

Explanation of September Obligations under Operating Fund Program For Calendar Year (CY) 2013

This document describes the September obligations under the Operating Fund program for CY 2013. The funds under these obligations are expected to be available in eLOCCS by August 30, 2013. The September obligations for CY 2013 cover 1 month and the obligation letters reflecting this amount will be posted by the Financial Management Division (FMD) on the Calendar Year 2013 Subsidy Processing website at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am/of/opfnd2013

Interim Proration

The Congress adopted a Full Year Continuing Resolution through September 30, 2013 and provided for a sequestration. The Full Year Continuing Resolution with sequestration served as the basis for the interim proration used for the September obligations. Table 1 shows the interim proration calculation at approximately 82%. As noted in prior correspondence to the industry, because HUD funded PHAs at a higher proration initially, monthly funding levels for the remainder of the year will vary in order to remain within the annualized proration level.

Table 1, CY 2013 Interim Proration Calculation		
#	Description	Amount
1	CY 2013 Estimated Appropriation	\$ 4,054,181,154
2	Amount Available for Distributions	\$ 4,054,181,154
3	CY 2013 Estimated Eligibility	\$ 4,919,457,800
4	Add: Eligibility for HTK & MHP Submissions	\$ 165,140
5	Revision and Appeals	\$ 10,000,000
6	Total Estimated Eligibility (3 through 4)	\$4,929,622,940
7	Proration (2) / (6)	82%

A factor affecting the final proration is that once all CY 2013 operating subsidy eligibility forms have been finalized, proration may either increase or decrease compared with the interim proration level. PHAs should structure their financial planning for revenues and expenditures for CY 2013 with the consideration of possible changes in proration. The program will publish a final proration and funding for the last quarter (October through December) by the last week of September.