

What is a Final Accounting Initial Request Letter?

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The Final Accounting process is initiated by Financial Compliance of the Finance Division of TWDB. Financial Compliance sends the initial request letter to the entity that received funding from the TWDB. Enclosed with the letter is a blank “Sources and Uses” form which should be completed, certified (signed and dated) and returned to Financial Compliance.

Preparation of the Sources and Uses Form

The largest source of funding is usually the amount of the financial award provided by TWDB.

Interest income, if earned, should be reported on this form as well.

Expenditures should also be reported, based on the actual amount spent.

Note that if the project used an escrow account, authorized releases from the escrow account will usually provide the amounts and appropriate level of detail. When completing this form, expenditures may be grouped into the categories as provided on the form in a manner consistent with the disbursements from the escrow account.

If calculations performed while completing the Sources and Uses Form indicate that there may be a possible surplus, contact Financial Compliance by phone (512 463-8794) or email (fmfinance@twdb.texas.gov) .

If a surplus exists for a project funded by loan forgiveness or grant, the surplus cannot be retained and must be returned to the TWDB.

Capitalized Interest

If the loan agreement allows use of capitalized interest (or does not prohibit capitalized interest expense as an authorized expenditure), actual interest paid during the construction period plus two year (as indicated by the loan register available through Financial Compliance) may be reported as an authorized expenditure. If allowed, this may “utilize” what otherwise would be a surplus.

Note that loan forgiveness awards (e.g., grants) do not have interest expense, so capitalized interest is not applicable for loan forgiveness awards.