
Special Attention of: Regional Administrators,

Regional Housing Commissioners, Director

Transmittal for Handbook No:
4370.3

of Regional Housing, Field Office Managers,
Directors of Housing Development Division,
Directors of Housing Management Division,
Loan Management Branch Chiefs and
Assisted Housing Management Branch Chiefs.

Issued: 6/30/92

1. This transmits the Uniform System of Accounts for Cooperative Housing Corporations Using Manual and Computer Accounting Systems Handbook 4370.3, dated 6/92.

2. Explanation of Materials Transmitted:

This Handbook consolidates Handbook 4370.5 and Handbook 4371.3 both dated 5/71. This consolidation was necessary to combine both Handbooks into one issuance and update sections to reflect changes which have taken place in audit standards, definitions, nomenclature, tax reforms, and cross referencing to other appropriate HUD issuances. This Handbook serves as a reference to HUD field offices and Cooperative Housing Corporations.

3. Significant Changes:

- o Consolidate the Uniform System of Accounts for Cooperative Housing Corporations Using Manual Accounting Systems Handbook 4370.5, dated 5/71 and the Uniform System of Accounts for Cooperative Housings, Corporations Using Computer Accounting Systems Handbook 4371.3, dated 5/71.
 - o Incorporate Generally Accepted Accounting Principles (GAAP) when appropriate.
 - o Define internal control procedures with emphasis on the separation of duties, budgets, and cash receipts, adherence to prescribed management procedures, operational efficiency, protection of cooperative corporation assets, and ensure maintenance of accurate and reliable accounting information.
 - o Revise accounting and auditing nomenclature to incorporate AICPA standards, Government Auditing Standards and industry standards for Cooperative Housing Corporations.
-

- o Update sample formats and instructions for financial statement reporting to incorporate the most recent HUD revisions.
- o Include all necessary cross-references to HUD and external documents, including revision of existing references.

- o Update the names of offices, position titles, functional names and other references pertaining to Loan Management as appropriate.
- o Revise terminology for the Balance Sheet, Statement of Income, and Statement of Changes in Financial Position. Incorporated revision by FASB, #95 as it relates to the Statement of Cash Flows.
- o Define procedures for converting from a manual to an automated accounting system.
- o Provide controls needed during development of an automated accounting system.
- o Provide controls needed for the budgeting process.
- o Define procedures for converting from a cash basis to accrual basis accounting system.
- o Update Chart of Accounts and account descriptions including additional Cooperative Housing Corporation specific accounts.
- o Clarify procedures for accounting for delinquent tenants accounts receivable.
- o Provide accounting guidance for replacement reserve transactions.
- o Provide a glossary and listing of acronyms,

4. Cross References:

This Handbook contains a Foreword which cross references applicable handbooks and guidance relating to reviewing multifamily financial statements and supplemental data.

5. Cancellations:

The Uniform System of Accounts for Cooperative Housing Corporations Using Manual Accounting Systems Handbook 4370.5, dated 5/71 and the Uniform System of Accounts for Cooperative Housing Corporations Using Computer Accounting Systems Handbook 4371.3 dated 5/71.

6. Filing Instructions:

Remove:	HUD Hbk. 4370.5, 4371.3	Insert:	HUD Hbk. 4370.3
Dated:	5/71	Dated:	6/92

Assistant Secretary for Housing
Federal Housing Commissioner

Handbook

4370.3

U.S. Department of Housing and Urban Development
Washington, D.C. 20410

Departmental Staff
and Program
Participants

June 1992

Uniform System
Of Accounts for
Cooperative Housing
Corporations Using
Manual and Computer
Accounting Systems
