
CHAPTER 3. REGIONAL OFFICE FISCAL YEAR-END REQUIREMENTS

- 3-1. Purpose. To provide Regional Offices with specific instructions related to the year-end closing process.
- 3-2. DIRECTOR, OFFICE OF ADMINISTRATION shall be responsible for ensuring that all processing instructions and reporting requirements set forth in this Chapter are met.
- 3-3. REGIONAL ACCOUNTING DIRECTOR (RAD). The RAD shall be responsible for: (1) preparing all Regional financial and accounting reports; (2) reconciling all HUD accounts for which responsibility has been decentralized; (3) certifying as to the accuracy of the accounting reports and statements; (4) reviewing of all of the accounts receivables balances, with particular attention to those receivables remaining in the same status for 60 days or more as of September 30; (5) reviewing all open documents (undelivered orders) and validating their status as of September 30; and (6) closing the Regional Office books of account as of September 30.
- 3-4. REVIEW AND CONTROL OF RESERVATIONS. The review of outstanding reservations at September 1 will be as follows:
- a. For reservations in programs not recorded in the Assisted Housing Accounting System (AHAS). The RAD shall review all reservations outstanding at September 1 to ensure that all obligating documents which are applicable to the fiscal year being closed are received by the second workday in October. The originating office should be requested to review the status of each reservation and provide the RAD with the documents to obligate the funds and indicate which reservations will not be obligated by September 30.
 - b. For reservations in programs recorded in the AHAS. The RAD shall follow the procedures for monitoring uncontracted reservations as set forth in paragraph 3-8, HUD Handbook 1970.45, Regional Accounting Procedures for Assisted Housing Programs.
- 3-5. RECORDING AND REVIEWING OBLIGATIONS. The RAD shall ensure that all known obligations are recorded and correctly stated as of September 30 and that each obligation meets the requirement of Section 1501(a), PL 97-258, as a valid obligation for certification purposes. Particular attention must be given to unliquidated obligations where the status has not changed for six months or more, to assure that they still are valid outstanding obligations. The RAD will review unliquidated obligations by contacting program offices in July in order for the review to be completed prior to year-end closing. Aggressive follow-up actions must be taken to obtain responses from the Field Offices and/or the documentation required to deobligate unneeded obligations. The criteria for reviewing and adjusting obligations are set forth in HUD Handbook 1900.20 REV, Incurring, Recording, and Adjusting Obligations. Unless available as ADP output, a listing of all unliquidated obligations under each fiscal year appropriation or fund, as of September 30, shall be

prepared and retained for audit purposes.

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The Regional Accounting Director shall be required to certify that (1) the unliquidated obligations are supported in accordance with Section 1501(a), PL 97-258, and prescribed accounting procedures; and (2) the unobligated balances, accounts payable and accounts receivable are correct, except for those programs for which the RAD records obligations but does not process disbursements.

- 3-6. REVIEW OF ACCOUNTS RECEIVABLE. All accounts receivable balances for each appropriation or funds, remaining in the same status for 90 days or more shall be reviewed to determine whether appropriate collection action has been taken, and/or whether the accounts receivable should be written off. Where the accounts receivable are applicable to a particular program, the program officials shall be requested to determine the status of the receivable, and to advise the RAD of the action being taken to have the receivable paid or written off. The claims collection officer shall also be contacted to determine whether appropriate collection action has been taken or whether the receivable should be written off. The results of all contacts shall be documented.
- 3-7. PRE-CLOSING AND POST CLOSING TRIAL BALANCES. A pre-closing and post closing trial balance shall be prepared for each appropriation and fund account. All trial balances shall be submitted to the Office of Finance and Accounting, Attention: Reports Control and Analysis Staff in accordance with the schedule established by the Assistant Secretary for Administration for each fiscal year.
- 3-8. INTER-OFFICE TRANSFER VOUCHERS (IOTVS) FORM HUD-219.
- a. For programs with appropriation symbols 86X0104, 86-0133, 86-0143, 86-0149, and on the grant portion of 86X4015, the RAD should review the cash position as of September 30. Sufficient cash must be recorded on the general ledger to cover net unpaid obligated balances. Net unpaid obligated balances represent unliquidated obligations plus accounts payable minus accounts receivable. If a deficiency exists, request an IOTV from Headquarters to satisfy the cash requirements.
- b. Post Closing IOTVs for all expired appropriations or appropriations that will be expiring as of the end of the fiscal year should be prepared to transfer the unobligated cash balance to Headquarters. IOTVs for all other appropriations (no year, revolving funds, etc.) should transfer the unobligated unreserved balance and cash, if applicable, to Headquarters. These IOTVs shall be recorded in the general ledger after the pre-closing trial balance has been prepared. The RADs will be advised in writing of any unobligated program funds which are to remain available for use by the Regional Office at the end of the fiscal

year.

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3-9. SALARIES AND EXPENSES-HUD.

- a. Amounts Chargeable to Headquarters Allotments. Disbursements for expenses paid by the Regional Office for auditors and investigators of the Office of Inspector General and all Headquarters directed travel shall be transferred to OFA during the year by entering the transaction into the HAAS.
- b. Personal Property Accounting. The amount of capitalized Non-expendable property received and paid for as of September 30 shall be transferred to the Headquarters Administrative Property and Equipment Ledger as of that date. The amount of property and equipment representing accounts payable and accrued liabilities at the end of this period shall not be transferred to the property ledger, but shall be included in the accounts for the fiscal year being closed and reported on the post closing trial balance. Chapter 7 of HUD Handbook 2235.7 REV-1, Personal Property Management explains the reconciliation process for fiscal and property records.
- c. Reimbursable Earnings. Prior to preparing the post closing trial balances as of September 30, for the Salaries and Expenses expired fiscal year account, the balance of account 4010, Reimbursements Earned, together with any cash on hand applicable to such earnings, shall be transferred to OFA by IOTV. The post-closing IOTV for the current and merged fiscal year accounts will be prepared and recorded in headquarters.
- d. Travel Charged to Regional Office Allotments. Travel that is charged to regional office allotments should be recorded as prescribed below.
 - (1) Temporary Duty Travel. Temporary duty travel expenses should be recorded in the accounting system in the accounting period in which the travel was actually performed and the expenses were actually incurred. HUD-25's for temporary duty travel which are open as of September 30 should be reviewed. If the travel has not been performed, the funds should be deobligated and obligated against the next fiscal year's appropriation.
 - (2) Relocation Travel. Travel and transportation expenses of an employee making a permanent change of official station should be recorded as an obligation against the appropriation current when the employee is issued valid travel orders. HUD-25's issued during a fiscal year and recorded as an obligation during that fiscal year that remain open as of September 30 are not to be transferred to the following years' appropriation although the travel will actually occur in the following fiscal year. This policy of handling

relocation travel is in conformity with Comptroller General Decision B-213530 issued November 2, 1984.

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- e. Travel Advances. All outstanding travel advances as of September 30 shall be reconciled to the general ledger and transferred from the current fiscal year Salary and Expenses appropriation account to the account maintained for the subsequent fiscal year. This transfer shall be accomplished no later than October 31, and must be processed through the SF-224 report to Treasury.
 - f. September 30 Salary and Expense Reports. All Salaries and Expense reports will be produced by HUD Administrative Accounting System (HAAS); however, the year end cost and allotment report for Salaries and Expense appropriation(s) prior to FY 1985 will be produced by the General Administrative Accounting System (GAAS). Transactions for the period ending September 30 will be input into GAAS or HAAS, as appropriate, in accordance with the ADP Operational Schedule. No further action will be required by RAD for processing September 30 transactions or for closing the fiscal year accounts in either of the systems.
 - g. Estimating Amounts of obligations. In those cases where the precise amounts of obligations are not known at September 30 the best available estimates of the amounts that will subsequently be paid shall be used. Such estimates shall be reasonably supported and adequately documented and shall be converted to actual amounts as soon as the precise information is known.
 - h. Cancelling Reservations at September 30. All reservations for which obligations are not executed on or before September 30 must be reversed in the accounting system.
- 3-10. YEAR-END PROCESSING - AUTOMATED ACCOUNTING OR DISBURSING SYSTEMS. By September 1 of each fiscal year, the Assistant Secretary for Administration in coordination with appropriate program officials, shall provide the Regional Offices with a schedule for processing and report generation applicable to the fiscal year being closed for the automated: (1) General Administrative Accounting System (GAAS); (2) Program Accounting System (PAS); (3) Assisted Housing Accounting System (AHAS); (4) HUD Administrative Accounting System (HAAS); (5) Section 202 Loan Accounting System; and (6) Letter of Credit Control System (LOCCS).
- 3-11. YEAR-END REPORTS. The Assistant Secretary for Administration shall coordinate with Headquarters staff and publish by September 1, of each year, the year-end reports to be prepared by the RADs and the required submission dates for the fiscal year being closed. All year-end

reports will be considered final when submitted. Revised reporting only will be accepted if the Department of the Treasury requests a supplemental SF-224, Statement of Transactions, be submitted by the RAD.

- 3-12. REPORT TRANSMITTAL SHEET. The Assistant Secretary for Administration shall provide each Regional Director of Administration by August 31, of each fiscal year with Report Transmittal Sheets, prescribing the reports to be submitted by that particular Region for the fiscal year ending September 15. The Transmittal Sheets will accompany the accounting reports submitted to Headquarters.
- 3-13. STATEMENT OF CERTIFICATION. Each Regional Accounting Director shall be required to submit a Statement of Certification in the prescribed format to be provided by September of each year, certifying as to the accuracy of the obligations, unobligated balances, accounts payable and accounts receivable. The certification shall be submitted along with the other year-end reports.
- 3-14. SPECIAL YEAR-END REPORTING REQUIREMENTS. Each Regional Accounting Director will be required to submit special year-end reporting requirements as requested in the memorandum to be issued by the Director, OFA by September 1.