To: Persons Interested in State CDBG Program

From: Edwin I. Gardner
Chief, Planning & Economic Development Division

Subject: Policy on Collateralization of CDBG Funds by Cash Depositories

At the time an account is established by a grantee, the bank should provide a statement that any balance in the account exceeding FDIC coverage shall be collaterally secured. This statement must then be made a part of the grantee’s financial management records.

Effective Date: Immediately

EIG:md