Balance Adjustment Notice

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  **Current** |  **Drawn** | **Actual** | **Current** |  | **Adjusted** |
| **Activity**  |  **Budget**  |  **To-Date**  | **Expenditures** | **Balance** | **Adjustment** | **Balance**  |
|  | A | B | C | DA less B | EB less C | D plus EA less C |
|  | $ | $ | $ | $ |  | $ |
|  | $ | $ | $ | $ |  | $ |
|  | $ | $ | $ | $ |  | $ |
|  | $ | $ | $ | $ |  | $ |
| **Total** | $ | $ | $ | $ |  | $ |

Sample and Instructions

CITY OF TWO DASH

CONTRACT NO. 716000

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  Current |  Drawn | Actual | Current |  | Adjusted |
| Activity  |  Budget  |  To-Date  | Expenditures | Balance | Adjustment | Balance  |
|  | A | B | C | DA less B | EB less C | D plus EA less C |
| Water | $120,000 | $100,000 | $98,000 | $20,000 | $+2,000 | $22,000 |
| Sewer | 103,000  | 42,500 | 44,500 | 60,500 | (2,000) | 58,500 |
| Acquisition | 5,000 | 5,000 | 5,000 | -0- | -------------- | -0- |
| Administration | 22,000 | 15,000 | 15,000 | 7,000 | -------------- | 7,000 |
|  **Total** | $250,000 | $272,500 | $272,500 | $27,500 | -------------- | $27,500  |

**Explanation**: $2,000 drawn from water construction line item should have been drawn from sewer construction line item to pay for sewer line installation. Mistake was made because both water and sewer line improvement construction work was bid as one contract and the evaluation of costs assigned to each line item was unclear when preparing the drawdown.

**Instructions for Completing a Balance Adjustment Notice**

Current Budget: Enter the budget as currently approved by contract, amendment, or budget modification for each line item.

Drawn-To-Date: Enter the amounts requested-to-date for each line item.

Actual Expenditures: Enter amounts expended-to-date by line item.

Current Balance: Subtract Drawn-To-Date from Current Budget for each line item.

Adjustment: This is the difference between drawn-to date and actual expenditures.

Adjusted Balance: Subtract Actual Expenditures from Current Budget

 OR Add adjustment to current balance.

After a Balance Adjustment Notice is submitted and approved, the Grant Recipient must adjust the *Request for Payment* **(Form A203)** in the "Total Prior Request(s)" column and the "Balance" column on subsequent payment requests to reflect the changes.

Please note that a balance adjustment is not routine. A practice of expending funds not in agreement with the purpose for which they were drawn demonstrates insufficient capacity to manage and implement TxCDBG funded projects and may result in disallowed costs and/or ineligibility for program funding. Failure to submit this notification as soon as the error becomes known during the contract period will result in costs being disallowed.