



Special Attention of:

Regional Administrators
Category "A" Field Office Managers
Regional Directors for CPD
CPD Division Directors
CDBG Entitlement Grantees
CDBG State Grantees

Notice

CPD-89-17

Issued: February 27, 1989

Expires: February 27, 1990

Cross References:

Subject: Compliance by HUD Program Participants with Internal Revenue Service Information Return Requirements

1. **Purpose:** The Inspector General has recommended that all Community Planning and Development (CPD) grantees and subgrantees be informed that Internal Revenue Service (IRS) requirements exist that affect CPD grant recipients. The purpose of this Notice is:
 - (a) to remind all CPD participants of the IRS requirements for submitting Information Return Forms (1096 and 1099) for all payments over \$600 to private non-corporate entities; and
 - (b) to clarify that fines and penalties for failure to report and non-payment are not allowable expenses under any CPD program.

Further information from the Federal Government about information return requirements should be obtained from the IRS.

2. **Effective Date.** This notice is effective immediately upon receipt.

CCBE : Distribution: W-3-1, R-1, R-6, Special (CPD Regional and Field Directors)