise Voucher Line Item screen.
5. Scroll down to the Revise Funds to Another Activity box. In IDIS ACTV ID, enter the activity ID for which the funds were originally drawn. In the AMOUNT field, enter a minus sign followed by the amount to be "undrawn" (it need not be the entire returned amount). Example: If \$10,000 was drawn for activity 1234 and then repaid because the activity was ineligible, type **1234** in IDIS ACTV ID and **-10,000** in AMOUNT. Click the <Save> button.
6. Continue revising drawdowns associated with the returned funds as needed, or to \$0.
7. Once the voucher has been revised, set the funding to \$0 for the activity for which the funds were returned, and then change the activity status to Cancelled.

If the collection is not to be applied as EN funds, the funds must be applied to activities manually. To have the manual change made, contact the TAU and provide the collection voucher number, the activities the collection is to be applied to, and the amount to be applied to each activity. If any of the activities has draws from multiple fund types or organizations (such as a CHDO), the amount that is to be applied to each fund type or organization must also be provided.

PROCESSING AN INELIGIBLE ACTIVITY

Specific IDIS processing is necessary for an activity that is deemed ineligible even after draws are made for the activity. An ineligible activity must be cancelled. Cancelling an ineligible activity after draws have been made is a specific case of cancelling activities with

HOME draws covered in Chapter 19. The steps required to cancel an ineligible activity after draws have been made are:

1. If necessary, revise the status of the ineligible activity to Open.
2. Revise the draws from the ineligible activity to eligible activities (of the same fund type);
3. Cancel the ineligible activity.

RECAPTURED FUNDS

Funds recouped by the PJ when a homebuyer who was assisted with HOME funds under a recapture agreement sells the property during the period of affordability are considered to be "Recaptured Funds". Funds that are recouped after the period of affordability are not considered to be "Recaptured Funds" and are processed as normal PI.

Recaptured funds are deposited into the PJ's HOME Investment Trust Fund Local Account as is normal PI. Unlike normal PI, recaptured funds are not eligible to use for administrative purposes or planning costs. The activity for which the funds have been recaptured is still considered as an eligible HOME project with beneficiaries and costs and should not be cancelled.