

FINANCIAL REPORTING UNDER THE NEW OPERATING FUND RULE

Reporting Brief 6: Program Transfer Reporting

This brief provides public housing agencies (PHAs) with a framework for determining how certain transfers should be accounted for in the new Financial Data Schedule (FDS) under asset management.¹ Six different transfer examples are presented. Asset Management Projects, or AMPS, are referred to throughout as “AMP” or “Project”.

Example 1: Project to Project Transfer

Project 1 has \$15,000 in excess cash on 12/31/2009. On 5/25/2010, Project 1 transfers \$10,000 to Project 2. Transactions involved include:

Debit/Credit	FDS Line #	FDS Line	Balance Sheet		Income Statement				
					AMP 1		AMP 2		
			AMP 1	AMP 2	Operations	Capital Fund	Operations	Capital Fund	
Debit	10092	Inter AMP Excess Cash Transfer Out			\$ 10,000.00				
Credit	111	Cash - Unrestricted	\$ 10,000.00						
Debit	111	Cash - Unrestricted		\$ 10,000.00					
Credit	10091	Inter AMP Excess Cash Transfer In					\$ 10,000.00		

111 Cash - unrestricted

This FDS line represents cash and cash equivalents (certificates of deposit, NOW accounts, savings, T-bills, etc.) in any form – for example, cash on deposit, cash awaiting deposit, and cash funds available for use for any purpose including operations.

10091 Inter-AMP excess cash transfer in

This FDS line item represents an excess cash transfer received by one AMP from another AMP. The sum of all transfers in must equal all transfers out (Line 10092) within a PHA.

10092 Inter-AMP excess cash transfer out

¹ See proposed FDS template, posted December 28, 2007, on asset management website at: <http://www.hud.gov/offices/pih/programs/ph/am/fds.cfm>.

This FDS line item represents an excess cash transfer made by one AMP to another AMP. The sum of all transfers out must equal all transfers in (Line 10091) within a PHA.

Example 2: COCC to Project Transfer

The COCC transfers \$10,000 to AMP1.

Transactions involved:

Debit / Credit	FDS Line #	FDS Line	Balance Sheet		Income Statement				
					COCC		AMP1		
			COCC	AMP1	Operations	Capital Fund	Operations	Capital Fund	
Debit	10094	Transfers Between Programs and AMPs - Out			10,000.00				
Credit	111	Cash - Unrestricted	10,000.00						
Debit	111	Cash - Unrestricted		10,000.00					
Credit	10093	Transfers Between Programs and AMPs - In					10,000.00		

10093 Transfers from Program(s) to Project(s)

This FDS line item represents cash transfers from programs and the COCC to Projects. The sum of all transfers from programs must equal all transfers to Projects within a PHA.

10094 Transfers between Programs and AMPs-Out

This FDS line item represents cash transfers from AMPs to programs. The sum of all transfers from AMPs must equal all transfers to program within a PHA.

Example 3: AMP to COCC Asset Management Fee Payment

AMP1 has \$15,000 in excess cash on 12/31/2009. On 5/25/2010, AMP1 pays \$10,000 for the Asset Management Fee to the COCC. (It should be noted that this is *not* a transfer, but a fee-for-service transaction)

Transactions involved:

Debit/Credit	FDS Line #	FDS Line	Balance Sheet		Income Statement				
			COCC	AMP 1	COCC		AMP 1		Elimination
					Operations	Capital Fund	Operations	Capital Fund	
Debit	92000	Asset Management Fee						\$ 10,000.00	
Credit	111	Cash - Unrestricted		\$ 10,000.00					
Debit	111	Cash - Unrestricted	\$ 10,000.00						
Credit	70720	Asset Management Fee			\$ 10,000.00				
Credit	92000	Asset Management Fee							\$ 10,000.00
Debit	70720	Asset Management Fee							\$ 10,000.00

92000 Asset management fee

This FDS line item represents asset management fees paid by AMPs to the COCC from excess cash.

70720 Asset management fee

This FDS line represents asset management fee revenue earned by the COCC.

Example 4: Program to Program Transfer

Program 1 transfers \$10,000 to Program 2.

Transactions involved:

Debit/Credit	FDS Line #	FDS Line	Balance Sheet		Income Statement	
			Program 1	Program 2	Program 1	Program 2
Debit	10020	Operating Transfer Out			\$ 10,000.00	
Credit	111	Cash - Unrestricted	\$ 10,000.00			
Debit	111	Cash - Unrestricted		\$ 10,000.00		
Credit	10010	Operating Transfer In				\$ 10,000.00

10010 Operating transfers in

This FDS line represents ongoing operating resources received from fund other than a loan advance, quasi-external transactions and reimbursements. This FDS line item will not include AMP to AMP transactions. However, within an AMP, this line may be used to transfer funds from the Capital Fund column to the Operations column.

10020 Operating transfers out

This FDS line represents ongoing operating resources provided to fund other than a loan advance, quasi-external transactions and reimbursements. This FDS line item will not include AMP to AMP transactions. However, within an AMP, this line may be used to transfer funds from the Capital Fund column to the Operations column.

Example 5: COCC Book-keeping Fee Payment

Program 1 pays \$10,000 to the COCC for bookkeeping fee. (It should be noted that this is *not* a transfer, but a fee-for-service transaction)

Transactions involved:

Debit/Credit	FDS Line #	FDS Line	Balance Sheet		Income Statement			
			COCC	Program 1	COCC		Elimination	
					Operations	Capital Fund	Program 1	
Debit	91310	Book-Keeping Fee					\$ 10,000.00	
Credit	111	Cash - Unrestricted		\$ 10,000.00				
Debit	111	Cash - Unrestricted	\$ 10,000.00					
Credit	70730	Book-Keeping Fee			\$ 10,000.00			
Credit	91310	Book-Keeping Fee						\$ 10,000.00
Debit	70730	Book-Keeping Fee						\$ 10,000.00

91310 Book-keeping fee

This FDS line item represents book-keeping fees paid by AMPs and other programs to the COCC.

70730 Book-keeping fee

This FDS line represents the book-keeping fee revenue earned by the COCC.

Example 6: COCC to Program Transfer

The COCC transfers \$10,000 to Program 1.

Transactions involved:

Debit/Credit	FDS Line #	FDS Line	Balance Sheet		Income Statement		
			COCC	Program 1	COCC		Program 1
					Operations	Capital Fund	
Debit	10020	Operating Transfer Out			\$ 10,000.00		
Credit	111	Cash - Unrestricted	\$ 10,000.00				
Debit	111	Cash - Unrestricted		\$ 10,000.00			
Credit	10010	Operating Transfer In					\$ 10,000.00

Additional Notes

Please take note of the following when dealing with transfers:

- “Inter AMP Excess Cash Transfer In” (10091) and “Inter AMP Excess Cash Transfer Out” (10092) should be equal to each other in the “Total AMP” column
- “Transfers between Programs and AMPs – In” (10093) and “Transfers between Programs and AMPs – Out” (10094) should be equal on an Entity-Wide Basis