

To: CDBG Grantees and Non-entitlement Communities

From: CDBG Division

Proposed Effective Date: September 1st, 2025.

RE: CDBG Projects Overdue Policy

A. Purpose

This Policy Notice establishes the Office of Community and Rural Affairs (OCRA) overdue policy to promote timely project completion and responsible stewardship of public funds for all parties engaged in the execution of OCRA CDBG funds. Authority to establish this policy is granted under 24 CFR 570.480(c), 24 CFR 570.492 and IC 4-4-9.7-6.

B. Proposed Policy

This policy amends the existing overdue policy, which states that any project funded through the Office of Community and Rural Affairs (OCRA) with unresolved findings, overdue reports (including sub-recipient and semi-annual), outstanding audits, missed administrative deadlines, also referred to as milestones or closeout documents will be placed on the Community Development Block Grant (CDBG) Overdue Projects List now referred to as, CDBG Project Timeliness Report, is ineligible for future OCRA funding until the overdue status is fully resolved.

To avoid placement on the CDBG Project Timeliness Report, due to overdue project completion a request for closeout must be submitted in the Grants Management System (GMS) by or on the project completion date assigned to the project. This date differs from the grant agreement's expiration date.

To avoid placement on the CDBG Project Timeliness Report due to unresolved findings, outstanding audits, or overdue reports (including those from sub-recipients and semi-annual reports), the selected grant administrator must ensure that all documentation is submitted by the established deadlines. Any unresolved findings must be addressed within 30 calendar days of receiving a finding letter. If the grantee fails to submit a corrective action plan or address the findings to the State's satisfaction, the grant will be closed out with unresolved findings. This will result in the grantee being listed on the CDBG Project Timeliness Report.

To avoid placement on the CDBG Project Timeliness Report due to missed administrative deadlines, such as Environmental Review (ER), Release of Funds (ROF), or Pre-Release of Funds (Pre-ROF) without an approved time extension, the corresponding report must be submitted and approved.

Extension requests must be submitted on or before the assigned deadline date; requests submitted after the assigned deadline will not be considered.

C. Monthly Reporting Requirements

For CDBG projects placed on the CDBG Project Timeliness Report, OCRA is establishing a monthly progress report to ensure successful resolution of the overdue status. The certified grant administrator is required to submit monthly progress reports in the Indiana Grants Management System upon receiving notification of overdue status on a grant. This reporting obligation continues until the overdue status is resolved. Grant Services will monitor the submission of the monthly progress report. This report must be submitted by the stipulated deadline outline in the overdue status notification. The CDBG Project Timeliness Report will be updated monthly to reflect the status of grants placed on the overdue list.

Projects that become overdue in the middle of the month are immediately deemed overdue and are deemed ineligible for further funding until the overdue status is resolved. This applies even if they are not included in the posted CDBG Timeliness Report.

D. Submission Procedures and Communication for the CDBG Project Timeliness Report

The CDBG Project Timeliness Report can be submitted using the same feature employed for Semi-Annual reports. Guidance on how to complete these steps in the Indiana Grants Management System is provided in the [GMS Technical Guide](#).

If sufficient progress is not demonstrated within a reasonable timeframe, additional corrective actions may be taken, and findings will be assigned to the project. To communicate the overdue status of a grant and the reporting requirements, electronic notifications will be sent to the Chief Elected Official and the Grant Administrator of record for the affected grantee, detailing the project's status and necessary actions.

The CDBG Project Timeliness Report will be available to the general public on the OCRA website and will be updated monthly

E. Effective Date

This policy is effective as of September 1st, 2025, and will remain in effect until amended, superseded, or rescinded.