



HUD Moving to Work Expansion Training

Cohort 1 Onboarding - Preparing Your Agency's MTW Finances

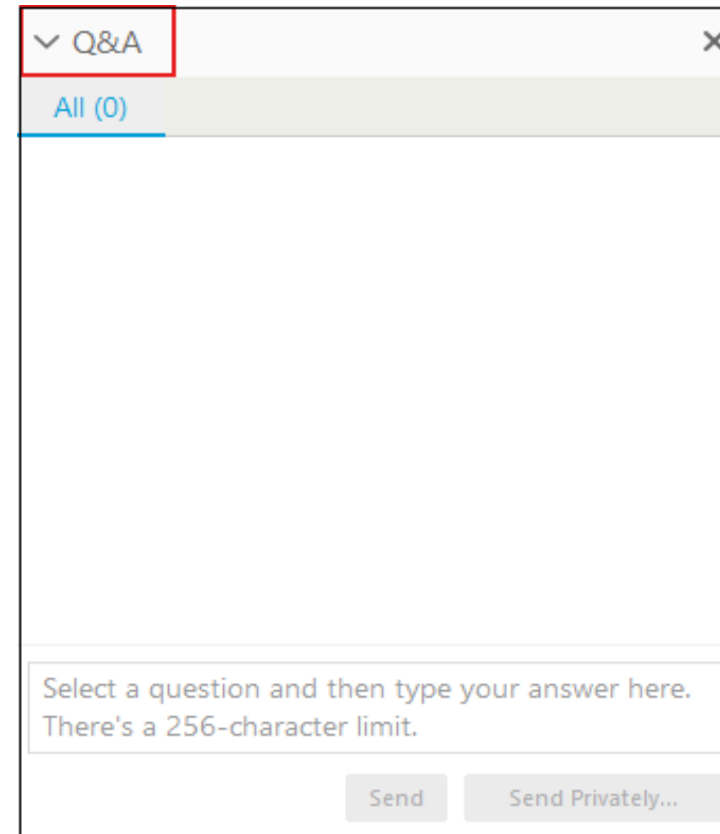
February 10, 2021

Questions?

- All attendees have been muted
- Type your question in the Q&A box (send to All Panelists)

OR

- Type “I have a question” in the Q&A box (send to All Panelists), and you will be placed in queue to be unmuted to ask verbally

A screenshot of a Q&A interface. At the top, there is a header bar with a dropdown menu labeled 'Q&A' and a close button 'X'. Below the header, there is a tab labeled 'All (0)'. The main area is a large, empty text box for asking questions. At the bottom, there is a smaller text box with the placeholder text 'Select a question and then type your answer here. There's a 256-character limit.' Below this text box are two buttons: 'Send' and 'Send Privately...'.

Q&A

All (0)

Select a question and then type your answer here.
There's a 256-character limit.

Send Send Privately...



HUD Moving to Work Expansion Training

Cohort 1 Onboarding - Preparing Your Agency's MTW Finances

February 10, 2021

Today's Agenda

- Welcome
- Implementing MTW Funding Flexibilities
- Funding Calculations: Sections 8 and 9
- Financial Policies and Procedures
- MTW-Specific Financial Reporting (VMS, FDS, Capital Fund, and CARES Act)
- Previously Appropriated Funds: Sections 8 and 9
- Additional Questions
- Wrap Up



Implementing Funding Flexibilities

When can MTW expansion agencies begin to use their funding flexibilities and implement activities?

- Flexibility can be used for allowable purposes under Section 8 and 9 once MTW ACC Amendment is executed
- Funding flexibility can be used for MTW waivers/activities once the MTW Supplement to the PHA Plan is approved

Example:

An MTW agency could begin to use Operating Funds to issue HCV vouchers after the MTW ACC Amendment has been executed, but it cannot implement a local, non-traditional activity unless it has received approval in their MTW Supplement to the PHA Plan.

Funding Calculations: Sections 8 and 9

	Public Housing Operating Funds	Public Housing Capital Funds	HCV Program
Funding Calculation	Same as for non-MTW	Same as for non-MTW	Administrative Fees are earned as they are for non-MTW agencies HAP Renewal Eligibility is based on HAP and MTW Expenses
Obligation and Expenditure Requirements	Same as for non-MTW	Same as for non-MTW	Same as for non-MTW
Requisitioning	Same as for non-MTW	Use MTW BLI 1492 in HUD's Energy and Performance and Information Center (EPIC) system. Funds are still disbursed through LOCCS	No requisitioning needed: monthly disbursement based on monthly HAP expenses from VMS, <i>unless</i> current expenses exceed disbursements Non-HAP expense disbursements must be requested by contacting FA in HCV FMC

Funding Calculations: Sections 8 and 9

HAP Renewal Eligibility is
Based on the LOWER of:

1) The MTW HAP Renewal Eligibility Cap, calculated as:

MTW Renewal Eligibility Cap	=	The agency's pre-MTW monthly per-unit cost (PUC) inflated to the re-benchmark year	X	Total number of MTW-eligible ACC-authorized units in the re-benchmark year
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2) The Re-Benchmark Year's Actual HAP/non-HAP eligible expenses, calculated as:

Total Eligible Expenses	=	HAP Expenses	+	Eligible Non-HAP MTW Expenses
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Funding Calculations: Sections 8 and 9

- Resources:
 - October 2020 Webinar: Funding Flexibilities, Funding Calculation, and Statutory Requirements
 - <https://www.hudexchange.info/trainings/moving-to-work-expansion-webinar-series/>
 - Section VI of the MTW Operations Notice
 - <https://www.hud.gov/sites/dfiles/PIH/documents/FinalMTWExOpsNoticePartVIWeb.pdf>
 - MTW Expansion Training On-line Manual (Understanding and Using Funding Flexibilities)
 - <https://www.hudexchange.info/programs/mtw/mtw-expansion-training/welcome/>



Financial Policies and Procedures

- Review financial policies and procedures as it pertains to funding fungibility under the MTW Demonstration Program
- Consider changes needed given funding fungibility/flexibility
 - Guest speakers from Lawrence-Douglas PHA and San Bernardino PHA will provide examples and insights into how they have considered these changes



Note: 2 CFR Part 200 Requirements still apply

Shannon Oury

Executive Director



Agency Background

- Located in Lawrence, Kansas
- 732 Housing Choice Voucher Units (per MTW baseline)
- 369 Public Housing Units
- 113 Special Purpose Voucher Program Units (CoC, Mainstream, VASH)
- 73 Authority Owned Units
- 40 staff



MTW Background

- MTW Designation: 1999
- 1999 – Radically altered our program
 - Activity 99-1 – Combined Public Housing & Section 8 programs and operations
 - Alternate rent structure

BDRM Size	Studio	1	2	3	4	5
MTW MIN	\$185	\$185	\$215	\$255	\$275	\$315
MTW MAX	\$435	\$435	\$500	\$575	\$665	\$690

- Work Requirement – all work able adults must be employed 15 hours per week or be enrolled in post-secondary education



Generate Funds for MTW Activities

- Recommendation: tackle administrative/operational efficiencies first
- Alternate Rent Structures and Work Requirement significantly increase rental income and reduce HAP payments



Moving To Work Activities by Statutory Objective

Administrative Efficiency	Economic Independence	Expanding Housing Opportunities
Exclude asset income from income calculations and allow self-certification of assets	Rent Assistance for Permanent Supportive Housing Graduates	Safe Housing Program (SHP)
Create a Biennial Housing Quality Standards (HQS) Inspection process	Provide financial assistance for vehicle repair	Next Step Vouchers (NSV)
Create a Landlord On-Site Self-Certification for minor repairs	Partner with Douglas County Housing Incorporated (DCHI), to create year round Full Circle Youth Program	Create an Affordable Housing Acquisition and Development Fund
Change the effective dates of variables affecting rent calculations to January 1	Expand employment related services to MTW households	Homeownership Program
Biennial recertification for elderly and disabled Section 8 and public housing households	Mandatory Orientation	
Single fund budget with full flexibility	Alternative rent structure	
Revised definition of countable income	Work requirement	
Combined public and Section 8 TBRA programs and operations		



Financial Lessons Learned

- Create a separate fund for “MTW” in your general ledger/chart of accounts – create a line for each Activity that uses MTW funds

2019 MTW HUD APPROVED LDCHA VOUCHERS	
Douglas County Re-Entry Program	DRP
Safe Housing Program	DV
Next Step Program	NS
TOTAL LDCHA VOUCHERS	
2019 MTW HUD APPROVED CONTINUED & NEW ACTIVITIES	
Expanded RSO & Homeownership	RSE
Homeless To Housed	EHC
Douglas County Housing Inc	DCHI
TOTAL MTW ACTIVITIES	
TOTAL ALL EXPENSES	

- Important to continue to keep track of expenses separately, by original source of funds

Financial Lessons Learned

- Track your expenses
 - Additional reporting requirements (VMS, FDS)
 - Important for finance team to understand the why behind program changes
 - Communication key between operations and finance (monthly planning/overview meetings)
 - Code expenses to the right MTW Activity
 - Set up a way to report in the matrix in the MTW Annual Report, which will help with evaluating your initiatives



Contact Information

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Maria Razo

Executive Director



**HOUSING AUTHORITY OF THE
COUNTY OF SAN BERNARDINO**

Agency Background

- Located in Southern California, largest size county in the contiguous U.S.
- 9,737 Housing Choice Voucher Units (per MTW baseline)
- 99 Public Housing Units
- 1,408 Special Purpose Voucher Program Units (HOPWA, CoC, Mainstream, VASH)
- 2,883 Authority Owned Units
- 140 staff



MTW Background

- MTW Designation: 2008
- 27 approved MTW activities
 - 12 help improve operational efficiency
 - 9 enhance our efforts to help families increase economic independence
 - 6 aid in expanding housing choice
- Recommendation: tackle administrative/operational efficiencies first



MOVING TO WORK ACTIVITIES BY STATUTORY OBJECTIVE

Administrative Efficiency	Economic Independence	Expanding Housing Opportunities
Single-Fund Budget	Local Policies for Portability	Local Project-Based Voucher Program
Strategic Investment Policies (closed)	Elimination of Earned Income Disallowance (closed)	Local Payment Standards
Alternate Assessment Program (on hold)	Minimum Rent	Operating Subsidy for Vista del Sol (closed)
Biennial Recertifications	Pilot Work Requirement (closed)	Project-Based Voucher Flexibility for Horizons at Yucaipa Senior Housing
Simplified Income Determination	Local Income Inclusion (closed)	Local Disaster Short-Term Rental Assistance
Elimination of Assets (closed)	Local FSS Program	Local Project-Based Voucher Subsidy for Tax Credit Developments
Controlled Program Moves (closed)	Term-Limited Lease Assistance Program	
Local Inspection Standards	No Child Left Unsheltered	
Local Asset Management Program	Transition for Over-Income Families	
Property Management Innovation		
Utility Allowance Reform (closed)		
Streamlined Lease Assistance Program		

Financial Lessons Learned

- Create separate fund for “MTW” in your general ledger/chart of accounts
- Create separate fund for “MTW Local Non-Traditional Activities”
- Create separate accounts in your general ledger for transfers in/out of MTW fund, separate account by program:
 - Examples:
 - Housing Choice Voucher Program and MTW
 - Transfer **IN** from MTW to Housing Choice Voucher Program
 - Transfer **OUT** from Housing Choice Voucher Program to MTW
 - Public Housing and MTW
 - Transfer **IN** from MTW to Public Housing Operating Funds
 - Transfer **OUT** from Public Housing Operating Funds to MTW
 - Public Housing Capital Funds and MTW
 - Transfer **IN** from MTW to Public Housing Capital Funds
 - Transfer **OUT** from Public Housing Capital Funds to MTW
 - Important to continue to keep track of expenses separately, by original source of funds



Financial Lessons Learned

- Financial Data Schedule
 - Will need to report MTW expenses in FDS separately, and create new columns
 - Create mapping from Chart of Accounts to FDS line items (in software system preferably)
- Software
 - Will your current system accommodate the changes that are needed?
- Do not assume fungibility will solve all financial problems
 - Subject to proration
 - Do not receive additional funding
 - Additional implementation costs (create implementation plans)



Financial Lessons Learned

- Additional responsibilities for financial/accounting staff
 - Changes to chart of accounts
 - Additional reporting requirements (VMS, FDS)
 - Important for finance team to understand the *why* behind program changes
 - Communication key between operations and finance (monthly planning/overview meetings)



Financial Lessons Learned

- Consultant
- Legal
- New/expanded analytical/reporting responsibilities (tracking, reporting, analysis, evaluation of metrics/expected outcomes)
- Overtime (i.e. implementation)
- Software modifications
- Third party research
- Specialized training



Contact Information

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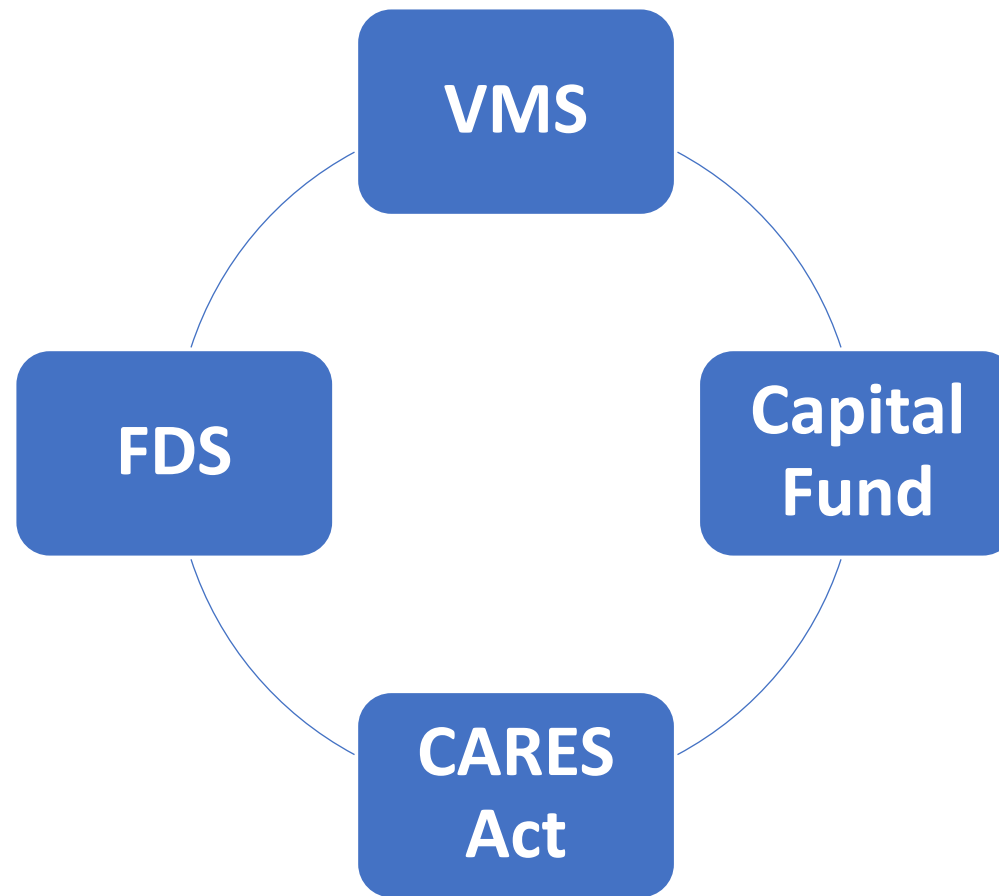
Questions?



10 Minute Break



MTW-Specific Financial Reporting



MTW-Specific Financial Reporting: VMS

- **MTW reporting will be effective the first month following the conversion**
- VMS Fields for HAP And Leasing:
 - Moving to Work Vouchers (as Unit Months Leased)
 - Moving to Work HAP Expenses
 - Special Purpose Vouchers
- VMS Fields for HCV Funds used to cover MTW Expenses:
 - MTW - HCV Administrative Expenses
 - MTW - Public Housing Rehabilitation
 - MTW - Debt Service Repayment
 - MTW - Development Activities
 - MTW - Local Housing Program

Resource

VMS User Manual Quick Reference Guide
https://www.hud.gov/sites/documents/Q_UICKREFERENCE.PDF



Requesting non-HAP disbursements

- Requests include release of funds from PHA's undisbursed Budget Authority (BA) or HUD Held Reserves (HHR).
- MTW PHA requests release of the undisbursed BA or HHR by sending an email to FMC Financial Analyst (FA). Request includes:
 - A detailed description of the purpose of the use of funds.
 - Estimated total HAP, Non-HAP, & Administrative Expenses not yet entered into VMS.
 - Confirmation that funds will be fully expended within 3 business days of receipt.
 - If request involves development costs or acquisitions of property, should be in MTW Supplement to the PHA Plan.



Special Instructions for Preparing FDS for MTW Agencies

1

- Create new FDS column for Low Rent, Capital Fund, HCV, and MTW

2

- Report project financial activity within supplemental project schedules and transfer funds accordingly.

3

- Transfer Low Rent Capital Fund and Section 8 HCV subsidy or grant revenue to MTW Program.

4

- Report project financial activity within supplemental project schedules and transfer funds accordingly.

5

- Understand Asset Management Types applicable to PHAs.

Special Instructions for Preparing FDS for MTW Agencies

Resources

FDS Reporting Guidance

https://www.hud.gov/sites/documents/DOC_11833.PDF

Updated FDS Line Definition Guide

https://www.hud.gov/program_offices/public_indian_housing/reac/products/prodpha/fdsline



MTW-Specific Financial Reporting: Capital Fund

- Obligation and Expenditure Requirements (24 CFR 905.306)
 - Capital Fund grant must be 90% obligated within 24 months of award
 - Capital Fund grant must be 100% expended within 48 months of award
- Immediate Need
 - Continue to follow immediate need requirements applicable to all Capital funds
 - Cannot accelerate drawdown of Capital funds for funding reserves or for any other purpose
 - Only draw Capital funds, including funds in BLI 1410 (Administrative Costs) and BLI 1492 (MTW) when funds are due and payable.



MTW-Specific Financial Reporting: Capital Fund

- EPIC Reporting
 - If MTW Funding from any source will be used for capital activities, ensure compliance with environmental review and Energy Performance Information Center (EPIC) reporting.
- Reporting/Using Budget Line Items (BLI)
 - Traditional Cap Fund BLI(s) for activities requested under Section 9(d)
 - BLI 1492 (MTW) for activities under Section 9(e), Section 8(o), and LNT.
 - Cannot use transfer to operations line item.



MTW-Specific Financial Reporting: CARES Act

- PIH Notice 2020-24: FDS CARES Act Reporting Notice
 - <https://www.hud.gov/sites/dfiles/PIH/documents/PIH-2020-24.pdf>
 - FDS reporting requirements for CARES Act Funds
 - Extends ability to use the following unspent funds until December 31, 2021
 - Supplemental Public Housing Op Funds
 - HCV Supplemental HAP
 - Administrative Fees



Previously Appropriated Funds: Sections 8 and 9

- May be used flexibly per FY 2021 Congressional Appropriations Bill:
 - Operating Fund
 - HCV
 - Capital
- Must be renewed from year to year
- Check status of this flexibility:
 - https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw/MTW-flex-reserves-status



Additional Questions?



Resources

- MTW ACC Amendment (available from MTW Expansion page on hud.gov)
 - <https://www.hud.gov/sites/dfiles/OCHCO/documents/50166-MTW.pdf>
- MTW Selection Notice, Welcome Letter, Timeline, and Resources
- MTW Operations Notice
 - <https://www.hud.gov/sites/dfiles/PIH/documents/FinalMTWExOpsNoticePartVIWeb.pdf>
- Moving to Work page on hud.gov
 - <https://www.hud.gov/mtw>
- Moving to Work Expansion page
 - <https://www.hudexchange.info/programs/mtw/>
- MTW Expansion Training
 - <https://www.hudexchange.info/programs/mtw/mtw-expansion-training/welcome/>
- MTW Expansion Webinars
 - <https://www.hudexchange.info/trainings/moving-to-work-expansion-webinar-series/>



Resources

- Additional Insights from Today's PHA Speakers on MTW Funding Fungibility
 - Maria Razo, Executive Director, San Bernardino, <https://youtu.be/0AC2KATR5jk>
 - Shannon Oury, Executive Director, Lawrence, https://youtu.be/tHDVb_0JoEc



Upcoming Cohort 1 Onboarding Webinars

Evaluation and Data Collection	February 17, 2021	2:00 – 3:30 PM EST
The MTW Supplement to the PHA Plan (the MTW Supplement) and the Public Process	March 10, 2021	2:00 – 4:00 PM EST
Transitioning Your PHA Data to PIC-NG	March 24, 2021	2:00 – 4:00 PM EST



Thank you!

