

VOUCHER MANAGEMENT SYSTEM & RNP RECONCILIATION

Texas Housing Association
Annual Conference 2022

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1

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2

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Family Self Sufficiency

Effective June 16, 2022

3


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Family Self Sufficiency



The program established by a PHA in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services.



4

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Family Self Sufficiency

- ▶ With the effective date of June 16, 2022 the new FSS program rule states FSS escrow forfeitures will not revert to the program that provided the funds (HCV, LIPH, PBRA) but must be used for the benefit of FSS participants in good standing, per PHA policies established pursuant to 24 CFR 984.305(f)(2)
- ▶ For example, an HCV family is in the PHA's FSS program and their escrow account was funded with HCV HAP funds. If the family forfeits its escrow, the funds can be used for the benefit of any FSS participant in good standing, including an FSS participant that is a public housing resident

5

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FSS Program Forfeiture

- ▶ PHAs are required to create a separate FSS escrow forfeiture account into which the PHA will deposit all FSS escrow forfeitures on or after the new rule is effective (June 16, 2022), regardless of the funding source used to fund the escrow
- ▶ PHAs' accounting records must support the deposit of FSS escrow forfeiture into this account by the former FSS program participant
 - For example, when reviewing the HCV program, a HUD reviewer should be able to track the build-up of a FSS participant's escrow account in the HCV program, the forfeiture, and the deposit of the FSS escrow forfeitures into the FSS escrow forfeiture account

For FDS reporting, the FSS escrow Forfeiture Account will be reported in 14.EFA

6

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FSS Program Forfeiture Eligible Expenses

Support for FSS participants in good standing, including, but not limited to

- ▶ Transportation, childcare, training, testing fees, employment preparation costs, and other costs related to achieving obligations outlined in the FSS contract of participation,
- ▶ Training for FSS Program Coordinator(s), and
- ▶ Other eligible activities as determined by the Secretary



7

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Expanded Uses of Administrative Fees For HCV & Mainstream Vouchers

PIH Notice 2022-18

8

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Initial Uses of Administrative Fee Funding

PHAs receive an Admin. Fee for their duties administering HCV program:

- ▶ Take applications, maintain waiting list & process families for admission
- ▶ Verify facts related to income and rent
- ▶ Issue vouchers
- ▶ Inspect units
- ▶ Determine whether rent requested by landlord is reasonable
- ▶ Re-examine income & re-inspect units once each year
- ▶ Pay HAPs to landlords for leased units



9

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Expanded Uses of Administrative Fee Funding

PIH NOTICE 2022-18

PIH Notice 2022-18 provides guidance on expanded uses of administrative fees for HCV and Mainstream administrative costs. Costs include:

- ▶ Administrative activities
- ▶ Other eligible activities (PHA must adopt a policy)
 - Owner incentive and/or retention payments
 - Security deposit assistance
 - Application fees/non-refundable administrative or processing fees/refundable application deposit assistance/broker fees
 - Holding fees
 - Renter's insurance (if required by lease)



10

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EXPANDED USES OF ADMINISTRATIVE FEE FUNDING

Administrative Activities: Updated Per Notice

- ▶ Frontline, day-to-day activities
- ▶ Applicant intake
- ▶ Lease-up activities
- ▶ Income determinations and reexaminations
- ▶ Unit inspections
- ▶ Disbursing HAP to landlords
- ▶ Policy and operational planning and implementation
- ▶ Financial management
- ▶ HCV record-keeping and reporting
- ▶ Indirect overhead activities associated with operating the HCV program including but not limited to PHA management, human resources, legal, finance, accounting and payroll, information technology, procurement, and quality control
- ▶ PHAs that operate using a COCC are permitted to charge fees to the HCV program to recover its central office costs

11

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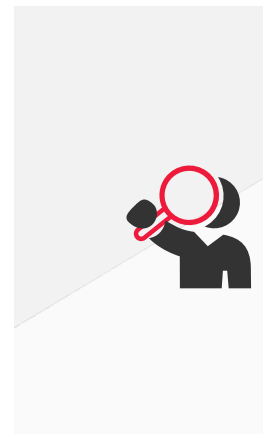


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EXPANDED USES OF ADMINISTRATIVE FEE FUNDING

Administrative Activities: Updated Per Notice

- ▶ Housing search assistance activities such as pre-move counseling, helping a family identify and visit potentially available units during their housing search, helping a family find a unit that meets the household's disability-related needs, providing transportation and directions, and assisting with the completion of rental applications
- ▶ Post-lease up activities often related to housing search assistance efforts, such as post-move counseling and landlord/tenant mediation
 - These activities cover HCV owner recruitment and outreach activities, including the costs associated with materials or webpages specifically geared to owners, as well as landlord liaison staff and associated expenses.



12

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EXPANDED USES OF ADMINISTRATIVE FEE FUNDING

Other Eligible Activities

- ▶ In addition to its typical administrative costs, a PHA may choose to incur other expenses for activities designed to help assist HCV families in leasing units under the program, which while not required by HUD HCV regulations, clearly will assist the PHA in achieving the mission and purpose of the HCV program
- ▶ A PHA may use its administrative fees to support these other activities, including to recruit and retain owners to participate in the HCV program, should it have the resources available to do so
- ▶ A PHA must first adopt a policy in the PHA administrative plan that governs the terms and conditions of the activity, including any limitations or eligibility criteria for these activities
 - PHAs are reminded that they may not create policies, criteria, or methods of administration that result in discrimination against individuals with protected characteristics under fair housing and civil rights laws and regulations (LEP requirement)

13

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EXPANDED USES OF ADMINISTRATIVE FEE FUNDING

Other Eligible Activities

Owner Incentive and/or Retention Payments

- ▶ The PHA may make incentive (e.g., signing bonuses) or retention payments to owners that agree to initially lease their unit to an HCV family and/or renew the lease of an HCV family
 - The PHA has flexibility to meet the needs of various owners, such as paying more in certain neighborhoods
- ▶ The PHA may choose to condition the offer of the owner incentive/retention payment on the owner's agreement to abide by certain terms and condition
 - For example, these conditions may include working with the PHA (or intervention services providers partnering with the PHA) should lease violations or other tenant-related issues arise during the assisted tenancy before taking action to evict the tenant

14

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14

EXPANDED USES OF ADMINISTRATIVE FEE FUNDING

Other Eligible Activities

Security Deposit Assistance

- ▶ The PHA may provide security deposit assistance for the family. The amount of the security deposit assistance may not exceed the actual security deposit required by the owner or the maximum security deposit allowed under applicable state and/or local law
- ▶ The PHA may pay the security deposit directly to the owner or may pay the assistance to the family provided the PHA verifies the family paid the security deposit
- ▶ The PHA may place conditions on the security deposit assistance, such as requiring the owner or family to return the security deposit assistance to the PHA at the end of the family's tenancy (less any amounts retained by the owner in accordance with the lease)

15

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15

EXPANDED USES OF ADMINISTRATIVE FEE FUNDING

Other Eligible Activities

Utility Deposit Assistance/Utility Arears

- ▶ The PHA may provide utility deposit assistance for some or all of the family's utility deposit expenses. Assistance can be provided for deposits (including connection fees) required for the utilities to be supplied by the tenant under the lease
- ▶ The PHA may choose to pay the utility deposit assistance directly to the utility company or may pay the assistance to the family, provided the PHA verifies the family paid the utility deposit
- ▶ The PHA may place conditions on the utility deposit assistance, such as requiring the utility supplier or family to return the utility deposit assistance to the PHA at such time the deposit is returned by the utility supplier (less any amounts retained by the utility supplier)

16

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16

EXPANDED USES OF ADMINISTRATIVE FEE FUNDING

Other Eligible Activities

Utility Deposit Assistance/Utility Arrears

- ▶ The PHA may also provide the family with assistance to help address these utility arrears to facilitate leasing and their admission to the HCV program.



17

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EXPANDED USES OF ADMINISTRATIVE FEE FUNDING

Other Eligible Activities

Application Fees/Non-refundable Administrative or Processing Fees/Refundable Application Deposit Assistance/Broker Fees

- ▶ The PHA may choose to assist the family with some or all of these expenses and may limit the amount of assistance provided for each individual expense



18

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EXPANDED USES OF ADMINISTRATIVE FEE FUNDING

Other Eligible Activities

Holding Fees

- ▶ In some markets, it is not uncommon for an owner to request a holding fee that is rolled into the security deposit after an application is accepted but before a lease is signed
- ▶ The PHA may cover part or all of the holding fee for units where the fee is required by the owner after a tenant's application has been accepted but before the lease signing
- ▶ The PHA and owner must agree how the holding fee gets rolled into the deposit and under what conditions the fee will be returned
- ▶ Owners need to accept responsibility for making needed repairs to a unit required by the initial housing quality standards (HQS) inspection and can only keep the holding fee if the family is at fault for not entering into the lease

19

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19

EXPANDED USES OF ADMINISTRATIVE FEE FUNDING

Other Eligible Activities

Renter's Insurance

- ▶ The PHA may assist the family with some or all of the cost of renter's insurance but only in cases where the purchase of renter's insurance is a condition of the lease and is also required of unassisted families on the premises
- ▶ PHAs need to exercise caution with respect to the frequency of when the renter's insurance assistance payments are made when such assistance is provided directly to the family
 - For example, providing such assistance on a regular, recurring basis (such as on a monthly basis) to the family would impact the family's income calculation



20

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20

Important Concepts - A Refresher

Background Information for the
Section 8 Program

21

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What is the VMS Used For?

- ▶ Monthly HAP disbursements from HUD to the PHA
 - Cash management
 - Prior month's validated HAP expenses and RNP
- ▶ Calculation of monthly Administrative Fee funding for PHAs
- ▶ Calculate HAP Budget Authority for next calendar year
 - Re-benchmarking (formula)
 - January to December 2021 HAP expense will be used to calculate HAP funding for 2022
- ▶ Data will be captured from the VMS to be used in the two-year-tool
 - HAP
 - UML
 - RNP

22

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22

Cash Management

HUD-Held Reserves & Cash Management

23

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23

Cash Management & HUD Held Reserves

- ▶ Starting in CY 2005, PHAs had accumulated RNP to pay for future HAP costs.
 - This amount has exceeded \$1.5B in FY 2012
- ▶ 2012 brought two new changes:
 1. HUD will also institute the new **CASH MANAGEMENT** procedures outlined in PIH Notice 2011-67 as updated in PIH Notice 2017-6
 2. Established HUD-Held Reserves



24

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Cash Management



The process of disbursing HAP to PHAs is based on validated VMS data.

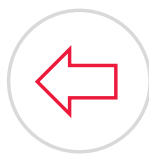
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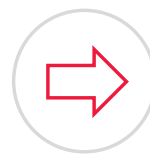
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Disbursement of HAP Funds



Prior to Cash Management

- ▶ PHAs used to receive 1/12th of their HAP funds (ABA) every month to cover monthly HAP costs
 - Received one month of HAP funding evenly for 12 months



Post Cash Management

- ▶ HUD instituted a system of Cash Management for PHAs to receive HAP
 - Receives HAP funding as needed to pay upcoming HAP
 - Based on HAP expenses in previous VMS submissions

26

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Pre-Cash Management

- ▶ If a PHA was awarded \$6,000,000 in ABA, then the PHA would receive \$500,000 each month for 12 months
- ▶ Any HAP funding the PHA received from HUD that did not get paid out for a HAP/UAP and FSS Escrow would be held by the PHA as RNP to be used only for future HAP/UAP and FSS Escrow payments

JANUARY	FEBRUARY	MARCH
\$500k	\$500k	\$500k
APRIL	MAY	JUNE
\$500k	\$500k	\$500k
JULY	AUGUST	SEPTEMBER
\$500k	\$500k	\$500k
OCTOBER	NOVEMBER	DECEMBER
\$500k	\$500k	\$500k

27

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27

Post-Cash Management

- ▶ HUD will now use the latest validated data in VMS to determine the amount of HAP funding that has been awarded PHA that will be disbursed to the PHA
 - HAP/UAP/FSS Escrow expenses
 - RNP
- ▶ For example, HUD will use the total HAP/UAP/FSS Escrow expense in October, inflate by 1% to 2%, for January's HAP funding disbursement

Disbursement Month to PHA	Housing Authority Data	VMS Submission
January	October	November
February	November	December
March	December	January
April	January	February
May	February	March
June	March	April
July	April	May
August	May	June
September	June	July
October	July	August
November	August	September
December	September	October

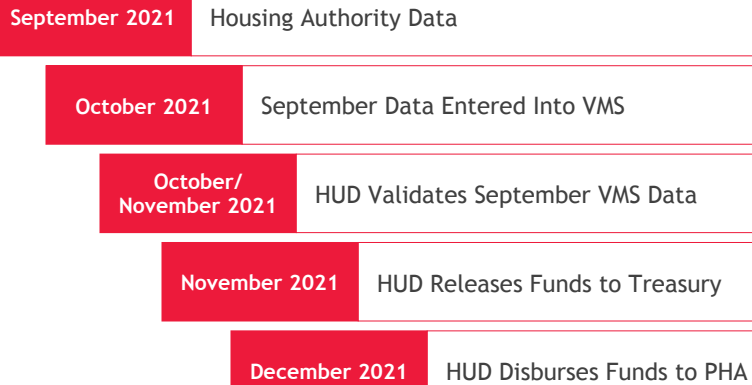
28

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28

Cash Management - Example



29

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29

Cash Management - Example

- ▶ HUD has the flexibility to choose a month for a few months of Disbursements
 - For example, HUD may choose the month of July for funding disbursements for the Months of October and November



30

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30

Post-Cash Management

- ▶ HUD will closely monitor the RNP to accurately disburse correct funding to the PHA
 - HUD is most likely to inquire with the PHA if the HUD reported RNP vs the RNP reported on the VMS has a variance of 3%
- ▶ Cash management will cause your monthly HAP funding received from HUD to fluctuate
- ▶ Whatever HAP funds that are obligated not disbursed from HUD to the PHA as of December 31st at 11:59:59pm will automatically be transitioned to HUD-Held (HHR)
 - These funds are cumulative year-to-year
 - These funds are made available to the PHA for future disbursements

31

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31

Administrative Fees

Unrestricted Funds

32

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32

Earning Administrative Fees

Fees will be earned based on leasing on the **FIRST DAY** of the month as reported in VMS.

- ▶ No mid-month Administrative Fee may be earned for move-ins [new HAP contracts] after the 1st of the month



33

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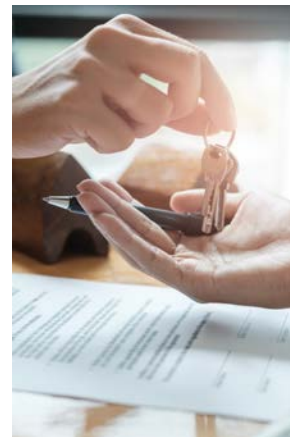
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Administrative Fees

PHAs receive an Admin Fee for their duties administering HCV program:

- ▶ Take applications, maintain waiting list & process families for admission
- ▶ Verify facts related to income and rent
- ▶ Issue vouchers
- ▶ Inspect units
- ▶ Determine whether rent requested by landlord is reasonable
- ▶ Re-examine income & re-inspect units once each year
- ▶ Pay HAPs to landlords for leased units



34

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34

Calculating Administrative Fees

PHA Num	A Rate	B Rate
AK901	98.76	92.18
AL001	66.91	62.45
AL002	67.96	63.44
AL004	66.03	61.63
AL005	68.81	64.22
AL006	66.03	61.63
AL007	66.03	61.63
AL008	64.77	60.46
AL011	64.77	60.46
AL012	66.03	61.63
AL014	64.77	60.46
AL047	67.98	63.46
AL048	66.03	61.63
AL049	66.03	61.63
AL050	66.03	61.63

[hud.gov/program_offices/
public_indian_housing/centers/fmc](https://www.hud.gov/program_offices/public_indian_housing/centers/fmc)

- ▶ The “A” Rate will be used to calculate the first 600 units under lease each month
- ▶ The “B” Rate will be used to calculate units leased that are 601+ units leased each month
- ▶ Project Based Vouchers will earn an Administrative Fee regardless of their leased status as of the first of the month
 - Must be reported correctly in VMS
- ▶ These rates are before proration

35

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35

How Does a PHA Receive Administrative Fees?

The Flow of Administrative Fees
from HUD to the PHA

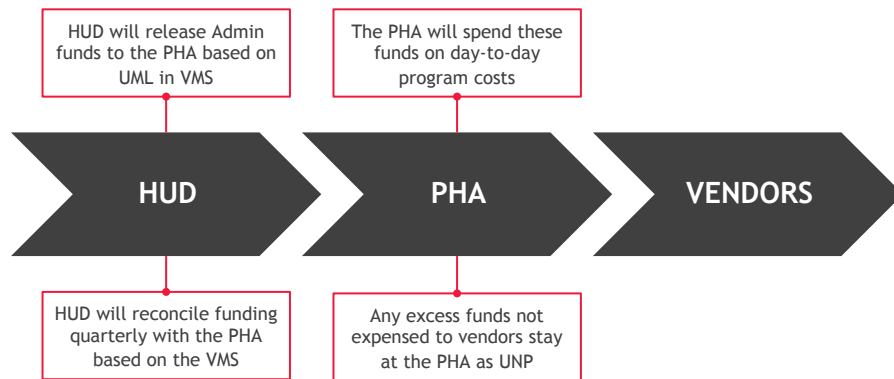
36

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36

Flow of Administrative Fee Funds



37

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37

Earning Administrative Fees

- ▶ HUD disburses administrative fees to PHAs each month, based on prior reported leasing in VMS
- ▶ Each PHA's administrative fee eligibility is reconciled after every quarter, based on actual reported leasing as updated
- ▶ HUD will disburse any amount due to the PHA and will recapture any amount due from the PHA via a reduction from a subsequent administrative fee payment if adjustments to leasing are made
- ▶ A final reconciliation will be completed after the December's leasing data is reported in VMS, At which time the final pro-ratio for the calendar year will be determined
 - Remember VMS reporting is a month behind, so PHAs are reporting December data in January

38

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Determining HAP Funding Availability

How Much Funding is Available
for HAP?

39

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The Elephant in the Room



How much HAP funding do we have to
maximize leasing that will maximize
Administrative Fee revenues?

40

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How Do We Determine Funding For HAP?

1. Appropriation calculation for the calendar year
2. Prior CY Restricted Net Position (RNP)
3. Prior CY HUD-held Reserves (HHR)
4. Set-Aside Funds
5. UNP*

*UNP is available, but is generally not used to pay HAP



41

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Appropriations Calculation for Calendar Year

There are two pieces of funding that are part of the Annual Budget Authority (ABA) that is awarded to PHAs.

- ▶ Re-benchmarking - determined from VMS
 - Renewal Funding
- ▶ Funding for new units
 - Non-Renewal Funding



42

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Appropriation Calculation - Re-Benchmarking

- ▶ Funding is awarded on a CY
- ▶ HUD used the total of VMS HAP, UAP and FSS escrow expense from January to December of the prior year CY 2021 to determine funding for CY 2022 funding
- ▶ HUD will make adjustments to the re-benchmarking portion
 - Types of funding
 - First time increments not initially funded for twelve months will receive the additional funding required



43

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43

The Two Year Tool

44

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Objective of the Two Year Tool (TYT)

- ▶ The objective of the Two-Year Tool (TYT) is to analyze a PHA's utilization situation, which includes running basic leasing and spending scenarios to better inform decisions going forward in an effort to optimize the program
- ▶ The goal of the TYT is to facilitate a conversation with the PHA, in order to help in developing an informed strategy, for both the current and the following year, regarding voucher issuances, costs, and other decisions, in order to run an optimal and stable Housing Choice Voucher (HCV) program, to the extent allowable
- ▶ The TYT allows for a straight-forward analysis using all of these variables beginning with the Monthly Utilization Report and ending with a conversation with the PHA
 - The Two Year Tool will pull HAP, leasing and RNP from the VMS

45

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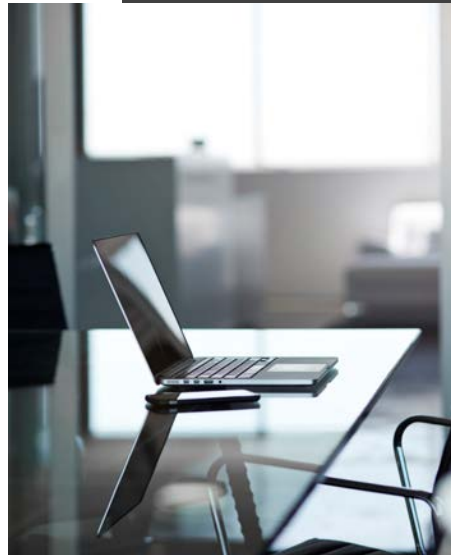


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Objective of the Two Year Tool (TYT)

Tool used to monitor leasing to:

- ▶ Maximize funding for the following year (re-benchmarking)
- ▶ Maximize leasing for the current year
- ▶ Prevent PHAs going into shortfall
 - Once funding letters are provided to PHAs and the tool reports negative reserve levels at calendar year-end



46

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46

The VMS

47

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47

Flow of Information



PHA'S
SOFTWARE
DATA REPORT



VMS



TWO YEAR
TOOL

48

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48

VMS User's Guide

 Voucher Management Systems (VMS) User Manual

- ▶ This system's primary purpose is to monitor and manage Public Housing Agency (PHA) use of vouchers
- ▶ VMS collects PHA data that enables HUD to fund, obligate, and disburse funding in a timely manner based on actual PHA use
- ▶ Latest User's Manual is August 2022

USER'S MANUAL

Voucher Management System (VMS)
Release 17.1.0.0
U.S. Department of Housing and Urban Development
August, 2022

1

49

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Business Rules For Monthly Submissions

- ▶ Each submission includes data for the specified month only, so data will be entered for a specific month only
- ▶ Enter all leasing and expense data in positive whole numbers without any punctuation marks or symbols (commas, dollar signs, and decimal points)
- ▶ PHA is responsible for ensuring that all information is correct, and that wrong or missing Official HA data is updated in the PIC information system for future data collection use
- ▶ The fields that are official HA Data and come from **PIC** are:
 - Name of Authorized HA Official
 - Official Housing Authority E-mail Address



50

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50

Business Rules For Monthly Submissions



If your PHA has no report for a field, or if the reported value is zero (0), tab through the field and leave it blank; the exceptions are the following fields which do accept entries of zero:

- ▶ Net Restricted Assets (NRA) [now called RNP]
- ▶ Unrestricted Net Assets (UNA) [now called UNP]
- ▶ Vouchers Leased End of Month
- ▶ All Voucher HAP Expenses After the First of Month
- ▶ Vouchers issued but not under HAP contract as of the last day of the month
- ▶ Cash/Investments as of the last day of the month
- ▶ Administrative Expenses - Non-MTW
- ▶ MTW- HCV Administrative Expenses

51

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51

Business Rules For Monthly Submissions

The following fields can accept negative amounts for monthly submissions:

- ▶ Restricted Net Position (RNP)
- ▶ Unrestricted Net Position (UNP)



52

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52

Business Rules For Monthly Submissions

- ▶ Vouchers administered on behalf of another PHA under the portability provisions, and for which HAP is reimbursed to your PHA, **SHOULD NOT** be reported by you as part of your leasing - they will be reported by the PHA that is paying the HAP
 - These are commonly referred to as “Port-Ins”
 - Not “true” HAP expenses of administering (receiving) PHA
- ▶ They will be reported by the PHA that is paying the HAP (initial)
- ▶ There is a separate section in VMS called “Portables Vouchers Administered,” with line items for reporting “Portable Units Administered” and “HAP for Portable Units Administered”



53

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Business Rules For Monthly Submissions

- ▶ A voucher under lease must be reported in one, and only one, main category
 - Memo Fields: Vouchers reported under the sub-categories “New Homeowners This Month” and “Enhanced Vouchers” are also reported under the main categories of “Homeownership” and “Tenant Protection,” respectively
- ▶ If a leased voucher could appropriately be reported in more than one category, it should be reported in the category that reflects how the participant initially qualified for the voucher
- ▶ However, if a participant initially qualified under “All Other Vouchers,” and later qualified under another category, that participant would be reported under the new category



54

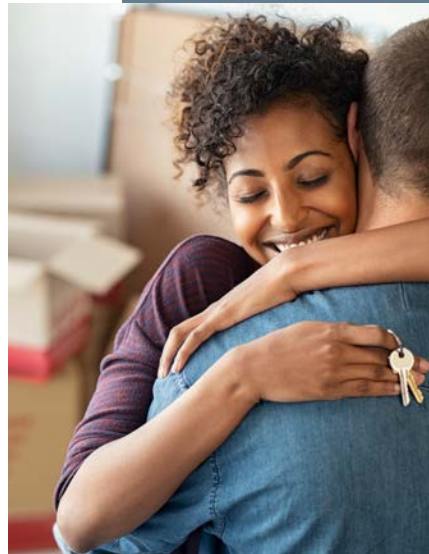
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Business Rules For Monthly Submissions

- ▶ A participant initially qualified for a voucher under “All Other Vouchers” and later entered the Homeownership program
 - That participant would be reported under Homeownership
- ▶ A participant qualified for a voucher under the VASH program; that participant later ported
- ▶ The PHA that initially qualified the participant under VASH would report that voucher as VASH rather than Port Vouchers Paid



55

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55

VASH Exception



When a VASH Voucher gives up case management, then the Voucher would be reported as an AOV.

56

THE VMS & RNP RECONCILIATION

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56

Business Rules For Monthly Submissions

- ▶ The Validate Data function is used to verify the integrity of the data prior to saving and submitting
- ▶ VMS verifies the validity of the data via a series of three steps:
 1. checking for proper format,
 2. comparing the amounts fall within “reasonable” ranges,
 3. comparing related fields to insure completeness and consistency against a list of business rules
 - Where inaccuracies are found, the system will generate error messages



57

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57

Business Rules For Monthly Submissions

The order in which the fields are validated is as follows:

- ▶ **First**, a simple check (basic validation) to make sure the field is present if mandatory, and is numeric (for a numeric field), with no special characters embedded
- ▶ **Second**, a check for Hard Edits, against the Hard Edit criteria
- ▶ **Third**, a cross validation check, if two fields must accompany each other, such as Litigation and Litigation HAP, which must both be present if one of the fields is present



If a field fails all three types of validation checks, only the first type of error will appear. When this error is corrected, if the field still fails the other two types, only the second type of error will appear. If the field fails the third type of validation once the second type is corrected, only then will the third, cross-validation error appear.

58

THE VMS & RNP RECONCILIATION

58

Business Rules For Monthly Submissions

MANDATORY CHECK

- ▶ Required value in fields

NUMERIC CHECK - HARD EDITS

- ▶ Data that fails a hard edit is not necessarily incorrect - the data may fall outside reasonable ranges. The PHA can either correct the data, or explain it
- ▶ If you opt to explain it, you will be able to submit data with a status of “Pending Hard Edit.” To complete this submission, approval by the PHA’s Financial Analyst is required
- ▶ The Financial Analyst can generate a report of submissions containing Hard Edit explanations. The Financial Analyst must review and either approve or disapprove the submission
- ▶ For example, if the PHA reported HAP costs for VASH, but the PHA does not have a VASH program

59

THE VMS & RNP RECONCILIATION



59

Business Rules For Monthly Submissions

CROSS VALIDATION

- ▶ Every UML field with a corresponding HAP field is subject to Cross Validation error checking, and vice versa
- ▶ If an amount is present in one of the fields, an amount must also be present in the corresponding field

The fields subject to Cross Validation Error Checking are listed below:

Rental Assistance Component 1 (RAD1)	Rental Assistance Component 1 (RAD1 - HAP)
Rental Assistance Component 2 (RAD2)	Rental Assistance Component 2 (RAD2 - HAP)
Litigation	Litigation HAP
Homeownership	Homeownership HAP
Moving To Work	Moving To Work HAP
One Year Mainstream - MTW	One Year Mainstream - MTW (HAP)
Family Unification - Non-MTW	Family Unification - Non-MTW (HAP)
Family Unification Pre2008 - MTW	Family Unification Pre2008 - MTW (HAP)
Family Unification 2008/Forward - MTW	Family Unification 2008/Forward - MTW (HAP)
Non Elderly Disabled - Non-MTW	Non Elderly Disabled - Non-MTW (HAP)
Non Elderly Disabled 2008 Forward - MTW	Non Elderly Disabled 2008 Forward - MTW (HAP)
Portable Vouchers Paid	Portable Voucher Paid HAP
HOPE VI	HOPE VI HAP
Tenant Protection	Tenant Protection HAP
Veterans Affairs Supported Housing (VASH) Voucher	Veterans Affairs Supported Housing (VASH) HAP
DHAP to HCV Vouchers Leased	DHAP to HCV Voucher HAP
All Other Vouchers	All Other Vouchers HAP
Total Vouchers	HAP Total

This is only a sample selection of all the cross validation fields

60

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60

Business Rules For Monthly Submissions

- ▶ All HAP expense data is to be reported in the voucher categories as of the **FIRST DAY OF THE MONTH**.
- ▶ HAP expenses should be entered under the month to which they apply rather than under the month in which they are paid
 - See next slide

61

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61

HAP Reporting Example

Month	April HAP	May HAP	Revised April	May Actual
April	\$300,000		\$315,000	
May		\$305,000		\$290,000

- ▶ For example, actual HAP/UAP checks paid per the general ledger totaled \$300,000 for April
- ▶ Actual HAP/UAP checks paid in May were \$305,000 per the general ledger
- ▶ Of the \$305,000 of HAP/UAP checks that were paid in May, \$15,000 is applicable for April HAP
- ▶ The PHA must revise the April VMS submission for HAP and UAP expense and increase the about to \$315,000
- ▶ May VMS will only report \$290,000
- ▶ The PHA must also update the RNP for April

62

THE VMS & RNP RECONCILIATION



62

FDS vs VMS

HAP AND RNP REPORTING

There are HAP and RNP reporting issues between the Financial Data Schedule (FDS) and the Voucher Management System (VMS)

- ▶ Attached is a spreadsheet to help prevent rejections



63

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63

FDS vs VMS - Case Study

HAP AND RNP REPORTING

Funding from January to March

	JAN	FEB	MAR
HAP	1,410,746	1,410,746	1,359,528
Other	148	40	30

HAP G/L Expenses from January to March

	JAN	FEB	MAR
HAP	1,434,050	1,381,915	1,353,150

HAP Adjustments

	DEC	JAN	FEB
January	69,911		
February	19,628	24,808	
March	6,161	9,109	16,927

	RNP
VMS	\$(5,609)
FDS/G/L	3,668

64

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64

Prior Months Corrections (PMC)

65

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65

Prior Months Corrections

- ▶ If you have one or more corrections to make to a prior month's submission, you can access this function from the VMS Home Page
- ▶ A PHA cannot change submissions with a status of the following unless doing a PMC
 - Submitted
 - Hard Edit Approved (completed submission)



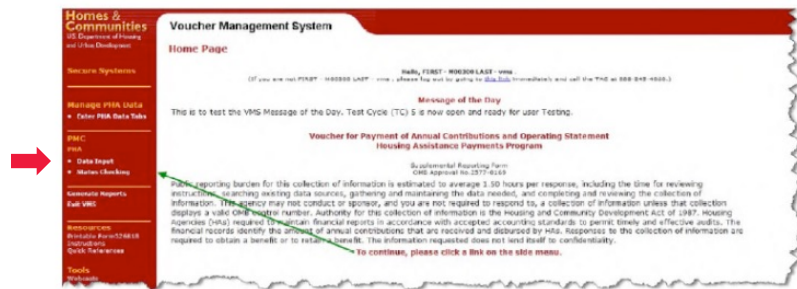
66

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66

Prior Months Corrections



Select - "Prior Month Correction PHA-Data Input"

67

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67

Prior Months Corrections

- ▶ Select your PHA
- ▶ Select the Year and Month of the submission you would like to correct
- ▶ A drop-down menu that will appear and select the Tab and Field you wish to correct and explain in the "PHA Justification Field"
 - The PHA has 4,000 characters to explain the adjustment
- ▶ Once the field is selected the Data Entry Form will be displayed
 - An old value will be displayed
 - The new value will be displayed
 - A difference value will be displayed between the new and old value



68

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68

Prior Months Corrections

- ▶ The PHA will have to **Validate** (same as you would do for a normal monthly submission)
 - All errors will have to be explained as they would in a normal submission
- ▶ Once any corrections have been made and Hard Edit errors are explained, the PHA can now **Submit**



69

THE VMS & RNP RECONCILIATION



69

The VMS Reporting Fields

HAP, UML & Other Fields

70

THE VMS & RNP RECONCILIATION



70

TAB 1 VOUCHER UML & HAP

RAD 1& 2

Units leased includes units under HAP contract on the 1st day of the month

RAD 1-Public Housing Conversion	Total number of Vouchers Leased for all RAD Component 1 awards; reporting begins January 1 of the first full calendar
RAD 1-Public Housing Conversion (HAP)	Total HAP expense as of the 1 st day of the month and for HAP contracts effective after the 1 st day of the month
RAD 2-Mod, Rehab, Rent Supp, RAP Conversion	Total number of Vouchers Leased for all RAD Component 2 awards; reporting begins January 1 of the first full calendar
RAD 2-Mod, Rehab, Rent Supp, RAP Conversion (HAP)	Total HAP expense as of the 1 st day of the month. HAP expenses after the 1 st day of the month will be reported as "All Voucher HAP Expenses for Contracts Effective After the First of Month"

71

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71

TAB 1 VOUCHER UML & HAP

RAD 3

Units leased includes units under HAP contract on the 1st day of the month

RAD 3-PRAC Conversion	Total number of Vouchers Leased for all RAD Component 3 awards; reporting begins January 1 of the first full calendar
RAD 3 PRAC Conversion (HAP)	Total HAP expense as of the 1 st day of the month and for HAP contracts effective after the 1 st day of the month

- The HAP expense field includes HAP for the **1st day of the month and New HAP Contracts after the 1st day of the month for RAD Component 3**

72

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72

TAB 1 VOUCHER UML & HAP

Mobility Demonstration & VAWA

Units leased includes units under HAP contract on the 1st day of the month

Mobility Demonstration	Total number of Mobility Demonstration Vouchers (MDVs) leased that were awarded under the Mobility Demonstration program. PHAs should not report their non-MDV vouchers leased in this field.
Mobility Demonstration (HAP)	Total HAP expenses incurred this month for MDVs awarded under the Mobility Demonstration Program. PHAs should not report their non-MDV vouchers expenses in this field.
Emergency Transfers for VAWA Vouchers	Total number of vouchers leased for Emergency VAWA awards.
Emergency Transfers for VAWA Vouchers (HAP)	Total HAP expenses incurred this month for all Emergency VAWA vouchers leased.

73

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73

TAB 1 VOUCHER UML & HAP

Mainstream

Mainstream	The number of Mainstream vouchers under lease as of the 1 st day of the month.
Mainstream HAP	Total amount of HAP expenses incurred for Mainstream vouchers reported under HAP contract as of the 1 st of the month.
Mainstream HAP Expenses After 1st of Month	Total amount of Mainstream HAP expenses incurred for NEW contracts effective after the first of the month. If the amount of HAP covers the entire month, then it should not be reported in this field.
Mainstream FSS Escrow Deposits	Deposits to Mainstream FSS participant escrow accounts made for this month.
Mainstream # Vouchers under lease on last day of month	Total number of Mainstream vouchers under lease on the "LAST" day of the month. This includes HAP contracts that expired that day. Zero HAP units continue to be reported for up to six months. The HAP contract terminates automatically 180 calendar days after the last HAP payment to the owner.

74

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74

TAB 1 VOUCHER UML & HAP

VASH

VASH	Total number of vouchers under lease from initial or renewal funds awarded under the VASH program as of the 1 st of the moth.
VASH HAP	Total HAP expenses incurred for VASH vouchers reported in the field

- The HAP expense field includes HAP for units under lease as of the **1st day of the month and HAP expenses for units leased after the 1st day of the month (New HAP Contracts)**

75

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75

TAB 1 VOUCHER UML & HAP

Foster Youth To Independence Vouchers

Foster Youth To Independence	Total number of vouchers leased for all FYI Vouchers awarded including FYI TPV vouchers and non-FYI TPV vouchers. Effective March 2022 for the February 2022 data submission this information should no longer be reported in the FUP field.
Foster Youth To Independence HAP	Total HAP expenses for all FYI vouchers awarded including FYI TPV vouchers and non-FYI TPV vouchers. Effective March 2022 for the February 2022 data submission this information should no longer be reported in the FUP field.

- Leasing only includes units under HAP contract on the 1st day of the month
- The HAP expense field includes HAP for units under lease (under a HAP contract) as of the 1st day of the month only

76

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76

TAB 1 VOUCHER UML & HAP

HCV's

Units & HAP for Units Under Lease on the 1st Day of the Month

Litigation	Homeownership	Family Unification
Non Elderly Disabled	HOPE VI	All Other Vouchers (AOV)
Tenant Protection	DHAP to HCV	

- ▶ The HAP expense field includes HAP only for units under lease (under a HAP contract) on the 1st day of the month
- ▶ Homeownership has an additional field for new units leased
- ▶ Tenant Protection has an additional field for TP vouchers that are also enhanced vouchers

77

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77

TAB 1 VOUCHER UML & HAP

HCV - All HAP Costs Incurred For New Contracts Effective After 1st of the Month Field

- ▶ All HAP costs incurred for new contracts effective after the 1st of the month
- ▶ For any categories on the previous slide:
 - Do not include the MTW categories
 - Does not include RAD1, RAD 3, VASH and Mainstream*, Mobility, VAWA, Stability, EHV's *, FYI

*Mainstream & EHV's have their own separate field



78

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78

TAB 1 VOUCHER UML & HAP

MTW

Vouchers Under Lease on the 1st Day of the Month

Moving to Work	1 Year Mainstream	Stability Voucher
NED (2008 Forward)	VASH	Family Unification (2008 Forward)
Foster Youth To Independence	Mobility Demonstration	Emergency Transfer For VAWA

- ▶ The HAP expense field includes HAP only on the 1st day of the month
- ▶ Leasing only includes units under HAP contract on the 1st day of the month
- ▶ Each type of voucher has an additional field for leasing after the 1st of the month including VASH

79

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79

TAB 1 VOUCHER UML & HAP

Portability

Vouchers Under Lease on the 1st Day of the Month

Portable Vouchers Paid (Port out)	Total number of vouchers for which the PHA is being billed by and is remitting HAP costs to another PHA under the portability option
Portable Vouchers Paid (Port out) HAP	Total HAP expenses incurred for portability vouchers reported in the Units section
Portable Units Administered	Total number of vouchers for the entire month which the HA is administering on behalf of an Initial HA under the portability provisions. Does NOT include MS units
Portable Units Administered HAP	HAP expenses attributable to the Portable Units Administered as reported above

80

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80

TAB 1 VOUCHER UML & HAP TAB

Adjustment Funding

Adjustment Funding	Amount of Voucher Program HAP expenses paid for the reporting month covered by Adjustment Funding provided for Per Unit Costs Increases. These expenses should also be reported in the normal HAP expense field for which the expense was incurred.
Adjustment Funding - Short Fall	Amount of Voucher Program HAP expenses paid for the reporting month covered by Adjustment Funding for Shortfalls. These expenses should also be reported in the normal HAP expense field for which the expense was incurred.
Adjustment Funding-PUC Increase MS Program	Amount of Mainstream Program HAP expenses paid for the reporting month covered by Adjustment Funding for Per Unit Costs Increases. These expenses should also be reported in the MS HAP expense field.
Adjustment Funding - Shortfall MS Program	Amount of Mainstream Program HAP expenses paid for the reporting month covered by Adjustment Funding for Shortfalls. These expenses should also be reported in the MS HAP expense field.

81

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81

TAB 1 VOUCHER UML & HAP TAB

Housing Stability Vouchers

Housing Stability Vouchers	Total number of Housing Stability Vouchers under lease from initial or renewal funds awarded as of the 1 st day of the month. A voucher should be reported in this category as long as it is used for an eligible program participant.
Housing Stability Vouchers - HAP	HAP expenses incurred for the Housing Stability Vouchers reported in the unit's section for units under a HAP contract under the 1 st day of the month and units under a HAP contract after the 1 st day of the month.
Housing Stability Vouchers - Number of New Vouchers Issued but not Under HAP Contract as of the last day of the Month	This figure represents the cumulative number of new vouchers issued) and not yet under a HAP contract as of the last day of the reporting period.

82

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82

TAB 1 VOUCHER UML & HAP TAB

Project Based Vouchers

Number of PBVs Under AHAP and Not Under HAP	Total number of PBVs under AHAP only ▶ These units are not reported in any other field
Number of PBVs under HAP and Leased	Total number of PBVs under HAP and leased ▶ These units and associated expenses are also reported in the field that best describes the type of Voucher being used
Number of PBVs Under HAP and Not Leased	Total number of PBVs that are under a HAP contract and are not leased and not receiving vacancy payments ▶ These Vouchers are not reported in any other field but are eligible for admin fees. See next Slide
Number of PBVs Under HAP and Not Leased with Vacancy Payment Associated with Vacancy HAP	Total number of PBVs that are under HAP and are not leased but are receiving vacancy payments ▶ These vouchers are not reported in any other field and are eligible for admin fees ▶ This includes RAD Vouchers receiving Vacancy Payments

83

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83

TAB 1 VOUCHER UML & HAP

Number of PBVs Under HAP and Not Leased

- ▶ This field should include RAD 1 and RAD 2 units that are under a HAP contract but are not leased
- ▶ RAD 1 units that are receiving Rehab Assistance Payments (RAP)



84

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84

TAB 1 VOUCHER UML & HAP Project Based Vouchers

**HAP Expenses -
Number of PBVs
Under HAP and Not
leased with Vacancy
Payment and
Associated Vacancy
HAP**

Total HAP expense associated with PBVs under HAP contract and not leased with vacancy payments. These expenses are also reported in the AOV HAP Expense field. **NOTE: Vacancy Payments and Rehab Assistance Payments for RAD 1 units should not be reported in this field but should be reported in the RAD 1 HAP Expense field.**

**Total Project Based
Vouchers**

Total HAP expenses incurred for Project Based Vouchers. The HAP expense should also be reported in the field that best describes the type of voucher being used (Tenant Protection, AOV, etc.)

85

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85

TAB 2 Other Fields

**HCV - Deposits to FSS participant
escrow accounts made for the
current month:**

- ▶ Actual deposits made to the FSS participant's escrow account. Located on Tab 1

**HCV - FSS Escrow Forfeitures
this month:**

- ▶ Total value of FSS escrow accounts forfeited by tenants during the month **(through June 15, 2022)**
- ▶ New field added for Mainstream



86

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86

TAB 2

Other Fields

HCV - Fraud Recovery Total Collected this Month:

- ▶ Total dollar amount recouped by the PHA as fraud recoveries during the month that is applied to the RNP account
- ▶ This is typically 50% of what is collected or remaining amount of funds after the cost of collection that is applied to UNP
- ▶ **Note: Total dollar amount recouped “is cash collected - not revenue recorded.”**

Number of Hard to House Families Leased:

- ▶ Total number of families (current participants and new admissions) with three or more minors or with a disabled family member that moved to a new unit during the month

87

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87

TAB 2

Other Fields

Mainstream - Fraud Recovery Total Collected this Month:

- ▶ Total dollar amount recouped by the PHA as fraud recoveries during the month that is applied to the RNP account
- ▶ This is typically 50% of what is collected or remaining amount of funds after the cost of collection that is applied to UNP
- ▶ **Note: Total dollar amount recouped “is cash collected - not revenue recorded.”**



88

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88

TAB 2

Other Fields

HCV - Vouchers under Lease on the last day of the Month

- ▶ Total number of vouchers under lease on the “LAST” day of the month for all categories listed in “HAP Total”
- ▶ This includes HAP contracts that expired that day
- ▶ Zero HAP units continue to be reported for up to 180 calendar days

Same field has been added for Mainstream

HA Owned Units Leased - included in the units leased

- ▶ Total number of HA-owned units that are under lease in the Voucher program for the month
- ▶ These units should also be included in the appropriate Voucher Units category above
- ▶ This also includes RAD units

89

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89

TAB 2

Other Fields

HCV - Number of vouchers issued but not under housing assistance payments (HAP) contract as of the last day of the month:

- ▶ This figure represents the cumulative number of new vouchers issued for all categories (Not MS5) and not yet under a HAP contract as of the last day of the reporting period

Portable HAP Costs Billed & Unpaid - 90 days or older:

- ▶ Amount due to the HA for portable HAP costs billed to another agency at least 90 days prior to the end of the current reporting period and not yet paid by that other agency

90

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90

TAB 2

Other Fields

Non-MTW Administrative Expense

- ▶ Total administrative expenses, direct and indirect, incurred by the PHA for the Voucher Program
- ▶ This amount excludes expenses covered by FSS/Homeownership Coordinator grants, Housing Conversion fees, Mobility Counseling and ROC fees (and other special purpose one time fees provided), Preliminary Expenses and Portability Payments due from another Housing Authority

Audit

- ▶ Total amount billed for the PHA's IPA audit, if incurred during this reporting cycle, excluding the accounting service fee. Report this amount only in the month that it occurred

91

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91

TAB 2

Other Fields

Mobility Demonstration Service Expenses

- ▶ Expenses authorized for Comprehensive Mobility Related Services or Selected Mobility Related Services under the HCV Mobility Demonstration

Mainstream - Administrative Expenses

- ▶ Total administrative expenses, direct and indirect, incurred by the PHA for the Mainstream Program. Both MTW and non-MTW PHAs should report in this field

92

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92

How to Report Restricted Interest Income

VMS REPORTING

- ▶ Always report the interest attributable to RNP in the VMS for each month
 - This is **not** included in the RNP calculation



FDS REPORTING

- ▶ The first \$500 of restricted interest will be reported as unrestricted interest income
- ▶ Any other restricted interest income earned over \$500 will be reported as an A/P to HUD

93

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93

Restricted Interest Income

All interest income earned on RNP over \$500 will be credited to Accounts Payable HUD and reported on FDS Line 331.

- ▶ No longer part of RNP
- ▶ Interest income of \$500 and less can be retained by the PHA as unrestricted interest income



Office of Public and Indian Housing, Real Estate Assessment Center

PHI-REAC: PHA-Finance Accounting Briefs

Issued Date: June 2013

Revenue Recognition for Housing Assistance Payments and Administrative Fees for the Housing Choice Voucher (HCV) Program ACCOUNTING BRIEF # 19

GOVERNING REGULATIONS AND GUIDANCE

1. Governmental Accounting Standards Board (GASB) Statement No. 33 - Accounting and Financial Reporting for Nonexchange Transactions.
2. PHI Notice 2011-67 (Implementation of New Cash Management Requirements for the Housing Choice Voucher Program), dated December 9, 2011.
3. 2012 Conference Report (Report 112-204), dated November 14, 2011 to accompany the 2012 Consolidated and Further Continuing Appropriations Act (P.L. 112-55) signed into law on November 18, 2011.

BACKGROUND

The Uniform Financial Reporting Standards (24 CFR Part 5 - Subpart H) requires public housing agencies (PHAs) to provide annual financial information to the U.S. Department of Housing and Urban Development (HUD) using Generally Accepted Accounting Principles (GAAP).

Funding for the Housing Choice Voucher (HCV) program is provided by Congress through Annual Appropriation Acts to HUD. HUD in turn distributes the funds to PHAs in accordance with the Appropriation Acts. The 2012 Conference Report contains Congressional language which requires HUD "to follow Treasury's rules on cash management" for the HCV program effective January 1, 2012. Cash management refers to the disbursements of funds and the Department of Treasury's rules on cash management as provided in the Treasury Financial Manual, Vol. 1, Part 6 Section 2025 and states that:

"Advances to a recipient organization will be limited to the minimum amounts necessary for immediate disbursement needs and will be timed to be in accord only

94

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94

Returning Excess RNP Interest Income

Interest earned on RNP must be returned in excess of \$500.

pms.psc.gov/

**Housing Choice Voucher Programs
Interest Earned on Excess HAP Funds and RNP Balances
PHA Annual Certification for Internal Records**

PHA Name: _____
 PHA Number: _____
 PHA FYE: _____

This is to certify that the _____ PHA earned interest on invested HAP and Restricted Net Position (RNP) funds (formerly referred to as Net Restricted Assets or NRA) for the PHA fiscal year ending: _____ in the amount of \$ _____.

The PHA remitted \$ _____ on (date) to the Department of Health and Human Services (HHS), Payment Management System (PMS).

Certification: I hereby certify that all the information stated herein, as well as any information provided in the accompanying paperwork, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C. 1001, 1010, 1012, 31 U.S.C. 3729, 3802).

Signature of Authorized PHA Official _____ Date _____

Printed Official's Name and Title _____

This Certification must be signed by the appropriate PHA official and kept for financial review purposes by the auditor or the Housing Voucher Quality Assurance Division (QAD). Interest must be remitted to the Treasury via the HHS Payment Management System no later than 45 days following the PHA FYE covered by this certification.

HHS guidance related to funds remittances can be found on the HHS Division of Payment Management website at the following link:
<http://www.dpm.psc.gov/grant-recipient/funding-requests/returning-interest.aspx>
 Click on "returning funds" for specific information.

95

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95

Returning Excess RNP Interest Income

The screenshot shows the PMS website with the following content:

U.S. Department of Health & Human Services
PMS Payment Management System
 Program Support Center

About Us Find PMS Login Account Grant Recipients Awarding Agencies Training Support

Returning Funds/Interest
Returning Funds
 PMS prefers funds returned using Automated Clearing House (ACH) Direct Deposit (Remittance Express (REX)) or FedWire.

IMPORTANT - PLEASE INCLUDE:

- PMS Account Number (PAN). NOTE: The PAN is the same series of alpha-numeric characters used for payment request purposes (e.g., C0234567). This is important to indicate whom to credit the funding.
- PMS document number
- The reason for the return (e.g., Excess cash, funds not spent, interest, part interest part other, etc.)

Electronic returns include fields to include financial data. Please make use of these fields and include pertinent subaccount information if it applies.

(Scroll to bottom of page)

96

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96

Returning Excess RNP Interest Income

Check Returns (USPS Only)

Returning funds via check will result in a processing delay. Please allow 4-6 weeks for processing of a payment by check to be applied to the appropriate PMS account.

To return interest on a grant not paid through the PMS, make your check payable to the Department of Health and Human Services. Mail the Check to:

HHS Program Support Center
PO Box 530231
Atlanta, GA 30353-0231

Please include a brief statement explaining the nature of the return.

Returning Interest

PMS is the central collection point for interest earned on federal grants.

If the grant for which you are returning interest is paid through PMS, the refund should include:

- An explanation stating that the refund is for interest
- List the PMS Payer Account Number(s) (PANs)
- List the grant number(s) for which the interest was earned
- The return should be made payable to: Department of Health and Human Services.

You may return funds for principle and interest in the same refund, however, you must note the amounts that should be applied to each.

If the grant for which you are returning interest is not paid through the PMS, the refund should be accompanied with:

- An explanation stating that the refund is for interest
- The name of the awarding agency
- The grant number(s) for which the interest was earned
- The return should be made payable to: Department of Health and Human Services.

SUPPORT pms.psa.gov PMSAccount@hhs.hhs.gov 877-674-5522	PSG About Services News	HHS Accessibility Privacy Policy Freedom of Information Act Disclaimers	COMMUNITY Information.gov USA.gov
-------------------------------------------------------------------------	-----------------------------------------	--------------------------------------------------------------------------------------------	------------------------------------------------

This provides the mailing address for the payment to the DHHS and information that is required in addition to the payment.

HCV - Cash/Investment as of Last Day of the Month

This represents the amount of cash reported on the VMS at CY end.
The calculation that should be used is:

All **RECONCILED** cash
+/- Inter-funds
- FSS liabilities
- Current liabilities
Reconciled cash reported on VMS

Does the PHA have enough cash to cover RNP?



Other Income & Expenses - MTW

MTW - Public Housing Operating Subsidy Eligible Expenses

This field is used to capture HAP funds expended by the PHA on public housing Operating Fund eligible expenses. For example, HAP funds expended on the cost of security services in an MTW PHA's public housing facilities. Note: this field should only be used by MTW PHAs.

MTW - Capital Fund Eligible Expenses

This field is used to capture HAP funds expended by the PHA on Capital Fund Program eligible expenses. For example, HAP funds expended on demolition costs associated with modernization of an MTW PHA's public housing facilities. Note: this field should only be used by MTW PHAs

MTW - HCV Administrative Expenses Using HAP

This field is used to capture HAP funds expended by the MTW PHA to directly or indirectly administer the HCV program. Note: this field should only be used by MTW PHAs.

99

THE VMS & RNP RECONCILIATION



99

Other Income & Expenses - MTW

MTW - Local, Non-Traditional (LNT) Program-

This field is used to capture HAP funds expended by the PHA in pursuit of eligible local, non-traditional program expenses. This includes HAP funds used for housing development programs, homeownership programs, rental subsidy programs, and service provision programs per Notice PIH 2011-45 or successor notice. Note: this field should only be used by MTW PHAs.

MTW - HCV Administrative Fee Expenses

This field is used to capture HCV Administrative Fees expended by the MTW PHA on administrative expenses to directly or indirectly administer the HCV program. Note: this field should only be used by MTW PHAs.

100

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100

Other Income & Expenses - MTW

Unspent Fund Source (HCV, CAP, OP or MTW)-1

This section is for MTW PHA reporting of commitments and obligations that have been made for the future expenditure of currently unspent funds. The PHA reports in this field the source of the unspent funds (HCV, Operating Fund, Capital Fund, or merged MTW)

Type of Account-1

Type of projected expenditure from the fields provided for actual expenses or another category to be added by the PHA

Activity-1

The specific activity within the category which the PHA is undertaking

101

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101

Other Income & Expenses - MTW

Funds Committed-1

The total amount from the Unspent Fund Source that the PHA has committed to the activity. This amount should be changed in subsequent reporting if the level of commitment changes but should not be reduced as the commitment moves to obligation.

Type of Commitment-1

The specific action that commits the funds to the activity.

Date of Commitment-1 (MM/DD/YYYY)

The date of the commitment action

102

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102

Other Income & Expenses - MTW

Funds Obligated-1	The total amount from the commitment that the PHA has obligated to the activity. This amount should be changed in subsequent reporting if the level of obligation changes but should not be reduced as the obligated funds are expended.
Type of Obligation-1	The specific action that obligates the funds to the activity, such as a contract executed with Company ABC
Date of Obligation-1 (MM/DD/YYYY)	The date of the obligation action
Funds Expended from Commitment/Obligation-1	The total of the obligated amount that has been expended on the activity.
Projected Date of Full Expenditure-1 (MM/DD/YYYY)	The date by which the PHA anticipates the funds committed and obligated for this activity will be fully expended

103

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103

Expense Comments

- ▶ **Expense Amount 1 (up to 5)**
 - Other expenditures amount incurred by the HA for the Voucher Program, which the HA has been instructed to report
- ▶ **Expense Description 1**
 - Description of other expenditures incurred by the HA for the Voucher Program, which the HA has been instructed to report. Description field will accommodate up to 255 characters.
- ▶ **Comment field** to allow PHA to explain their data entries or to provide specific information requested by HUD. Use this field only to explain the required data or to provide specific information required by HUD. The Comment field will accommodate up to 4,000 characters.

104

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104

TAB 4 - Disaster UML/HAP

ALLOWS SUBMISSIONS FOR UP TO FOUR TYPES OF AWARDS:

- ▶ **Disaster name** - name of disaster
- ▶ **Families assisted** - number of families assisted, not reported anywhere else
- ▶ **Families assisted HAP** - amount of HAP paid to assisted families, not reported anywhere else
- ▶ **Security deposits** - security deposits paid during month
- ▶ **Security deposits returned** - security deposit returned during month
- ▶ **Utility deposits** - utility deposits paid during month
- ▶ **Utility deposits returned** - utility deposits returned during month
- ▶ **Administrative Expenditures** - amount of administrative expenses incurred during month
- ▶ **Broker Fees** - fees paid to a broker during month

105

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105

TAB 5 VOUCHER UML & HAP

Emergency Housing Vouchers

EHV UML	Total number of Emergency Housing Vouchers under lease from initial or renewal funds awarded. Vouchers should be reported in this category only if the PHA has received vouchers in this program. A voucher should be reported in this category as long as it is used for an eligible program participant.
EHV HAP	HAP expenses incurred for the Emergency Housing Vouchers reported in the unit's section.
EHV Number of Vouchers Issued but not Under HAP Contract on Last Day of Month	The number of EHV's issued but not under HAP as of the last day of the month. These units should not be reported in any other field.
EHV HAP expenses After the first of the month	Total amount of HAP expenses incurred for new contracts effective after the first of the month for the Emergency Housing Vouchers program. These expenses should not be reported in any other field

106

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106

TAB 5 VOUCHER UML & HAP

Emergency Housing Vouchers

EHV- Admin Fees - Preliminary Fee Expense	Amount of Emergency Housing Vouchers Preliminary Fee expenses incurred for the month. Please refer to PIH Notice 2021-15 for additional guidance on the eligible uses for these fees.
EHV - Admin Fees - Placement/Issuance Fee Expenses	Amount of Emergency Housing Voucher Placement/Issuance Fee expenses incurred for the month. Please refer to PIH Notice 2021-15 for additional guidance on the eligible uses for these fees.
EHV - Admin Fees - Ongoing Admin Expense	Amount of ongoing Administrative Expenses incurred for the month for the Emergency Housing Vouchers Program. Please refer to PIH Notice 2021 for additional guidance on the eligible uses for these fees
EHV-Service Fee - Housing Search Assistance Expense	Amount of Service Fee Expenses incurred for Housing Search Assistance. Please refer to PIH Notice 2021- 15 for additional guidance on the eligible uses for these fees.

107

THE VMS & RNP RECONCILIATION



107

TAB 5 VOUCHER UML & HAP

Emergency Housing Vouchers

EHV- Service Fee - Security/Utility Deposit/Rental App/Holding Fee	Amount of Service Fee Expenses incurred for Security/Utility Deposit, Rental Application and Holding Fee Expenses. Please refer to PIH Notice 2021-15 for additional guidance on the eligible uses for these fees.
EHV - Service Fee - Owner Incentive Expense	Amount of Service Fee Expenses incurred for Owner Incentive Expenses. Please refer to PIH Notice 2021-15 for additional guidance on the eligible uses of these fees.
EHV - Service Fee - Other Expense	Amount of Service Fee Expenses incurred for Other Eligible expenses that are not reported in any other Service Fee expense category. Please refer to PIH Notice 2021-15 for additional guidance on the eligible uses for these fees.
EHV- FSS Escrow Deposits	Deposits to Emergency Housing Voucher FSS participants escrow accounts made for this month

108

THE VMS & RNP RECONCILIATION



108

TAB 5 VOUCHER UML & HAP

Emergency Housing Vouchers

EHV - FSS Escrow
Forfeitures This Month

Total value of Emergency Housing Voucher FSS escrow forfeited by tenants during this month. Forfeitures occur when a tenant violates or fails to complete the FSS contract. This amount should not be deducted from HAP expenses as reported for the month in the Emergency Housing Voucher HAP field.

EHV - Fraud Recovery
This Month

Total EHP dollar amount recouped by the HA as fraud recoveries during the month is applied to the EHP RNP account. This consists of the lesser of one-half the amount recovered or the total recovery minus the costs incurred by the PHA in the recovery.

EHV UNP

Same calculation as HCV. We will discuss further.

109

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109

TAB 5 VOUCHER UML & HAP

Emergency Housing Vouchers

EHV RNP

Same calculation as HCV. We will discuss further.

EHV Cash

Same calculation as HCV. We will discuss further.

110

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110

TAB 6- PHA Information Tab

- ▶ Contains name of PHA, housing authority number
- ▶ Name of contact, phone number and email address
- ▶ Name of authorized official and email address
- ▶ Name of Financial Analyst at FMC, email and phone number



111

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IBDO BDO PHA FINANCE

111

TAB 7- Submission

- ▶ Contains submission history for the month's data



112

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IBDO BDO PHA FINANCE

112

Case Study 1: HCV - Restricted Net Position (RNP)

Description	Amount
PHA Beginning Balance For Month	\$30,000
Add: HAP Funding Disbursed From HUD	700,000
Add: ½ of Fraud Recovery	1,000
Add: FSS Forfeiture	300
Less: HAP Expense	(730,000)
PHA Ending Balance For Month	\$1,300

Ending balance rolls forward to next month's beginning balance.

113

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113

Case Study 2: HCV - Restricted Net Position (RNP)

With Prior Month Correction

Description	Amount
PHA Beginning Balance For Month	\$30,000
Add: HAP Funding Disbursed From HUD	700,000
Add: ½ of Fraud Recovery	1,000
Add: FSS Forfeiture	300
Less: HAP Expense	(725,000)
Less: HAP Expense Held Then Paid From Subsequent Month	(3,000)
PHA Ending Balance For Month	\$3,300

Ending balance rolls forward to next month's beginning balance.

114

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114

HCV - Unrestricted Net Position (UNP)

- ▶ Monthly, the PHA reports the total of (1) the most recent PHA FYE UNP balance plus (2) any interest earned and fraud recovery allocated to the UNP through the end of the reporting period, minus (3) any funds expended from the UNP through the end of the reporting period
- ▶ This includes all funds held in the Administrative Fee Reserve prior to the establishment of the UNP (UNP & Admin Fee Reserve are the same)
- ▶ The excess fees received during the PHA's current FY will **NOT BE REPORTED IN THE UNP** field until after the PHA's FYE
 - Will update the VMS for UNP so that the VMS and FDS matches for your PHA's fiscal year end (3/31, 6/30, 9/30, 12/31)

115

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115

HCV - UNRESTRICTED NET POSITION

Case Study 1

Description	Amount
UNP Beginning Balance	\$300,000
Add: Interest Earned	30
Add: The greater of ½ fraud recovery or the cost of collections (cash collections only)	300
Less: Funds expended	0
PHA's Ending Balance on VMS	\$300,330

- ▶ PHA will only report an increase in UNP for interest and fraud recovery (admin portion)
- ▶ If Admin revenue is greater the Admin expenses, excess Admin fee revenue would not be reported in VMS for the month

116

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116

HCV - UNRESTRICTED NET POSITION

Case Study 2

Description	Amount
UNP Beginning Balance	\$300,330
Add: Interest Earned	20
Add: The greater of ½ fraud recovery or the cost of collections (cash collections only)	100
Less: Funds expended	(1,000)
PHA's Ending Balance on VMS	\$299,450

- ▶ If Admin expenses are greater than Admin fees received, then PHA would reduce the UNP for VMS reporting purposes for the month plus interest and fraud recovery (admin portion)

117

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117

Mainstream

Net Position and Cash Reporting

- ▶ Net Position
 - New fields have been added to report RNP and UNP for the Mainstream program
 - The calculation is the same as the HCV program
- ▶ Cash/Investment Reporting as of Last Day of Month
 - Cash and investments have to be reported in the same manner as the HCV program

118

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118

VMS, the FDS & the Two Year Tool

- ▶ The VMS UNP must match the UNP on the FDS at the fiscal year-end of the PHA
- ▶ The VMS RNP should be close to the RNP on the FDS at fiscal year-end
 - A 3% variance is typically acceptable; or a supporting schedule should be included with the FDS
- ▶ The HAP expenses on the VMS should be close to the HAP expense on the FDS at fiscal year end
 - A 3% variance is typically acceptable, or a supporting schedule should be included with the FDS
- ▶ HUD has recently started to compare the administrative costs on the VMS to the FDS
 - Make the administrative costs on the VMS agree to the FDS
- ▶ HUD will pull the VMS data into the Two Year Tool
 - TYT is also used to monitor shortfall

119

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119

Common VMS Reporting Errors

120

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120

Common VMS Reporting Errors

1. Not reporting as of the first of the month
2. Including Port-In in UML as “all other vouchers” as well as related HAP expense
3. Reporting Vouchers in more than one category
4. Reporting under incorrect voucher type
 - a) VASH Vouchers are reported as VASH regardless whether tenant Ports out
 - b) Once tenant protection - always tenant protection
5. Including Vouchers leased after first of the month as being under lease on first of month
6. Including Vouchers on hold
 - a) Issued but not under HAP contract
 - b) In contrast, HAP Vouchers in abatement are included



121

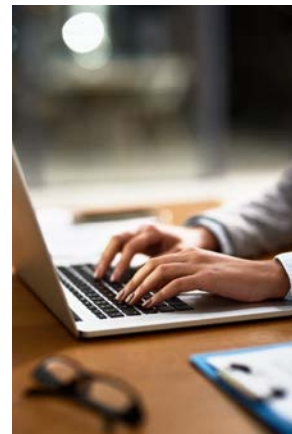
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121

Common VMS Reporting Errors

7. Incorrect “remaining under lease at end of month” data
 - a) Should include all Vouchers remaining under lease on last day of month
8. Including Port-Out administrative fees as HAP expense
9. Reporting on the “after first of the month HAP” line item all HAP paid with mid-month check run, rather for those vouchers leased after the first of the month
10. Reducing HAP expenses by fraud recovery and FSS forfeitures



122

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122

Common VMS Reporting Errors

11. Reporting HAP under more than one category
 - a) Duplicate HAP reporting
12. Reporting HAP on a Cash basis in VMS rather than an Accrual basis
 - a) Retro-active Vouchers
13. Reporting 100% of fraud recovery collected
14. Reporting total fraud recovery receivables as fraud recovery collected
 - a) Total amount of repayment agreement
15. Reporting \$0 in fraud recovery, keeping 100% as UNP without justification
16. Incorrect reporting cash & investments
17. Failing to report RNP and UNP



123

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123

Questions?

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124

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124