

COVID-19 Accounting & Reporting Update

CCHRCO Summer 2021

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO BDO PHA FINANCE

With You Today



BRIAN D. ALTEN, CPA
Partner

balten@bdo.com
215-940-7812

Highlights of Session

1

Background of CARES Act funding

2

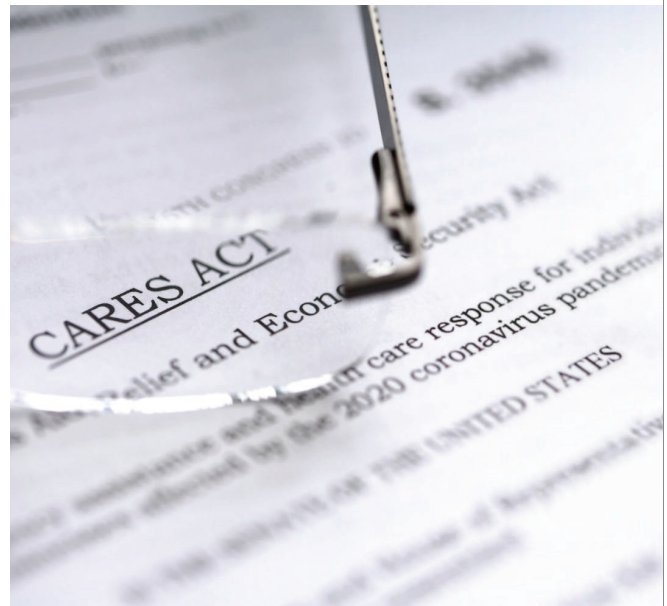
Eligible Costs

3

Impacts on COCC, AMPs, CFP and HCV accounting

4

FDS Reporting & Tentative Quarterly Reporting



3

COVID-19 ACCOUNTING & REPORTING UPDATE



BDO PHA FINANCE

HUD's Coronavirus Resource Page

www.hud.gov/coronavirus



4

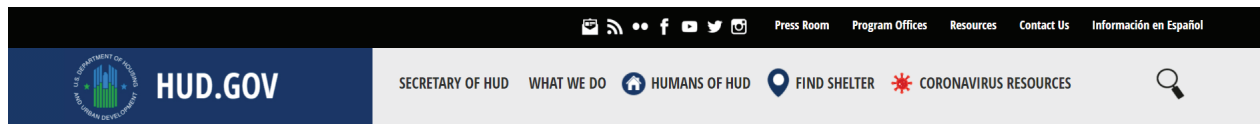
COVID-19 ACCOUNTING & REPORTING UPDATE



BDO PHA FINANCE

HUD's Coronavirus Resource Page - Public Housing

www.hud.gov/coronavirus/public_housing_agencies



Home / Coronavirus / Coronavirus Resources: Public Housing Agencies

Contains policy guidance and FAQs

PUBLIC HOUSING AGENCIES

CDC Eviction Moratorium

On September 4, 2020, the Centers for Disease Control and Prevention (CDC) issued an order banning evictions for certain renters through December 31, 2020. The CDC is issuing the eviction moratorium to protect public health and prevent further spread of COVID-19. The order is separate and independent from the expired CARES Act eviction moratorium.

1. [Federal Register Notice and Order](#)
2. [Resident Declaration Form](#)
 1. [For other languages, click here](#)
3. HUD FAQs and Tenant Flyer are coming soon!

Eviction Prevention and Stability Toolkit

Building on innovative practices from PHAs around the country and existing HUD guidance, this toolkit offers information and resources to PHAs and HCV landlords on ways to stabilize families

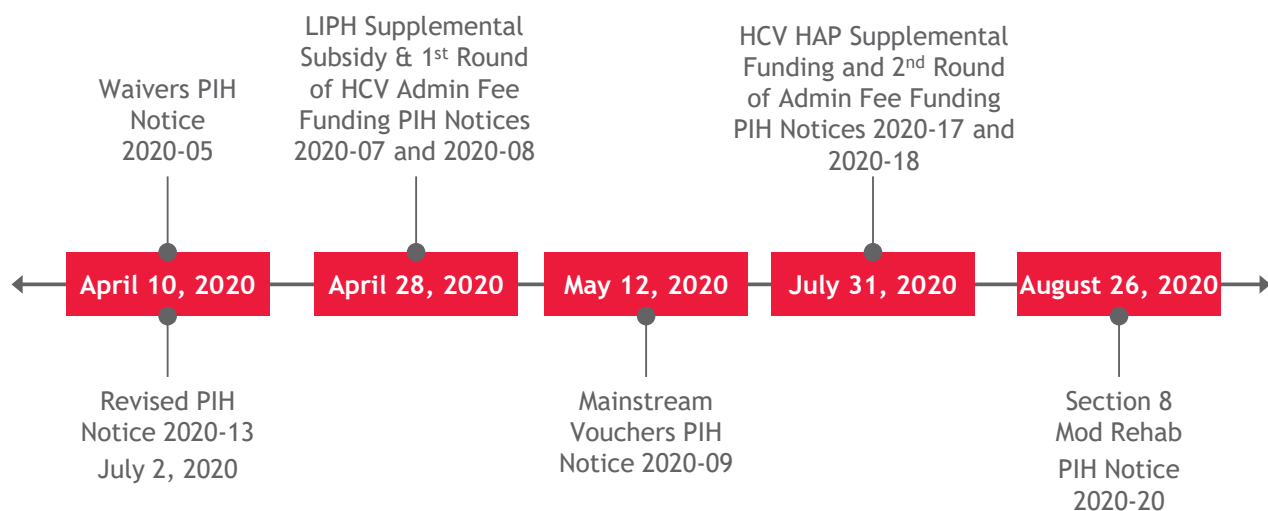
5

COVID-19 ACCOUNTING & REPORTING UPDATE



BDO PHA FINANCE

CARES Act Timeline For Significant Notices



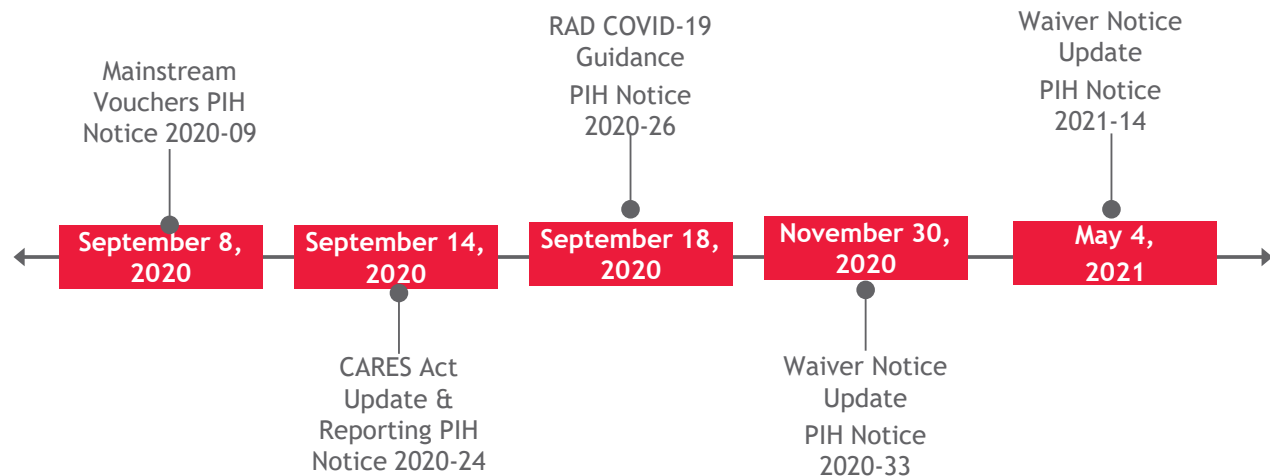
6

COVID-19 ACCOUNTING & REPORTING UPDATE



BDO PHA FINANCE

CARES Act Timeline For Significant Notices



Waivers

PIH Notice 2020-05 as Amended by
PIH Notice 2020-13, 2020-33,
2021-14

Uniform Financial Reporting Standards

UFRS - 24 5.801 - Waiver Update OMB Guidance March 19,2021



PHAs must submit their audited financial statements not later than 9 months after the end of their fiscal year

Audited Dates

FYE	Due Date	Extended Date
6/30/20	3/31/21	9/30/21
9/30/20	6/30/21	12/31/21
12/31/20	9/30/21	3/31/22
3/31/21	12/31/21	6/30/22
6/30/21	3/31/22	9/30/22

CARES Act

Low-Income Public Housing

Public Housing & the CARES Act

PIH Notice 2020-07

April 28, 2020

The CARES Act provided an additional **\$685,000,000** for the Public Housing Operating Fund to **prevent, prepare for, and respond to coronavirus**, including to provide additional funds for public housing agencies to **maintain normal operations** and take other necessary actions during the period that the program is impacted by COVID-19.

11

COVID-19 ACCOUNTING & REPORTING UPDATE

This supplemental funding equates to **about 2 months** of additional operating subsidy to each PHA. The funds may be used for eligible activities under the Operating Fund and the Capital Fund during the period the program is impacted by coronavirus, and other expenses related to preventing, preparing for, and responding to coronavirus, including activities to; support or maintain the health and safety of assisted individuals and families support education and childcare for impacted families.

BDO BDO PHA FINANCE

CARES Act

LIPH

- ▶ Amounts previously made available under the Operating Fund and Capital Fund programs in prior Acts may be used for eligible COVID purposes through **December 31, 2021**, unless this time period is extended.
 - Set-asides grants are not eligible for COVID activities
 - Emergency and natural disaster, safety and security, lead-based paint and other housing-related hazards, such as carbon monoxide reduction grants are not eligible for COVID activities

12

COVID-19 ACCOUNTING & REPORTING UPDATE



PIH Notice 2020-7 applies to both PHAs administering the Public Housing program and PHAs participating in the Moving to Work (MTW) Demonstration.

BDO BDO PHA FINANCE

Distribution of CARES Act Funding

- ▶ HUD is waiving 24 CFR 990.280 (b)(5) to permit PHAs to transfer the entire amount of the CARES Act Supplemental Funds between AMPs without having Excess Cash
- ▶ HUD will make the CARES Act Supplemental Operating Fund amounts available to PHAs via a single obligation to a unique grant number, ending with the letter "C"
 - There will be a grant for each AMP
- ▶ PHAs will be able to draw down the supplemental amounts as needed, to fund eligible costs
 - Only draw funds as you need them
 - Treat like a "CFP" grant

OFND	<u>PA987-00009920D</u>	394,972.00	329,145.00	0.00	65,827.00
+	OFND <u>PA987-00009920DC</u>	122,204.00	0.00	0.00	122,204.00

COVID-19 Funds and the AMP

- ▶ The AMP has two options:
 - Augment the chart of accounts for the AMP to track the COVID activity separately
 - Set-up a new fund with a corresponding chart of accounts to track the COVID activity separately for each AMP or as AMPs combined
- ▶ Track similar to a grant - maintain supporting documentation
- ▶ Draw from one grant at a time or from each grant simultaneously for each AMP

Prevent, Prepare & Respond

- ▶ 3690.91 Supplemental Grant
- ▶ 1499.91 Fixed Asset
- ▶ 4110.91 Salaries
- ▶ 4540.91 Benefits
- ▶ 4590.91 Expenses

When spending CARES Act funds, the PHA must be able to account for activity that is

- COVID-19 related
- Normal operations

Accounting for LIPH Supplemental Funds

FDS Line #	Description	Dr.	Cr.
113	Cash - Restricted	\$5,000	
70600	Revenue		\$5,000

Record the receipt of COVID subsidy

FDS Line #	Description	Dr.	Cr.
91xx/92xx/10020	Salaries/Benefits/FA/Other	\$5,000	
113	Cash - Restricted		\$5,000

Record expenditure related to COVID expenditures

Get Funds Into the COCC

HUD is waiving 24 CFR 990.280(b) so that PHAs complying with Asset Management may transfer funds to the Central Office Cost Center (COCC) to pay for **immediate needs** of the COCC that exceed the safe harbors identified in Chapter 7 of the HUD Financial Management Handbook, **in order to cover the additional expenses required to prevent, prepare for, and respond to the coronavirus.**

- ▶ Funds transferred to the COCC in excess of the safe harbors must comply with the cost reasonableness standards found at 2 CFR 200.404, and shall not exceed the safe harbors by more than 50 percent
- ▶ Funds transferred to the COCC remain CARES Act Supplemental Operating Funds.
 - Project Management Fees
 - Bookkeeping Fees
 - Asset Management Fee
 - CFP Fee
 - HCV

COVID-19 Funds & The COCC

- ▶ The COCC has two options:
 - Augment the chart of accounts for the COCC to track the COVID activity separately
 - **Set-up a new fund with a corresponding chart of accounts to track the COVID activity separately**
- ▶ Track similar to a grant - maintain supporting documentation
- ▶ We recommend income accounts to track all the fees **above the safe harbor** and separate expense accounts to track expenditures related to the amounts above safe harbor fees

Prevent, Prepare & Respond

- ▶ 3690.91 Supplemental Grant
- ▶ 1499.91 Fixed Asset
- ▶ 4110.91 Salaries Admin
- ▶ 4540.91 Benefits Admin
- ▶ 4590.91 Expenses

When spending CARES Act funds, the PHA must be able to account for activity that is

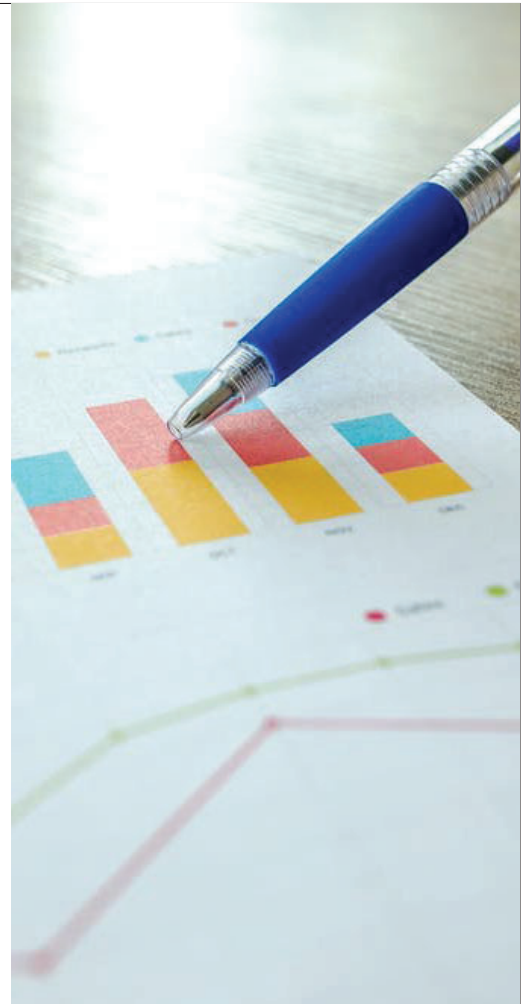
- COVID-19 related
- Incremental increase for normal operations

COVID-19 Funds & The COCC

- ▶ The higher fee (above safe harbor) can only be paid using CARES Act funds from that respective program
- ▶ The CARES Act funds transferred to the COCC must be used for COCC COVID-19 related costs, or cover incremental higher operational costs of the COCC due to COVID-19
 - For example, the PHA has approved an increase in COCC salary for hazard pay or purchased laptops so staff can work from home
- ▶ The PHA must show that the COCC fees charged to the program are less than what was expected due to COVID-19 pandemic, then the PHA can use a reasonable increase in its fees above the safe-harbor amounts to cover expenses to liquidate costs where expected fee income could not be realized
- ▶ With the exception of a 50 percent cap to fee rates, a PHA's COCC should be in roughly the same financial position as if the COVID-19 pandemic did not occur

COVID-19 Funds & The COCC

- ▶ The COCC's budget, budget assumptions, and past performances are reviewed to help determine if the PHA increased its fee above a reasonable amount
 - For example, if the PHA budgeted a small net income prior to COVID-19 and historically the PHA has a small loss and/or small net income in the COCC, then HUD would expect the COCC reserves to follow this historical pattern



Cost Reasonableness

2 CFR 200.404

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to:

- ▶ Cost is ordinary and necessary for operations.
- ▶ Restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; federal, state and other laws and regulations; and terms and conditions of the Federal award.
- ▶ Market price for comparable goods or services.
- ▶ The PHA acted with prudence considering their entity and staff.
- ▶ Did the PHA significantly deviate from policies and procedures regarding the costs incurred unjustifiably?

Period of Performance, Excess Cash and the AMPs

WAIVER

- ▶ Unlike regular Operating Funds, Supplemental CARES Act funds **may not roll into** a PHA's reserves and must be tracked and accounted for separately
- ▶ PHAs must be able to account for the expenditure of these funds
- ▶ During the Period of Performance, HUD is waiving the requirement in 24 CFR 990.280(b)(5) to have excess cash before charging an asset management fee to the projects in the PHA fiscal year that is current as of the date of the Notice



CARES Act

Housing Choice Voucher and Mainstream

PIH Notice 2020-8

April 28, 2020

- ▶ The CARES Act provides funding to prevent, prepare for, and respond to coronavirus, including for public housing agencies to maintain normal operations and take other necessary actions during the period the program is impacted by coronavirus. **The total supplemental appropriation for the HCV Program is \$1.25 billion.**
- ▶ PIH Notice 2020-8 and 2020-18 covers the administrative fee portion for HCV Programs, including the Mainstream Program, which provides tenant-based vouchers that serve households that include a non-elderly person with a disability under competitive awards.
- ▶ This administrative fee funding may be used by public housing agencies (PHAs) for **all eligible** administrative expenses and other expenses related to coronavirus, which are new eligible activities.

Administrative Fee Disbursements

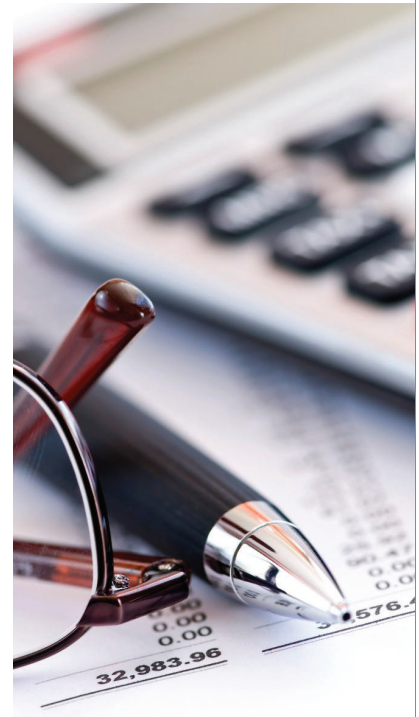
- ▶ HUD will provide \$850 million in administrative fee amounts in two rounds.
- ▶ The initial round was approximately \$380 million (PIH Notice 2020-8)
 - May Disbursement
- ▶ Round 2 of supplemental administrative fee funding was approximately \$470 million (PIH Notice 2020-18)
 - August Disbursement



First Round Funding Methodology

ADMINISTRATIVE FEE

- ▶ The amount of funding PHAs receive in this disbursement equals the average of the PHA's CY 2018 and CY 2019 monthly administrative fee eligibility (100% proration) multiplied by two
- ▶ For example, if the a PHA earned \$1,000,000 in administrative fees in CY 2018 and \$1,100,000 in CY 2019 the average would per year would be \$1,050,000
 - Then, HUD would take the \$1,050,000 divide by 12 to get an average monthly administrative fee amount of \$87,500 and multiply by two months for additional supplemental administrative fees of \$175,000



Second Round Funding Methodology

ADMINISTRATIVE FEE

- ▶ The amount of funding PHAs will receive in this disbursement is calculated by multiplying the total unit months leased (UML) reported in the Voucher Management System (VMS) for the month of May by the CY 2020 administrative fee rates, times 2, prorated at approximately 117% to distribute the remaining funds equally between all PHAs.
 - May was the latest data they had
- ▶ For example, if the a PHA has 700 units leased, per VMS, per the month of May, HUD would take the "A" rate for the first 600 units and the "B" rate for the unit months over 600 multiply it by 2 and then multiply by 117%.

$$(((600 \text{ UML} \times \$57) + (100 \text{ UML} \times \$53)) \times 2) \times 1.17 = \$92,430$$

Eligible Activities

The supplemental administrative fee funding may be used only for two purposes:



Any currently eligible HCV (including Mainstream voucher) administrative costs during the period that the program is impacted by coronavirus. This includes necessary upgrades to information technology or computer systems to enhance telework capacities and overtime pay for PHA staff to carry-out HCV Program responsibilities.



New coronavirus-related activities, including activities to support or maintain the health and safety of assisted individuals and families, and costs related to the retention and support of participating owners.

Accounting for Funds

- ▶ The first round of funding was provided to the PHA in one amount. Therefore, the PHA will need to track the revenue from the supplemental Administrative Fee funds and related expenses.
 - Remember, any excess supplemental funding **does not** roll forward to UNP and must be returned to HUD if not expended at the end of the period of performance
- ▶ The PHA may want to set up a separate fund or add accounts to a current fund to track the revenue and expenditures for COVID related activities
- ▶ PHAs will want to consider these funds restricted

Eligible Activities

- ▶ The CARES Act further provides that administrative fees appropriated under HUD's FY 2020 Appropriations Act for the regular HCV program may also be used for the new coronavirus-related activities.
- ▶ Mainstream program administrative fees appropriated under HUD's FY 2020 Appropriations Act **are not** eligible to be used for these new coronavirus-related activities.
 - Supplemental funds can be used for COVID activities



Accounting for Admirative Fee Supplemental Funds

FDS Line #	Description	Dr.	Cr.
113	Cash - Restricted	\$300,000	
342	Unearned Revenue		\$300,000

Record the receipt of COVID Administrative Fees

FDS Line #	Description	Dr.	Cr.
91xx/92xx/10020	Salaries/Benefits/FA/Other	\$10,000	
113	Cash - Restricted		\$10,000

Record expenditure related to COVID

FDS Line #	Description	Dr.	Cr.
342	Unearned Revenue	\$10,000	
70600	Subsidy - Supplemental Grant		\$10,000

Record expenditure related to COVID

Period of Performance

Both LIPH, HCV and Mainstream

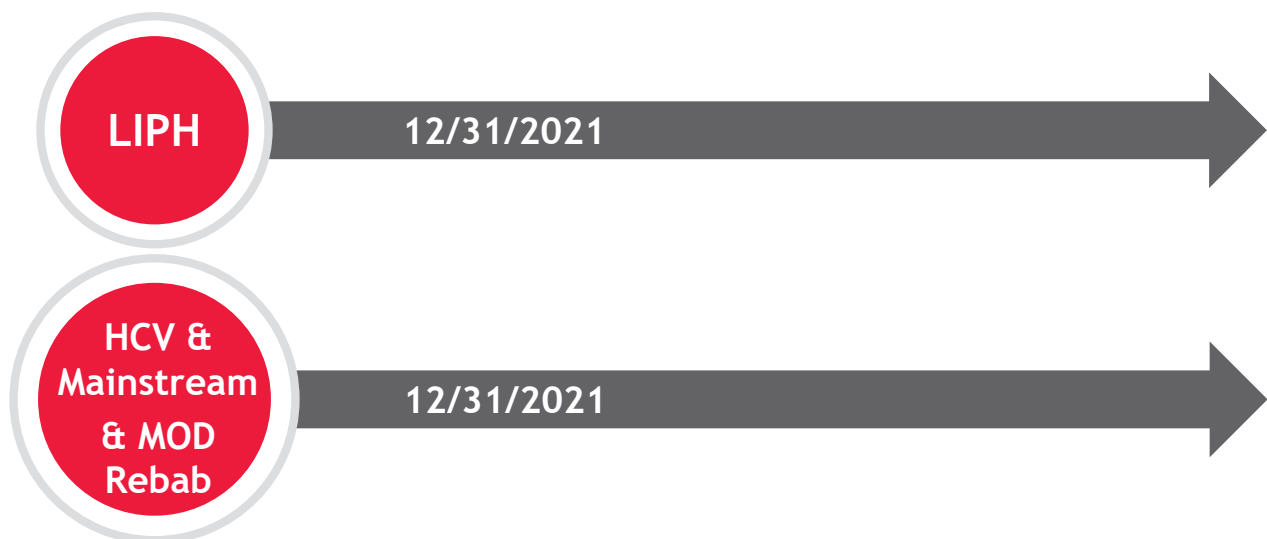
31

COVID-19 ACCOUNTING & REPORTING UPDATE



BDO PHA FINANCE

Period of Performance



Per PIH Notice 2020-24

32

COVID-19 ACCOUNTING & REPORTING UPDATE



BDO PHA FINANCE

Period of Performance

HCV

- ▶ Unlike regular Admin Fee Funds, Supplemental CARES Act funds **may not roll into** a PHA's reserves and must be tracked and accounted for separately
- ▶ PHAs must be able to account for the expenditure of these funds



33

COVID-19 ACCOUNTING & REPORTING UPDATE



BDO PHA FINANCE

CARES Act Mainstream Funding for PHAs

PIH Notice 2020-09 & PIH Notice
2020-22

34

COVID-19 ACCOUNTING & REPORTING UPDATE



BDO PHA FINANCE

CARES Act Additional Mainstream Funding and Units

PIH NOTICE 2020-9

May 12, 2020

- ▶ PHAs that received a Mainstream award through the Fiscal Year (FY) 2017 Mainstream Voucher Program Notice of Funding Availability (NOFA) and/or the FY 2019 Mainstream Voucher Program NOFA are eligible for this additional allocation of funds
- ▶ Eligible PHAs will receive an increase in Mainstream voucher authorized units and additional budget authority based on a 30% increase in the number of vouchers received between the two NOFAs
 - ▶ If a 30% increase in vouchers results in a fraction of a voucher being allocated, HUD will round up to the next whole number
 - ▶ HUD used the latest PUC to determine the amount of funding
- ▶ HUD may recapture unused or underutilized funding if the PHA does not utilize the units or budget authority awarded through this notice within 18 months of the effective date of the award

CARES Act Additional Mainstream Funding and Units

PIH NOTICE 2020-22

September 8, 2020

- ▶ This notice provides information on several policies impacting Mainstream vouchers. The following provisions are being offered to help public housing agencies (PHAs) prevent, prepare for, and respond to coronavirus pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
- ▶ An opportunity for PHAs to receive new Mainstream vouchers
 - See Section 2 of the Notice
- ▶ Waivers and alternative requirements specific to Mainstream vouchers
 - See Section 3 of the Notice

CARES Act Moderate Rehab Funding

PIH Notice 2020-20
Supplemental HAP Funding

37

COVID-19 ACCOUNTING & REPORTING UPDATE



BDO PHA FINANCE

CARES Act Funding & Moderate Rehab

PIH Notice 2020-20
August 26, 2020

- ▶ This notice implements funding provisions for the Section 8 Rehabilitation (Mod Rehab) under the CARES Act. The CARES Act provides additional project-based assistance to owners or sponsors of Project-Based Rental Assistance (PBRA) properties to prevent, prepare for, and respond to coronavirus
- ▶ In addition, pursuant to the waiver authority provided under the CARES Act, this notice HUD is waiving and establishing alternative requirements for numerous statutory and regulatory requirements for the Section 8 Mod Rehab program to expedite or facilitate the use of these amounts to prevent, prepare for, and respond to coronavirus. Use of these waivers is at the discretion of the PHA

38

COVID-19 ACCOUNTING & REPORTING UPDATE



BDO PHA FINANCE

Reporting Requirements

FDS Reporting

39

COVID-19 ACCOUNTING & REPORTING UPDATE



BDO PHA FINANCE

Reporting on the FDS - Listed as Programs

	New Column #	Column Name
1	14.PHC	Public Housing CARES Act Funding
2	14.HCC	HCV CARES Act Funding (Admin & HAP)
3	14.MSC	Mainstream CARES Act Funding (Admin & HAP)
4	14.MRC	Moderate Rehabilitation CARES Act Funding
5	14.CCC	Central Office Cost Center CARES Act Funding
6	14.CMT	CARES Act Funding Transferred to MTW

14.CCC will be used to account and report any transfer and use supplemental funds above the safe-harbor rates to the PHA's COCC

14.CMT will be used to account and report the transfer and use of supplemental funds used to support the PHA's MTW program

40

COVID-19 ACCOUNTING & REPORTING UPDATE



BDO PHA FINANCE

Reporting on the FDS

- ▶ New reporting columns will be used to report revenue, expenses, and balance sheet information for supplemental funding
- ▶ Accounting and will be very similar to a reimbursable grant, like CFP
- ▶ CARES Act funds used to support operations, that is, operating expenses (HCV administrative costs, LIPH operations) will be reported in their respective FDS line under the new reporting columns
- ▶ **Tenant Service FDS lines will be used to capture COVID-19 related costs under the new reporting columns**
- ▶ CARES Act funds for capitalized expenses will be reported as an equity transfer to the AMP or HCV program from the CARES Act column on the FD
- ▶ Unearned Cares Act funds held by the PHA will be reported as restricted cash

HCV/Mainstream Income Statement Example

	14.HCC/14.MSC	Explanation
HAP & Admin Funding	\$189,000	Admin & HAP recognized as revenue for eligible costs
Admin Salaries	8,000	← CARES ACT funds spent on normal admin costs
Employee Benefits	2,000	
Office Supplies	1,000	
Tenant Services Other	34,000	Expenses used to prepare, prevent and respond to C19
HAP	140,000	HAP paid from CARES Act funds
TOTAL EXPENSE	\$185,000	
Net Operating Income	\$4,000	
Transfer (out)	(4,000)	Capitalized cost to purchase laptops
Net Change to Net Position	\$0	

HCV/Mainstream Balance Sheet Example

	14.HCC/14.MSC	Explanation
Cash Restricted Pymt. for Current Liability	\$5,000	C19 costs that were incurred by PHA, but still processing invoice
Cash Restricted Other	11,000	
Current Assets	\$16,000	
Accounts Payable	\$5,000	Amount of C19 funds in the PHAs bank account because the PHA did not incur any costs yet and therefore it is considered unearned revenue
Unearned Revenue	11,000	
Total Current Liabilities	\$16,000	
Net Investment In Cap Asst	\$0	No equity CARES Act funds cannot build reserves
Restricted Equity	0	
Unrestricted Equity	0	

LIPH Income Statement Example

	14.PHC	Explanation
Any supplemental grant funding	\$49,000	Supplemental grant funding recognized as revenue for eligible costs
Admin Salaries	8,000	CARES ACT funds spent on normal admin costs
Employee Benefits	2,000	
Mgmt. Fees (not above safe-harbor)	1,000	
Tenant Services Other	34,000	Expenses used to prepare, prevent and respond to C19
TOTAL EXPENSE	\$45,000	
Net Operating Income	\$4,000	
Transfer (out)	(4,000)	Capitalized cost to purchase laptops for AMP 2
Net Change to Net Position	\$0	

LIPH Balance Sheet Example

	14.PHC	Explanation
Cash Restricted Pymt. for Current Liability	\$5,000	C19 costs that were incurred by PHA, but still processing invoice
Cash Restricted Other	11,000	
Current Assets	\$16,000	C19 funds drawn in advance of any invoice being processed (should not have this)
Accounts Payable	\$5,000	
Unearned Revenue	11,000	
Total Current Liabilities	\$16,000	
Net Investment In Cap Asst	\$0	No equity CARES Act funds cannot build reserves
Restricted Equity	0	
Unrestricted Equity	0	

Reporting on the FDS

The COCC & LIPH Fees

- ▶ The property management, asset management and bookkeeping fee expenses that are paid to the COCC from the Public Housing program that are above safe-harbor amounts will be reported on the Public Housing CARES Act column 14.PHC on their respective FDS lines
 - 91300 - Management Fee expense, 91310 - Bookkeeping Fee expense, 92000 - Asset Management Fee expense
- ▶ The corresponding revenue will be paid reported on the COCC CARES Act fund 14.CCC on their respective FDS lines
 - 70710 - Management Fee Revenue, 70720 - Asset Management Fee Revenue, 70730 - Bookkeeping Fee Revenue)

FDS line 707xx has not been working on the FDS. As an alternative, PHAs have been using FDS Line 71500 with an explanation in the Comments section of the FDS

COCC Above Safe Harbor Income Statement Example

	14.PHC	14.CCC	Explanation
Supplemental grant funding	\$50,000		C-19 Funding above safe-harbor
Management Fee	(30,000)		Above safe-harbor mgmt. fee expense
Bookkeeping Fees	(15,000)		Above safe-harbor bookkeeping fee expense
Asset Management Fees	(5,000)		Above safe-harbor asset mgmt. fee expense
Total Expense	\$50,000		
Management fee income		\$30,000	Above safe-harbor mgmt. fee income
Bookkeeping fee income		15,000	Above safe-harbor bookkeeping fee income
Asset management fee income		5,000	Above safe-harbor asset mgmt. fee income
TENANT SERVICES			
Tenant Services		(50,000)	C-19 eligible costs
Net Income	\$0	\$0	

Reporting on the FDS

The COCC & CFP Fees

- ▶ The management fee expense that is paid to the COCC from the Capital Fund program that are above safe-harbor amounts will be reported on the Other Project column of the income statement, in the CFP column
 - Remember - there are two columns CFP and OFP
 - 91300 - Management Fee Expense
- ▶ The corresponding revenue will be paid reported on the COCC CARES Act fund 14.CCC on their respective FDS lines
 - 70710 - Management Fee Revenue

FDS line 707xx has not been working on the FDS. As an alternative, PHAs have been using FDS Line 71500 with an explanation in the Comments section of the FDS

CFP & COCC Above Safe Harbor Income Statement Example

	Other AMP CFP Column	14.CCC	Explanation
Supplemental grant funding above safe-harbor	\$10,000		Above safe-harbor admin fee (BLI 1410)
Management Fee	(10,000)		Above safe-harbor mgmt. fee expense CFP
Management fee income		\$10,000	Above safe-harbor mgmt. fee income
Tenant Services		(10,000)	C-19 eligible costs
Net Income	\$0	\$0	

Reporting Requirements

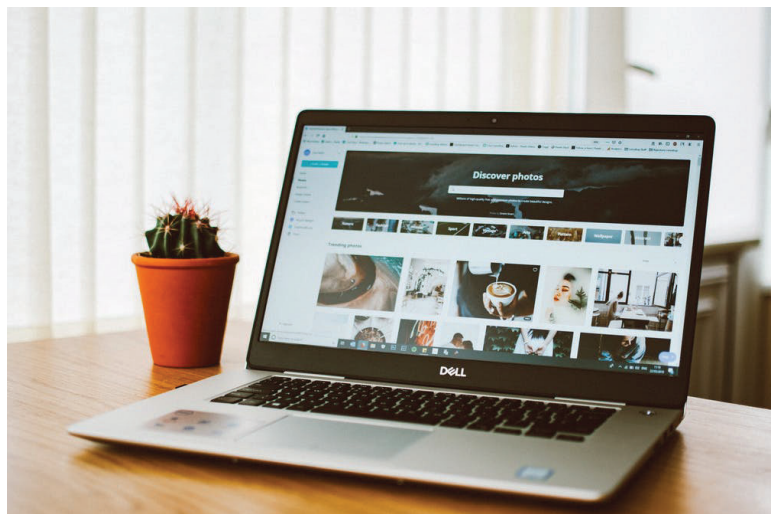
Quarterly Portal Reporting

Quarterly Reporting Requirements

- ▶ HUD will provide PHAs with a reporting portal for quarterly reporting
- ▶ This reporting portal is under development and is not yet available to PHAs
 - Anticipated to begin in April 2021
 - PHAs will have to enter all quarters for 2020
- ▶ Until their reporting portal becomes available to PHAs, PHA quarterly reporting requirements are suspended
- ▶ Expect HUD to provide technical training (navigation of system) and programmatic training (quality control checks and how transactions are reported)

Quarterly Reporting Requirements

- ▶ The CARES Act requires reporting on “large covered funds” (CARES Act awards over \$150,000) with the following information that is required to be reported
 - Amount received
 - Amount expended or obligated
 - Name of project or activity
 - Description of project or activity, and
 - Number of jobs created



Quarterly Reporting Requirements

- ▶ The \$150,000 threshold for reporting is based on all CARES Act funds awarded to the PHA regardless of source
- ▶ Once the PHA is over the \$150,000 reporting threshold the PHA must report on all Cares Act funds regardless of source
- ▶ The reporting must be at the grant level and at least one level below the grant award reporting and is due 10 days after the
 - For example: April 10th, July 10th, October 10th, January 10th
- ▶ When reporting, PHA's must report using the accrual basis of accounting
- ▶ Reporting will be completed at the activity level for each CARES Act award

Quarterly Reporting Requirements

The PHA may receive two awards for funding, such as HCV Admin fees.

For quarterly reporting, the PHA can report both awards together.

For PHA's, HUD will establish 6 award types

1. CARES Act Operating Fund
2. CARES Act HCV Administrative Fee
3. CARES Act HCV HAP
4. CARES Act Mainstream Administrative Fee
5. CARES Act Mainstream HAP
6. CARES Act Moderate Rehabilitation

Quarterly Reporting Requirements - Activity Levels

	Operating Fund	HCV Admin Funds	HCV HAP	Mainstream Admin	Mainstream HAP	Mod Rehab HAP
Activity Level						
Operating Exp	Yes	Yes	N/A	Yes	N/A	N/A
RAD	Yes	N/A	N/A	N/A	N/A	N/A
HAP	N/A	N/A	Yes	N/A	Yes	Yes
C19 Supp	Yes	Yes	N/A	Yes	N/A	N/A
C19 Non-Sup	Yes	Yes	N/A	Yes	N/A	N/A
Trf to COCC	Yes	Yes	N/A	Yes	N/A	N/A
MTW PH: MTW HCV	Yes	N/A	N/A	N/A	N/A	N/A
MTW HCV Admin-Non Admin	N/A	Yes	N/A	N/A	N/A	N/A
MTW HCV HAP: Non HAP	N/A	N/A	Yes	N/A	N/A	N/A

Quarterly Reporting Requirements - Activity Levels

	FDS Lines	LIPH 14. PHC	HCV 14.HCC	Mainstream 14.MSC	MOD Rehab 14.MRC	COCC 14. CCC	MTW 14.CMT
Activity Level							
Operating Expenses	9110-97800 11040-070 to 11040-1110	X	X	X		X	X
C19 Costs	92100 to 92500	X	X	X		X	X
RAD	97300 or 10094	X					
HAP	97300		X	X	X		X
Transfer to COCC	91300 91310 92000 70710 70720 70730	X	X	X			
Transfers to MTW, PH and HCV	10010 10020 10093 10094	X	X	X			

Quarterly Reporting Requirements Aligned to FDS

Possible Portal View

DC999 - Anywhere Housing Authority
Cares Act Supplemental Funding - Housing Choice Voucher
For the Period July 1, 2020 - September 30, 2020

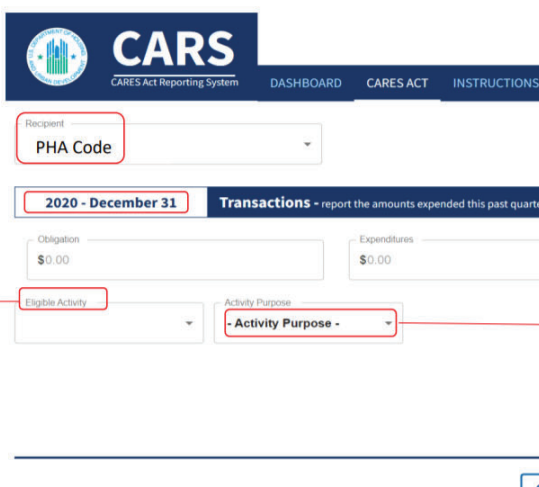
Quarterly CARES Act Reporting				
	Cares Act Supplemental Admin. Fee	Cares Act Supplemental HAP	Other HUD Funds	Cares Act Reporting Total
Amount Obligated by HUD <small>Note 1</small>	\$50,000	\$150,000	n/a	\$200,000
Amount Disbursed by HUD <small>Note 1</small>	\$50,000	\$150,000	n/a	\$200,000
Activity	Expenses Incurred by CARES Act AWARD			
Cash Balance - Beginning of Reporting Period	\$50,000	\$150,000	n/a	\$200,000
Activity Level				
Operations	\$17,000			\$17,000
COVID-19 Related	\$32,000		\$2,000	\$34,000
HAP		\$140,000		\$140,000
Total Expenses Incurred	\$49,000	\$140,000	\$2,000	\$191,000
Cash Balance - End of Reporting Period	\$1,000	\$10,000		\$11,000
Jobs Created	<small>Note 2</small>			
Benefits	<small>Note 2</small>	<small>Note 2</small>		

Note 1: HUD will provide data from their systems
Note 2: HUD is trying to fulfill this reporting requirement by using data already captured in HUD systems
Note 3: Of the \$34,000 spent on COVID-19 relief, \$2,000 was funded by 2020 HCV administrative fees

FDS Reporting	
HCV CARES Act Funding 14.HCC	
Amount	FDS Line Item
\$8,000	Admin. Salaries
\$2,000	Employee Benefits
\$1,000	Office Supplies
\$6,000	Equity Transfer Out (Laptops)
= \$17,000	
= \$34,000	Tenant Services - Other <small>Note 3</small>
= \$140,000	HAP
= \$11,000	Cash - Restricted - Other

HUD must be able to reconcile quarterly CARES Act reporting to the PHA's FDS reporting

CARES Act Reporting System (CARS)



The screenshot shows the CARS (CARES Act Reporting System) dashboard. It includes a navigation bar with 'DASHBOARD', 'CARES ACT', and 'INSTRUCTIONS'. The main area is titled 'Transactions - report the amounts expended this past quarter.' for the period '2020 - December 31'. It features input fields for 'Obligation' (\$0.00) and 'Expenditures' (\$0.00). Below these are dropdown menus for 'Eligible Activity' and 'Activity Purpose' (currently set to '- Activity Purpose -'). A 'Cares Amount' field shows '\$0.00' with an 'Add' button. At the bottom are 'Clear', 'Cancel', and 'Submit' buttons. On the left, a sidebar lists 'CARES Act Awards' including Operating Funds, HCV Admin. Fees, HCV HAP, Mainstream Admin. Fees, Mainstream HAP, and Mod. Rehab. HAP. On the right, a sidebar lists 'List of Activities per PIH Notice 2020-24' including Operating Expenses, RAD, HAP, COVID-19 Supp, COVID-19 Non-Supp, Trf to COCC, MTW PH: MTW / HCV, MTW HCV Admin: Non-Admin, and MTW HCV HAP: Non-HAP.

Data Entry Steps

- Step 1 - Select PHA Code
- Step 2 - Select Reporting Quarter
- Step 3 - Select CARES Act Award
- Step 4 - Select Activity
- Step 5 - Enter Amount Expended
- Step 6 - Select Add

Thank You

www.bdophafinance.com

