

CHAPTER 2: PHA AND HUD RESPONSIBILITIES

SECTION 2: PHA AND HUD RESPONSIBILITIES

2-1 COMMON GOALS AND OBJECTIVES.

Both the PHA and HUD have a common goal and responsibility in ensuring that federal funds are properly spent in an efficient and effective manner. PHAs institute financial systems and safeguards to prevent loss of funds and ensure that funds are expended for eligible housing purposes. HUD monitors compliance with requirements through remote monitoring and/or on-site reviews. HUD's objective is to identify situations where funds are endangered and through problem diagnosis/analysis assist PHAs in correcting deficiencies.

2-2 PHA RESPONSIBILITIES.

PHAs are responsible for operating their housing developments in compliance with the Annual Contributions Contract (ACC) and applicable regulations and procedural requirements. A PHA's primary mission should be to provide decent, safe, and affordable housing to persons eligible to reside in its housing developments.

=====

ANNUAL CONTRIBUTIONS CONTRACT (ACC): MISSION OF THE PHA

THE PHA SHALL AT ALL TIMES DEVELOP AND OPERATE EACH PROJECT SOLELY FOR THE PURPOSE OF PROVIDING DECENT SAFE AND SANITARY HOUSING FOR ELIGIBLE FAMILIES IN A MANNER WHICH PROMOTES SERVICEABILITY, ECONOMY, EFFICIENCY, AND STABILITY OF THE PROJECTS, AND THE SOCIAL WELL-BEING OF THE RESIDENTS.

=====

A. Among specific responsibilities of PHAs, as they relate to finance and budget, are the following:

- 1. Effectively managing Federal funds without waste, fraud, or mismanagement;

=====

24 CFR 85: FINANCIAL ADMINISTRATION

=====

___/___

-
- 2. Maintaining the accounting books and records in accordance

with HUD requirements, and submitting required financial reports and related documents in accordance with the ACC and regulatory requirements;

=====
ACC: THE PHA MUST MAINTAIN COMPLETE AND ACCURATE BOOKS OF ACCOUNT FOR THE PROJECTS OF THE PHA. THE BOOKS AND RECORDS MUST BE MAINTAINED IN SUCH A MANNER AS TO PERMIT THE PREPARATION OF STATEMENTS AND REPORTS IN ACCORDANCE WITH THE REQUIREMENTS OF THE GOVERNMENT.

THE PHA MUST FURNISH HUD WITH SUCH FINANCIAL AND PROJECT REPORTS, STATEMENTS, AND DOCUMENTS AT SUCH TIMES, IN SUCH FORM, AND ACCOMPANIED BY SUCH REPORTING DATA AS REQUIRED BY HUD.

24 CFR 990, SUBPART B - FINANCIAL MANAGEMENT SYSTEMS, MONITORING AND REPORTING: THE FINANCIAL MANAGEMENT SYSTEMS, REPORTING AND MONITORING ON PROGRAM PERFORMANCE AND FINANCIAL REPORTING WILL BE IN COMPLIANCE WITH THE REQUIREMENTS OF THE FOLLOWING (EXCEPT TO THE EXTENT THAT HUD REQUIREMENTS PROVIDE FOR SPECIALIZED PROCEDURES):

24 CFR 85.20 - STANDARDS FOR FINANCIAL MANAGEMENT SYSTEMS

24 CFR 85.40 - MONITORING AND REPORTING PROGRAM PERFORMANCE

24 CFR 85.41 - FINANCIAL REPORTING

=====

3.Preparing an annual Operating Budget and Calculation of Performance Funding System Operating Subsidy, as applicable, and all related, supporting documents in accordance with the ACC;

=====
ACC: THE PHA SHALL PREPARE AND HAVE APPROVED BY ITS BOARD OF COMMISSIONERS AN ANNUAL OPERATING BUDGET FOR EACH OF ITS FISCAL YEARS IN A MANNER AND USING SUCH FORMS AS PRESCRIBED BY THE GOVERNMENT.

24 CFR 990: SUBPART A-PERFORMANCE FUNDING SYSTEM

=====

__/_

4.Submitting to the Area Office an annual Operating Budget and/or Calculation of Performance Funding System Operating Subsidy (PFS), whichever is applicable, and all related

supporting documents in accordance with the ACC and regulations governing the PFS.

=====
ACC: IN LIEU OF SUBMISSION OF THE ANNUAL OPERATING BUDGET, THE PHA WILL SUBMIT A CALCULATION OF OPERATING SUBSIDY ELIGIBILITY IN ACCORDANCE WITH THE MANNER PRESCRIBED BY HUD REGULATIONS IN 24 CFR 990.

HUD MAY DIRECT A PHA TO SUBMIT AN OPERATING BUDGET BECAUSE IT HAS FAILED TO ACHIEVE CERTAIN SPECIFIED OPERATING STANDARDS OR FOR OTHER REASONS WHICH IN HUD'S DETERMINATION REQUIRE IT.

24 CFR 990: SUBPART A-PERFORMANCE FUNDING SYSTEM
=====

B. In order to effectively carry out the above fiscal responsibilities PHAs should establish policies and procedures. Emphasis should be placed on internal controls, budgetary controls, cash management, data collection and reporting, accounting and bookkeeping. These fiscal controls, policies, and procedures will assist the PHA in maintaining a sound base for the protection of PHA funds.

=====
24 CFR 990, SUBPART B - FINANCIAL MANAGEMENT SYSTEMS, MONITORING AND REPORTING: THE FINANCIAL MANAGEMENT SYSTEMS, REPORTING AND MONITORING ON PROGRAM PERFORMANCE AND FINANCIAL REPORTING WILL BE IN COMPLIANCE WITH THE REQUIREMENTS OF THE FOLLOWING (EXCEPT TO THE EXTENT THAT HUD REQUIREMENTS PROVIDE FOR SPECIALIZED PROCEDURES):

24 CFR 85.20 - STANDARDS FOR FINANCIAL MANAGEMENT SYSTEMS

24 CFR 85.40 - MONITORING AND REPORTING PROGRAM PERFORMANCE

24 CFR 85.41 - FINANCIAL REPORTING
=====

___/___

2-3

2-3 HUD AREA OFFICE RESPONSIBILITIES.

A. When handling finance and budget issues the Area Office Finance and Budget Specialist is the primary contact point between HUD and PHAs. The Area Office should take a proactive approach when dealing with PHAs. PHAs will be more receptive to a proactive approach and more open to suggestions. This approach will also

assist Area Office staff in carrying out its numerous roles and responsibilities.

The roles and responsibilities performed by Area Office staff include the following:

1.Roles

a.Partner

Area Office staff and PHAs are partners in the same business, to provide safe and adequate low rent housing for qualified persons.

b.Monitor

Area Office financial staff evaluate whether a PHA is in compliance with statutes and regulations as related to financial management.

c.Advisor

Area Office staff give technical advice to PHAs to assist in providing solutions to their problems or concerns and offers alternatives on how to handle difficult issues.

d.Trainer

Area Office staff assist in teaching PHAs policy requirements and procedures to follow and provides guidelines on implementation.

e.Evaluator

Area Office staff evaluate the methods used

—/—

by PHAs to determine effectiveness and evaluates PHA performance to ensure that fiscal policies and procedures used to manage financial assets and safeguards against fraud, waste, and mismanagement are carried out in accordance with the prescribed procedures.

f.Advocate

Area Office staff should be responsive to suggestions and ideas from PHAs on how to meet changing need.

B.SPECIFIC AREA OFFICE FINANCE AND BUDGET SPECIALIST

RESPONSIBILITIES

In addition to handling a portfolio of PHAs, writing reports and composing correspondence, providing technical assistance to PHAs and assisting in the resolution of financial management review or audit findings, specific finance and budget responsibilities of Area Office staff include but are not limited to the following:

1.Reviewing and approving in a timely manner the annual Operating Budgets of PHAs that are required to submit the Operating Budget to the Area Office.

=====
ACC: HUD SHALL PROMPTLY REVIEW AND APPROVE THE
OPERATING BUDGET IF THE PLAN OF OPERATION AND THE
AMOUNTS THEREIN ARE REASONABLE.
=====

2.Reviewing and approving PHA requests for operating subsidy in accordance with the regulations and/or procedures applicable to the type of project being funded.

=====
ACC: HUD WILL REVIEW THE CALCULATION OF OPERATING
SUBSIDY AND, IF CORRECT, PROMPTLY APPROVE IT AND TAKE
ACTION TO APPROVE A PAYMENT SCHEDULE AND OBLIGATE THE
FUNDS.

24 CFR 990 - SUBPART A-PERFORMANCE FUNDING SYSTEM
=====

___/___

3.Reviewing periodic financial reports of PHAs to evaluate financial stability, economy of operation, and financial management practices, e.g., audit reports, procurement practices, investment policies and procedures, collection of accounts receivable, and resource allocation.

4.Monitoring PHA performance, maintaining financial trend data and evaluating all financial documents.

=====
24 CFR PARTS 85, 44, 901 AND 990.

FIELD OFFICE MONITORING OF PUBLIC HOUSING AGENCIES
HANDBOOK, 7460.7
=====

5.Serving as information source for PHA and as trainer on new programs. Assisting in the development of training programs for management staffs of PHAs.

6.Using automated systems for data entry, remote monitoring and reference material. These systems include, but are not limited to:

a.Regional Operating Budget Obligation Tracking System (ROBOTS).

(1)ROBOTS is an interactive database system that allows Area Offices to enter PHA operating subsidy and Section 23 Lease Adjustment eligibility, obligations, and reserve data from operating budgets, subsidy calculation forms and operating statements into one automated tracking system.

(2)Headquarters and Field offices use ROBOTS to monitor the status of operating budget and/or PFS submissions, subsidy requirements and obligations.

b.Departmental Accounts Receivable Tracking System (DARTS)

The DARTS allows Area Offices to make inquiries, access and input comments, and

___/___

2-6

generate reports on established accounts receivables for residual receipts, excess financing and miscellaneous payment records for PHAs.

c.System for Management Information Retrieval - Public Housing (SMIRPH)

SMIRPH is a system designed to collect data relevant to PHAs. It consists of various tracking and information collection systems separated into modules. The SMIRPH system is a monitoring tool for all functional areas.

___/___

2-7