

FINANCIAL MANAGEMENT CENTER BULLETIN

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Communication is the Key

Below are policy questions and issues that have been expressed by our clients. In an effort to address these questions we have provided brief responses.

What is the purpose of the Central Funds? - The FFY 2004 Appropriations Act authorized a central fund to be maintained by HUD. Funds from the central reserve are available to PHA's to support voucher units leased during the PHA's fiscal year that are within the PHA's authorized baseline but were not included in the renewal calculation. Please refer to Notice PIH 2004-7 issued April 22, 2004 for additional guidance.

How can I access the Central Funds, ACC Reserves, newly contracted/awarded funds? –
Central Fund: HA's may access the Central Fund to fund authorized Unit Months Leased that were not included in the renewal calculation, by submitting 1. A written request for funding to the FMC, and 2. A completed 52681-B providing data for all preceding unreported months. All requests must be submitted prior to the end of December 31, 2004. The Central Fund **CANNOT** be used to support increases in per unit costs. Please refer to Notice PIH 2004-7 issued April 22, 2004 for additional guidance.
ACC Reserves: ACC Reserves may be used to cover HAP costs that exceed current BA available for HAP's to lease authorized units. ACC Reserves may be accessed by submitting a request to the FMC to revise the Disbursement Schedule by sending in the traditional budget revision documents. The HA should also submit leasing and cost data for unreported months. ACC Reserves generated from FFY 2003 and 2004 appropriated funds may be used for HAP costs, for authorized units, which exceed the ABA. FFY 2003 and FFY 2004 Reserve Funds may not be used to lease units above baseline.
Newly contracted/awarded funds: If funding for new awards is not included in the current Disbursement Schedule, the HA may submit a request to increase Disbursements accordingly by sending the traditional budget revision documents in to the FMC in addition to any leasing and cost data for unreported months.

What is Computed Units? – Actual units expiring by Increment Number times the leasing rate reported on Form HUD-52681-B.

What is Funding Units after Cap? – It happens during the last quarter of the PHA's fiscal year. If the total computed units in the previous three quarters exceeded the PHA's authorized baseline level, funding was provided for these units over baseline. In the 4th quarter, only unfunded baseline units will receive funding regardless of leasing level.

When will we be notified of March 31, 2004 expirations? - An electronic notification announcing March 31, 2004 renewal funds was sent to HAs on June 4, 2004 and June 7, 2004. These notifications could not be transmitted prior to the release of the HAP and Admin per unit funding amounts and, therefore, were delayed. If your agency did not receive an email containing the renewal information, please contact your assigned Financial Analyst at the FMC.

When will we receive renewal funding for April 30, May 31 and June 30 expirations? - Funding for April 30 2004 and May 31, 2004 expirations are currently being processed and notification of funding amounts will be electronically transmitted to HAs within a few weeks. Funding for June 30, 2004 expirations will be processed after the current VMS data submission for the months of February, March and April 2004 has been analyzed and renewal amounts have been determined. It is anticipated that renewal funds will be obligated prior to the July 2004 disbursements.

When will we receive funding for Admin PUC and AAF adjustments? - Funding for Admin PUC and AAF adjustments are currently being processed and notification of funding amounts will be electronically transmitted to HAs within a few weeks.

What is the impact on renewal funds if I terminate assistance? - Renewal funding is provided based upon the established per unit cost, adjusted by an inflation factor and multiplied times the actual number of units under lease (as most recently reported to HUD by the Housing Authority). Any termination of assistance therefore, will result in a decrease in the amount of renewal funding that the Housing Authority will receive.

We appreciate your assistance in providing this information to the appropriate staff within your agency.