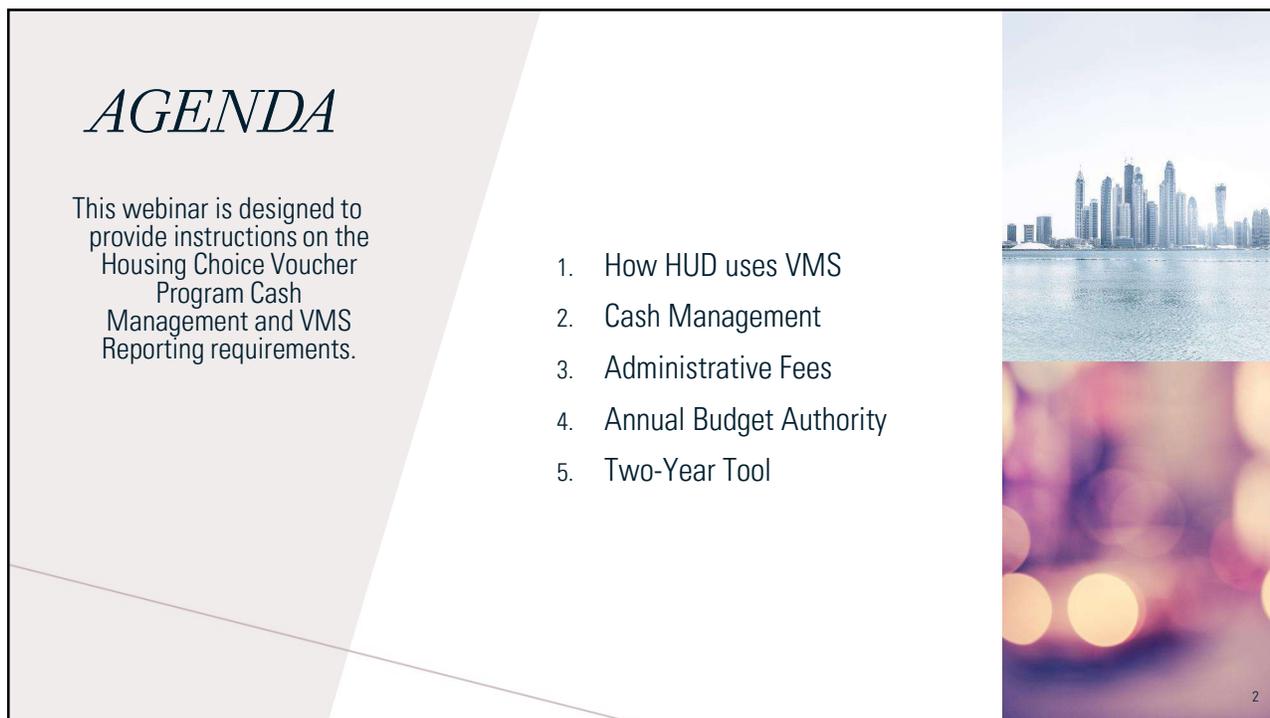




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*VMS USES*

			
<b>Cash Management</b>	<b>Administrative Fees</b>	<b>HAP Budget</b>	<b>Two-Year Tool</b>
Determine monthly disbursements from HUD Validate prior month's Housing Assistance Payments (HAP)	Calculation of monthly administrative fee advance and quarterly reconciliations	Calculation of following year HAP budget authority Re-benchmarking and the calendar year HAP reconciliation	HAP, Unit Months Leased (UML), and Restricted Net Position (RNP)

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*CASH MANAGEMENT*

**Cash Management implemented in FY12:**

1. HUD instituted CASH MANAGEMENT procedures outlined in [PIH Notice 2011-67](#).
2. HUD-Held Reserves was established.
  - HUD instituted a system of cash management for PHAs to receive HAP.
    - HAP funding is received to pay upcoming HAP costs, and amount of funding can fluctuate.
    - Monthly disbursements are based on HAP expenses reported to VMS and RNP calculated by HUD.

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## *CASH MANAGEMENT UPDATED: PIH NOTICE 2017-06*

- This notice revised the cash reconciliation time frames and provided additional guidance to MTW agencies.
- This notice replaces [Notice PIH 2011-67](#) and will remain in effect until superseded.
- HUD has more flexibility to choose what months it will analyze in determining HAP disbursements.
- For example, HUD may use the July expense and leasing data to fund October and November HAP.



U.S. Department of Housing and Urban  
Development  
**Public and Indian Housing**

Special Attention of:  
Office Directors of Public Housing;  
Regional Directors; Public Housing  
Agencies.

**Notice PIH-2017-06**

Issued: March 23, 2017

This notice remains in effect until amended,  
revoked or superseded.

Cross References: PIH Notice 2011-67

**SUBJECT: Cash Management Requirements for the Housing Choice Voucher Program**

1. **Purpose.** This Notice revises the cash management requirements and procedures for the disbursement and reconciliation of Housing Assistance Payments (HAP) funds provided to public housing agencies (PHA) under the Housing Choice Voucher (HCV) program, including Moving-to-Work (MTW) agencies. This Notice revises the cash reconciliation timeframes and provides additional guidance to MTW PHAs. This Notice replaces Notice PIH 2011-67 and will remain in effect until superseded.
2. **Background.** Congress provides funding for the HCV program through Annual Appropriations Acts. HUD allocates and awards funding to PHAs in accordance with the Appropriations Acts. PIH 2011-67 established cash management procedures to mitigate PHA accumulation of Restricted Net Position (RNP) funds, reduce Treasury outlays by timing the disbursements based on actual need, and facilitate a more efficient and timely method by which to account for PHA program reserves. In January 2012, the Department began distributing funds to PHAs monthly based on the most recent assessment of needs.
3. **Requirements.** HUD is required to control disbursement of funds to PHAs in such a way as to ensure that PHAs do not receive Federal funds before they are needed, as described in *Treasury Financial Manual*, Volume 1, Part 4A-2045.10 – Cash Advances – Establishing Procedures for Cash Advances:

It is the responsibility of grantor agencies to monitor the cash management practices of their recipient organizations to ensure that Federal cash is not maintained by them in excess of immediate disbursing needs. Agencies must establish systems and procedures to assure that balances are maintained commensurate with immediate disbursing needs, [and] excess balances are promptly returned to the Treasury.

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## *POST-CASH MANAGEMENT*

**HUD will closely monitor the RNP for frontload request of additional HAP funding to the PHA.**

HUD performs an annual review of the PHAs with a variance of 3% (of total BA) when comparing the HUD-calculated and the VMS-reported RNP to reconcile the variance.

**HUD performs a semi-annual and final HAP reconciliation to determine the amount of excess RNP subject to offset or underpayments due (at the end of the year).**

HAP disbursements are reduced by the amount of HUD-verified RNP.

**HAP funds obligated that are not disbursed as of December 31<sup>st</sup> will automatically transitioned to HHR.**

The HUD-Held reserves are cumulative year-to-year and can be used for all prior or current year HAP expenses.

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*EARNING ADMIN FEES*

Fees are earned based on leasing reported to VMS on the **FIRST DAY** of the month

Fees are earned for leased units up to the Unit Months Authorized (UMA)

Over-leased units do not earn admin fees.

No mid-month admin fee may be earned for move-ins (new HAP contracts) after the first of the month

**Two Rates**

- **A rate** is for the first 600 units leased each month (7,200 per year).
- **B rate** is for units leased over 600 units each month.

Administrative fee rates can be found here:  
[hud.gov/program\\_offices/public\\_indian\\_housing/centers/fmc](https://www.hud.gov/program_offices/public_indian_housing/centers/fmc)

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## EARNING ADMIN FEES - PBV

Project-based vouchers can also earn an administrative fee for units reported in the following VMS fields:

- Number of PBVs under HAP and not Leased
- Number of PBVs under HAP and not leased with vacancy payment and associated vacancy HAP expense

These UML totals are reported in a separate line on the Quarterly and Annual HCV Admin Fee reconciliations.

Calculation of January - December 2021 Administrative Fees Housing Choice Voucher Program		
HA Number:	RQ005	
HA Name:	PUERTO RICO PUBLIC HOUSING ADMINISTRATION	
1	VMS Unit Months Leased	140,111
2	Unleased PBV UMLs	2,532
3	Total UMLs (Line 1 + Line 2)	142,643
4	Unit Months Available	147,321
5	Overleased UMLs (Line 3 - Line 4 if overleased)	0
6	Lesser of UMLs or UMAs (Minimum of Line 3 and Line 4)	142,643
7	Unit Months Eligible for Column A Rate	7,200
8	Column A Rate	\$79.99
9	Eligibility - Column A Unit Months (Line 7 x Line 8)	\$575,928

VMS reporting requirements for PBV units can be found here:  
<https://www.hud.gov/sites/dfiles/PIH/documents/INSTRUCTIONS.PDF>

## EARNING ADMIN FEES

- 1 HUD advances administrative fees to PHAs each month based on prior reported leasing in VMS.
- 2 Each PHA's administrative fee eligibility is reconciled after every quarter based on actual reported leasing and as updated.
- 3 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.
- 4 A final reconciliation will be completed after December's leasing data is reported in VMS at which time the final proration for the calendar year will be determined.

## EARNING ADMIN FEES

Calculation of January - December 2021 Administrative Fees Housing Choice Voucher Program		
HA Number:	RQ005	
HA Name:	PUERTO RICO PUBLIC HOUSING ADMINISTRATION	
1	VMS Unit Months Leased	140,111
2	Unleased PBV UMLs	2,532
3	Total UMLs (Line 1 + Line 2)	142,643
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6	Lesser of UMLs or UMAs (Minimum of Line 3 and Line 4)	142,643
7	Unit Months Eligible for Column A Rate	7,200
8	Column A Rate	\$79.99
9	Eligibility - Column A Unit Months (Line 7 x Line 8)	\$575,928
10	Unit Months Eligible for Column B Rate (Line 6 - Line 7)	135,443
11	Column B Rate	\$74.65
12	Eligibility - Column B Unit Months (Line 10 x Line 11)	\$10,110,820
13	Total Eligibility (Line 9 + Line 12)	\$10,686,748
14	Pro-Ration Factor	0.85800
15	Pro-Rated Eligibility (Line 13 x Line 14)	\$9,169,230
16	Fees Obligated	\$8,657,774
17	Calendar Year 2020 Overdisbursements	\$0
18	Total Obligated + CY 2020 Overdisbursements (Line 16 + Line 17)	\$8,657,774
19	Shortfall in Fees Obligated (Line 15 - Line 18, if positive)	\$511,456
20	Excess Fees Obligated (Line 15 - Line 18, if negative)	\$0

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## *APPROPRIATIONS CALCULATION*

There are two pieces of funding that are part of the Annual Budget Authority (ABA) awarded to PHAs, also referred to as appropriations:



### Re-Benchmarking

Renewal Funding (from VMS)



### Funding for New Units

Non-Renewal Funding

## *APPROPRIATION CALCULATION: IMPLEMENTATION NOTICE*

Implementation Notice (FFY) 2022 Highlights:

- CY2022 HAP Renewal Funding details
- Funding for Administrative Costs
  - Special Fee eligibility
- HAP Set-Aside Categories
- Admin Fee, HAP, HAP Reserve Guidance
- VMS/FASS Reporting

**HUD PIH Notices, including PIH 2022-014:**

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/publications/notices](https://www.hud.gov/program_offices/public_indian_housing/publications/notices)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

<p><b>Special Attention of:</b> Office Directors of Public Housing; Regional Directors: Public Housing Agencies</p>	<p><b>PIH Notice 2022-14</b> <b>Issued: May 19, 2022</b></p> <p>Expires: This notice remains in effect until amended, superseded, or rescinded.</p> <p style="font-size: x-small;">Cross References: PIH Notice 2021-08, PIH Notice 2020-01, PIH Notice 2019-01/01-2019-02, PIH Notice 2018-12, PIH Notice 2018-09, PIH Notice 2017-20, PIH Notice 2017-06, PIH Notice 2015-17, PIH Notice 2013-28, PIH Notice 2011-28</p>
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**SUBJECT:** Implementation of the Federal Fiscal Year (FFY) 2022 Funding Provisions for the Housing Choice Voucher Program

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## APPROPRIATION CALCULATION: RE-BENCHMARKING

- Funding is awarded on a calendar year.
- HUD uses the total HAP, UAP, and FSS escrow expenses and leasing reported in VMS from January to December of the prior year to determine funding for the current calendar year.
- HUD then applies a local inflation and proration factor.
- HAP cost for over-leased units will not be funded.
- Examples of HUD adjustments:
  - Transfers
  - Non-Renewal Funding
  - Offsets

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## RENEWAL FUNDING CALCULATION:

Calculation of Calendar Year 2022 Renewal Funding Housing Choice Voucher Program			
1	HA Number:	RQ005	
2	HA Name:	PUERTO RICO PUBLIC HOUSING ADMINISTRATION	
<b>CY 2022 Renewal Funding</b>			
3	CY 2022 HCV Renewal Funding after Offset and Amounts Owed HUD	\$58,988,237	
<b>CY 2022 Non-Renewal Funding</b>			
4	CY 2022 Non-Renewal Funding (TPVs, VASH, etc.) to Date	\$19,326	
5	CY 2022 Estimated RAD 1 Funding For First Full Year After Conversion	\$0	
6	CY 2021 Proration Increase	\$200,419	
7	Total CY 2022 HCV Renewal and Non-Renewal Funding		\$59,207,982
<b>ELIGIBILITY</b>			
8	Total Unit Months Leased per VMS - CY 2021	140,111	
9	Total Unit Months Available - CY 2021	147,321	
10	Capping Percentage	100%	
11	Total CY 2021 HAP Expenses per VMS	\$64,715,351	
12	Total CY 2021 Capped HAP Expenses (Line 11 x Line 10)	\$64,715,351	
13	Renewal Funding Inflation Factor	1.03569	
14	Inflated Eligibility Sub-Total (Line 12 x Line 13)	\$67,025,042	
15	First Time Renewals - Appendix II	\$696	
16	Transfers In or Out	\$0	
17	Total DHAP Eligibility	\$0	
18	Total Renewal Eligibility (Line 14 + Line 15 + Line 16 + Line 17)	\$67,025,738	
19	Proration Factor		100%
20	Prorated Eligibility (Line 18 x Line 19)		\$67,025,738

CY 2022 Offset Reallocation		Appendix I	
HA Number:	RQ005		
HA Name:	PUERTO RICO PUBLIC HOUSING ADMINISTRATION		
<b>CY 2021 End of Year Reserves</b>			\$21,652,418
<b>PROTECTED CATEGORIES</b>			
A.	Difference between the PHA's Eligibility and Prorated Eligibility		\$0
B.	CY 2022 Amounts needed to fully lease VASH units		\$202,220
C.	Difference between higher of December 2021 UMLs x 12 or CY 2021 UMLs up to baseline on units under CACC		\$0
D.	Difference between December, 2021, PUC and Inflated CY 2022 PUC at capped annualized December leasing		\$0
E.	CY 2021 New incremental BA- 1/2 of Eligibility		\$77,306
F.	CY 2021 Set Aside Protection- 1/2 of Eligibility		\$0
G.	CARES Act HAP Awards protection- Unspent Remaining Funds *		\$0
H.	Portion of CY 2022 Renewal Eligibility (Based on units under CACC):		\$2,681,030
	4% - 500 and above units		
	6% - 250 to 499 units		
	12% - Less than 250 units		
I.	PHAs with CY 2021 inflation factors that were higher than the CY 2021 national weighted average inflator.		\$0
J.	Difference between CY 2021 Inflated Funding and CY 2022 Renewal funding.		\$0
K.	Protect 1/2 of RAD 1 HAP for Projects in their 1st Full Year of CY 2021		\$0
L.	Total Funds Available for Offset		\$18,691,862
	Offset Amount (Total Funds Available for Offset x 43%)		\$8,037,501

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*TWO-YEAR TOOL*

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*TWO-YEAR TOOL*

**Objective:** Analyze a PHA's utilization, by creating basic leasing and spending scenarios, to optimize the program.

**Goal:** Facilitate a conversation between HUD and the PHA, in order to help develop an informed strategy for both the current and the following year.

- Voucher Issuances
- Per Unit Costs
- New PBV Units
- Turnover and Success Rates

**Utilization Tools, Two Year Tool, Training Guides:**  
[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/Tools](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/Tools)

ACC/Funding Information				Funding Proration/Offset Levels	
ACC	Current Year (2018)	Year 2 (2019)	Year 3 (2020)	HAP	
Beginning ACC Vouchers	5,757	5,760	5,760	Year 2 (2019) Benchmark	100.0%
Funding Components	Current Year (2018)	Year 2 (2019)	Year 3 (2020)	Year 3 (2020) Benchmark	100.0%
Initial RA Funding (net offset)	\$34,963,298	\$33,930,725	\$31,981,379	Year 2 (2019) % 'Excess' Reserves Offset	0.0%
Offset of HAP Reserves	\$0	\$0	\$0	Year 3 (2020) % 'Excess' Reserves Offset	0.0%
Set Aside Funding	\$0			Administrative Fees	
New ACC Units Funding	\$11,961	\$3,987	\$0	Year 1 (2018)	77.0%
Total ABA Funding Provided	\$34,975,259	\$33,934,712	\$31,981,379	Year 2 (2019)	77.0%

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## TWO-YEAR TOOL

The tool is used to monitor leasing to:



### Estimate Funding

for the following year  
(re-benchmarking)



### Maximize Leasing

for the current year



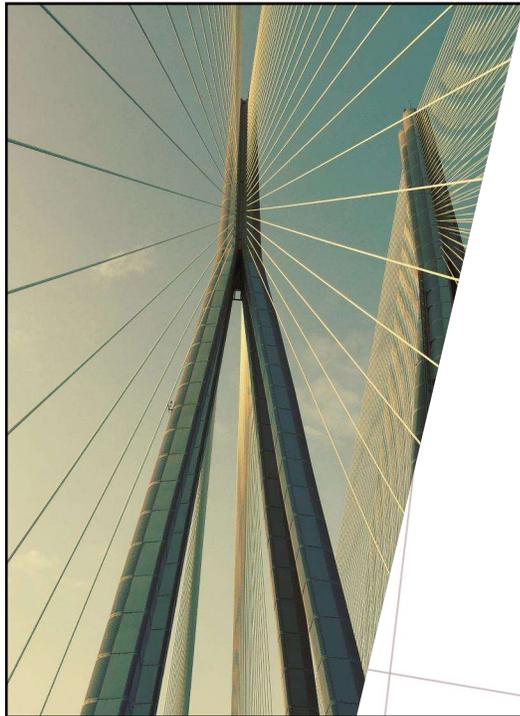
### Prevent Deficit

by PHAs going into shortfall\*

\*Once funding letters are provided to PHAs and the TYT is projecting a negative HAP reserve level, the PHA would be considered in shortfall.

## TYT- ADD'L DISBURSEMENT DEMONSTRATION

Owner		Additional Disbursement for RQ053 (Municipality of Toa Alta) - FYE 6/30 (Obligations/Disbursements As of July 22, 2022)								
Category		Housing Assistance Payments (HAP)								
(BOM: Beginning of Month)	Calculated BOM PHA-Held RNP	Actual/Projected Disbursements (HUD to PHA)	Actual/Projected Expenses	Disbursements Minus Expenditures	Fraud Recovery/ FSS Forfeitures (VMS)	Calculated EOM RNP	Reported EOM RNP (VMS)	Difference	Actual/Projected UMLs	
(EOM: End of Month)										
Years										
2022/2023										
January-22	\$34,881	\$82,481	\$86,426	(\$3,945)	\$0	\$30,936	\$30,936	\$0	167	
February-22	\$30,936	\$81,867	\$87,495	(\$5,628)	\$0	\$25,308	\$25,308	\$0	167	
March-22	\$25,308	\$85,169	\$85,286	(\$67)	\$0	\$25,221	\$25,221	\$0	167	
April-22	\$25,221	\$85,169	\$86,574	(\$1,405)	\$0	\$23,816	\$23,816	\$0	166	
May-22	\$23,816	\$84,879	\$86,742	(\$1,863)	\$0	\$21,953	\$21,953	\$0	166	
June-22	\$21,953	\$84,364	\$85,171	(\$807)	\$0	(\$8,854)	(\$8,854)	\$0	166	
July-22	(\$8,854)	\$89,245	\$86,823	\$2,422	\$0	(\$6,432)	(\$6,432)	\$0	162	
August-22	(\$6,432)	\$94,105	\$86,660	\$7,445	\$0	\$1,013	\$1,013	\$0	162	
September-22	\$1,013	\$88,477	\$86,430	\$2,047	\$0	\$3,060	\$0	\$3,060	162	
October-22	\$3,060	\$88,477	\$86,448	\$2,029	\$0	\$5,089	\$0	\$5,089	162	
November-22	\$5,089	\$0	\$86,443	(\$86,443)	\$0	(\$81,354)	\$0	(\$81,354)	162	
December-22	(\$81,354)	\$0	\$86,057	(\$86,057)	\$0	(\$167,411)	\$0	(\$167,411)	161	
January-23	(\$167,411)	\$0	\$85,627	(\$85,627)	\$0	(\$253,038)	\$0	(\$253,038)	160	
February-23	(\$253,038)	\$0	\$85,200	(\$85,200)	\$0	(\$338,239)	\$0	(\$338,239)	159	
March-23	(\$338,239)	\$0	\$84,775	(\$84,775)	\$0	(\$423,014)	\$0	(\$423,014)	158	
April-23	(\$423,014)	\$0	\$84,352	(\$84,352)	\$0	(\$507,366)	\$0	(\$507,366)	158	
May-23	(\$507,366)	\$0	\$83,931	(\$83,931)	\$0	(\$591,297)	\$0	(\$591,297)	157	
June-23	(\$591,297)	\$0	\$83,512	(\$83,512)	\$0	(\$674,809)	\$0	(\$674,809)	156	
<b>Total for CY 2022</b>		\$834,233	\$1,036,525		\$0					
<b>Total</b>		\$834,233	\$1,543,823		\$0					



*QUESTIONS?*

Thank you!

Josh Preut | [joshua.c.preut@hud.gov](mailto:joshua.c.preut@hud.gov)

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