THE VMS: VOUCHER MANAGEMENT SYSTEM & RNP RECONCILIATION

CCHRCO Summer 2021

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With You Today

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Flow of Information

| PHA'S SOFTWARE DATA REPORT | VMS | TWO YEAR TOOL |

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The VMS

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VMS User's Guide

▶ 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 March 2021

USER'S MANUAL

Voucher Management System (VMS)
Release 16.1.0.0

U.S. Department of Housing and Urban Development

March 2021

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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

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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

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Business Rules For Monthly Submissions

The following fields can accept negative amounts for monthly submissions:

▶ Restricted Net Position (RNP)

▶ Unrestricted Net Position (UNP)

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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"

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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

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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

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VASH Exception

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

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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

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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

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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

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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

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Prior Months Corrections (PMC)

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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
- ~~Pending Hard Edit*~~
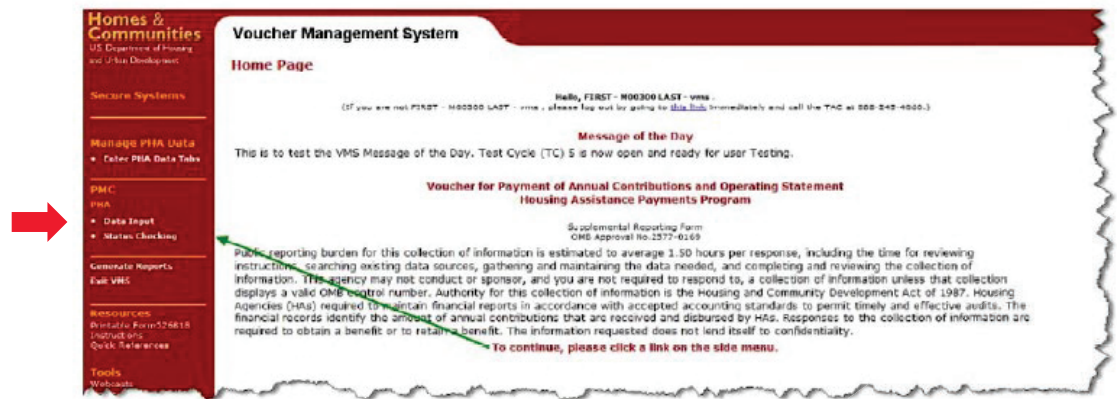- Hard Edit Approved (completed submission)

*Guidebook says pending hard edit, but it is a mistake.

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Prior Months Corrections

Select – "Prior Month Correction PHA-Data Input"

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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 field you wish to correct and a "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

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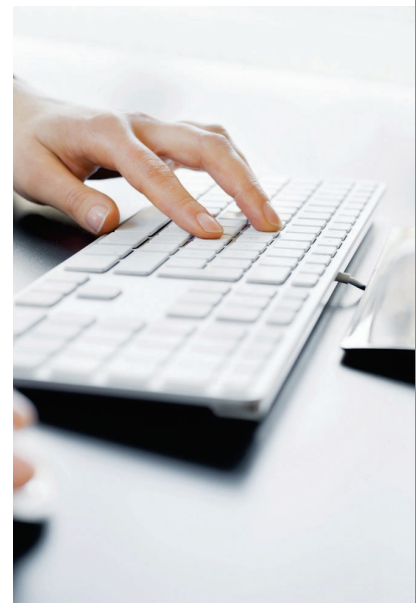
Prior Months Corrections

▶ The PHA will have to Validate
- Hard Edit 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

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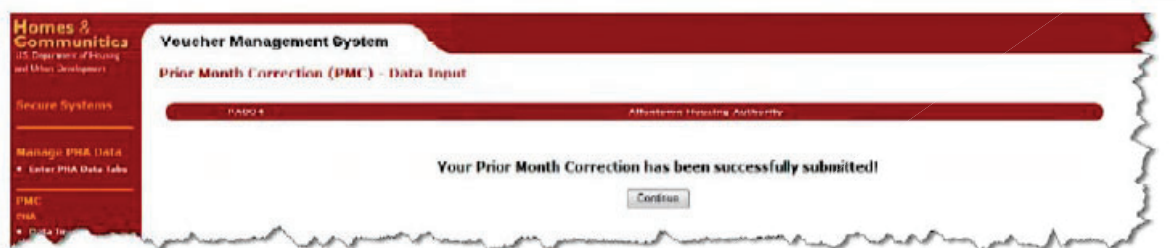
Business Rules For Monthly Submissions

▶ 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

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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.

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

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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 Affair Supported Housing (VASH) Voucher	Veterans Affair 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

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The VMS
Reporting Fields

HAP, UML & Other Fields

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TAB 1 - VOUCHER UML & HAP

RAD

RAD Component 1	Total number of Vouchers **Leased** for all RAD Component 1 awards; reporting begins January 1 of the first full calendar
RAD Component 1 (HAP)	Total HAP expense as of the 1st day of the month and all HAP expenses after the 1st day of the month
RAD Component 2	Total number of Vouchers **Leased** for all RAD Component 2 awards; reporting begins January 1 of the first full calendar
RAD Component 2 (HAP)	Total HAP expense as of the 1st day of the month. HAP expenses after the 1st day of the month will be reported as "All Voucher HAP Expenses for Contracts Effective After the First of Month"

▶ The HAP expense field includes HAP the **1st day of the month and HAP after the 1st day of the month for RAD Component 1 only**

▶ Leasing only includes units under HAP contract on the 1st day of the month

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TAB 1 - VOUCHER UML & HAP

Mainstream 5 & VASH

Mainstream 5	The number of 5 Year Mainstream vouchers under lease
Mainstream 5 HAP	Total amount of HAP expenses incurred for 5 Year Mainstream vouchers reported in Unit section
VASH	Total number of vouchers under lease from initial or renewal funds awarded under the VASH program
VASH HAP	Total HAP expenses incurred for VASH vouchers reported in the Units section

▶ The HAP expense field includes HAP the **1st day of the month and HAP after the 1st day of the month**

▶ Leasing only includes units under HAP contract on the 1st day of the month

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TAB 1 - VOUCHER UML & HAP

HCV's

Vouchers 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 on the 1st day of the month

▶ Leasing only includes units under 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

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TAB 1 - VOUCHER UML & HAP

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 RAD, VASH and MS5, these will get reported in the leasing as of the 1st of the month

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TAB 1 - VOUCHER UML & HAP
MTW

Vouchers Under Lease on the 1st Day of the Month		
Moving to Work	1 Year Mainstream	Family Unification (Pre-2008)
NED (2008 Forward)	VASH	Family Unification (2008 Forward)

- ▶ 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

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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

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TAB 1 - VOUCHER UML & HAP
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

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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)

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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.**

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TAB 2
Other Fields

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

▶ Actual deposits made to the FSS participant's escrow account

FSS Escrow Forfeitures this month:

▶ Total value of FSS escrow accounts forfeited by tenants during the month

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TAB 2
Other Fields

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

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TAB 2
Other Fields

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

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

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TAB 2

Other Fields

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

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TAB 2

Other Fields

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

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How to Report Restricted Interest Income

VMS REPORTING	FDS REPORTING
▶ Always report the interest attributable to RNP in the VMS for each month • This is not included in the RNP calculation	▶ 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

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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

PIH-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. PIH Notice 2011-67 (Implementation of New Cash Management Requirements for the Housing Choice Voucher Program), dated December 9, 2011.
3. 2012 Conference Report (Report 112-284), 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

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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 accompaniment herewith, 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 keep 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.

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Returning Excess RNP Interest Income

(Scroll to bottom of page)

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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 Payee 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	PSC	HHS	COMMUNITY
pms.psc.gov	About	Accessibility	Whitehouse.gov
PMSSupport@psc.hhs.gov	Services	Privacy Policy	USA.gov
877-614-5533	News	Freedom of Information Act	
		Disclaimers	

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

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Reporting Cash on VMS

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?

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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 (HCVP, 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

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Other Income & Expenses

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

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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

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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.

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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

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TAB 5- 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

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Case Study 1 - 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.

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Case Study 2 - 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	(725,000)
Less: HAP Expense from Prior Month (held)	(3,000)
PHA Ending Balance For Month	**$3,300**

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

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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)

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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

- This example will only report an increase for interest and fraud recovery (admin portion)

- If Admin expenses are greater the Admin fees received, then we would reduce the UNP on the VMS

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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

▶ This example will only report an increase for interest and fraud recovery (admin portion)

▶ If Admin expenses are greater the Admin fees received, then we would reduce the UNP on the VMS

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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 must match the RNP on the FDS at fiscal year-end
  • A 3% variance is typically acceptable

▶ The HAP expenses on the VMS must match the HAP expense on the FDS at fiscal year end
  • A 3% variance is typically acceptable

▶ 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

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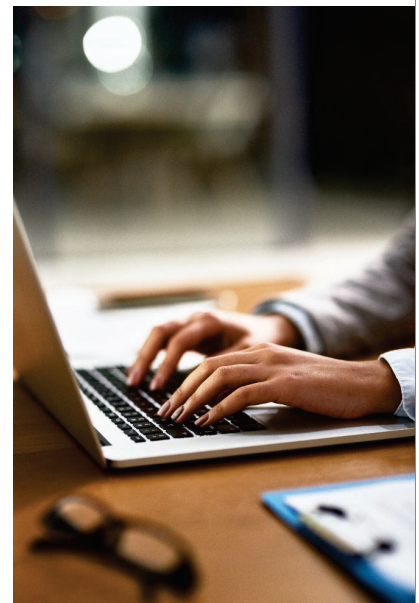# Common VMS
Reporting Errors

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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
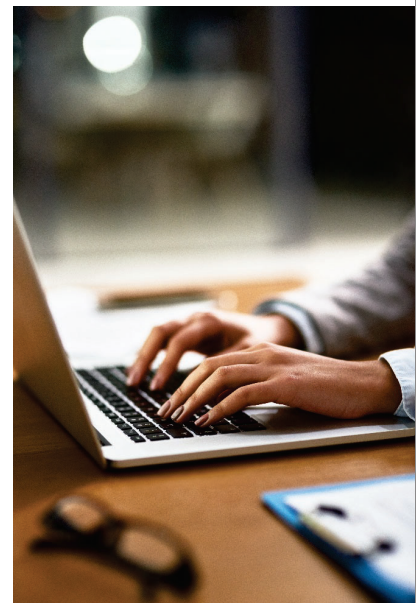
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Common VMS Reporting Errors

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

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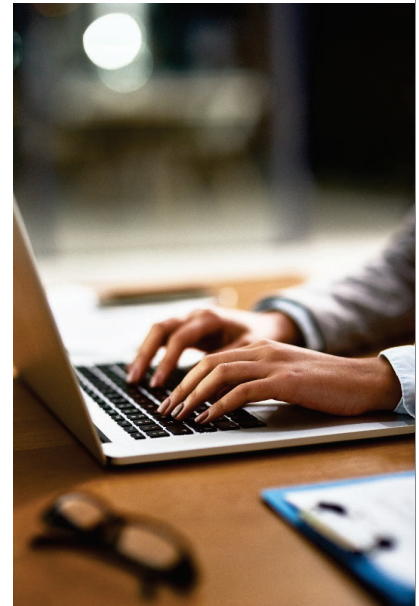
Common VMS Reporting Errors

11. Reporting HAP under more than one category
    a) Duplicate HAP reporting
12. Reporting HAP on a Cash basis in VMS rather then 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

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Questions?

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THE VMS: VOUCHER MANAGEMENT SYSTEM & RNP RECONCILIATION

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