



HUD Moving to Work Expansion Training

Asset Building Cohort Onboarding – Preparing Your MTW Agency's
Finances Part 1: Financial Reporting
December 8, 2022



Today's Agenda



- MTW ACC Amendment and Funding Flexibility
- Eligible Uses of Funds Under Section 8 and Section 9
- MTW ACC Amendment Execution & MTW Financial Reporting
- MTW-Specific Financial Reporting
 - Financial Data Schedule (FDS)
 - Capital Fund (EPIC)
 - Voucher Management System (VMS)
- Previously Appropriated Funds
- Questions & Answers
- Wrap Up

MTW ACC Amendment & Funding Flexibility



When should the agency begin processing the MTW Amendment to the ACC?

- Execute your MTW ACC Amendment as expeditiously as possible
- Agency discretion when board signs MTW ACC Amendment and submits to HUD for signature
- HUD recommends that you execute your ACC Amendment by March 2023

Implementing Funding Flexibilities



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

- Funding flexibility can be used for eligible purposes under Section 8 and 9 starting the first day of the month following HUD's execution of the MTW ACC Amendment
- Activities that require waivers cannot begin until the MTW Supplement to the Annual PHA Plan is approved

Example:

An MTW agency may 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 the MTW Supplement to the Annual PHA Plan.

MTW Funding Flexibilities



- MTW funding flexibility only allowable under the following Section 8 and Section 9 funding sources:
 - HCV (HAP/HCV Admin Fee)
 - Operating Fund
 - Capital Funds
- Agencies may propose activities that free up funds to be used flexibly
- All required HUD approvals must be received, if needed, e.g., for:
 - Mixed-Finance Developments
 - Acquisitions
 - Demolition/Disposition, etc.

Sections 8 & 9 - Ineligible Uses



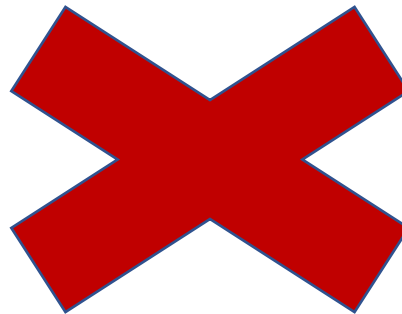
- Activities not permitted under MTW Demonstration:
 - Using Section 8 & 9 funds for Section 8 Project-Based Rental Assistance (PBRA) programs run by Office of Multifamily Housing
 - Repaying ineligible costs related to audit findings (must use non-Federal funds)
- These are examples of ineligible uses, not an exhaustive list!
 - Questions regarding whether an activity is eligible or not? Email MTWAssetBuilding@hud.gov

Implementing Funding Flexibilities



- Funding fungibility/flexibility does not apply to Special Purpose Vouchers (SPVs) including Emergency Housing Vouchers (EHVs) from the American Rescue Plan of 2021
- SPV FAQ for MTW Agencies:

<https://www.hud.gov/sites/dfiles/PIH/documents/SpecialPurposeVouchersFAQ.pdf>



MTW Amendment to the ACC Execution & MTW Financial Reporting



Reporting System	Trigger for Change	What to Do Differently
<ul style="list-style-type: none">Financial Data Schedule (FDS)	<ul style="list-style-type: none">PHA begins <u>using</u> funding flexibility	<ul style="list-style-type: none">Adhere to MTW-specific reporting requirements
<ul style="list-style-type: none">Capital Fund (i.e., EPIC)	<ul style="list-style-type: none">ACC Amendment execution	<ul style="list-style-type: none">Begin using BLI 1492 (MTW) and cease using BLI 1406
<ul style="list-style-type: none">Voucher Management System (VMS)	<ul style="list-style-type: none">Month following MTW ACC Amendment execution	<ul style="list-style-type: none">Begin using MTW specific fields

Learn more by reading the MTW ACC Amendment FAQs:

<https://www.hud.gov/sites/dfiles/PIH/documents/MTWACCAmendmentFAQ.pdf>

Let's Talk About MTW ACC Execution & Financial Reporting

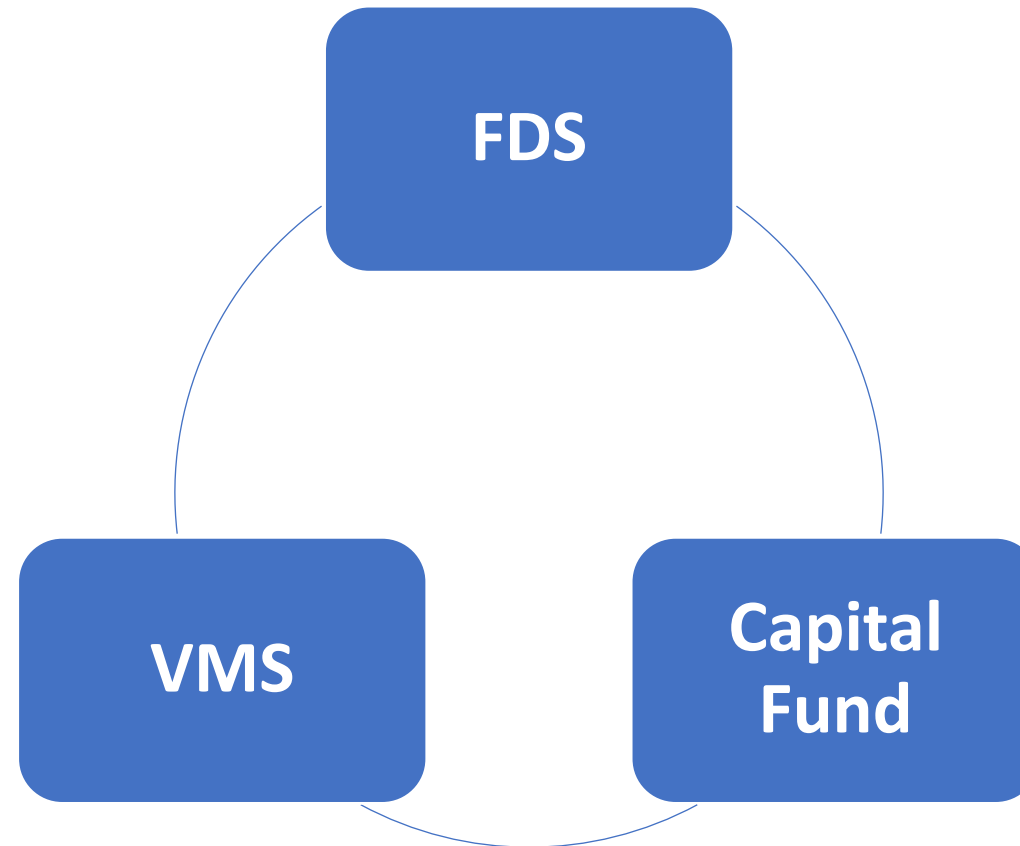


Taneshia Gerdin
Finance Director/Executive Director
Housing Innovations, Inc.

Phillip Pless
MTW Office

Questions?

MTW-Specific Financial Reporting



Preparing FDS for MTW Agencies



MTW agencies must submit unaudited and audited financial information to the Department using Financial Assessment Subsystem-Public Housing (FASS-PH).

1

- Create new FDS column for Low Rent Public Housing (14.OPS), Capital Fund (14.CFP), Section 8 HCV (14.HCV), and MTW (14.881).

2

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

3

- Transfer Low Rent Public Housing, 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.

Timing of MTW Amendment to the ACC & Effect on FDS Reporting



Option A

Follow MTW FDS reporting instructions if implementing funding flexibility prior to end of current PHA fiscal year.

Option B

Follow current FDS reporting instructions if agency does not elect to implement funding flexibility during current PHA fiscal year.

After completion of PHA's current fiscal year, begin following MTW FDS reporting instructions.

Resources for Preparing FDS for MTW Agencies



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



- Only difference for MTW agencies is in Cap Fund reporting:
 - Cannot use BLI 1406
 - All funds not used for typical capital purposes must be in BLI 1492
- Obligation and Expenditure Requirements (24 CFR 905.306) remain the same
 - 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 also remains the same
 - Continue to follow immediate need requirements applicable to all Capital funds
 - Cannot accelerate drawdown of Capital funds for funding reserves or 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



- 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.
- Pre-FY 2022 vs. 2022 Allocation
 - Pre-FY 22 allocations – use BLI 1492 or BLI 1406 Transfer to Operations for non-Capital Fund purposes
 - Starting with FY 22 allocation – use BLI 1492 for non-Capital Fund eligible purposes

Questions?

10 Minute Break

MTW Expansion Training: Asset Building Cohort Onboarding –
Preparing Your MTW Agency's Finances Part 1: Financial Reporting



MTW-Specific Financial Reporting: VMS

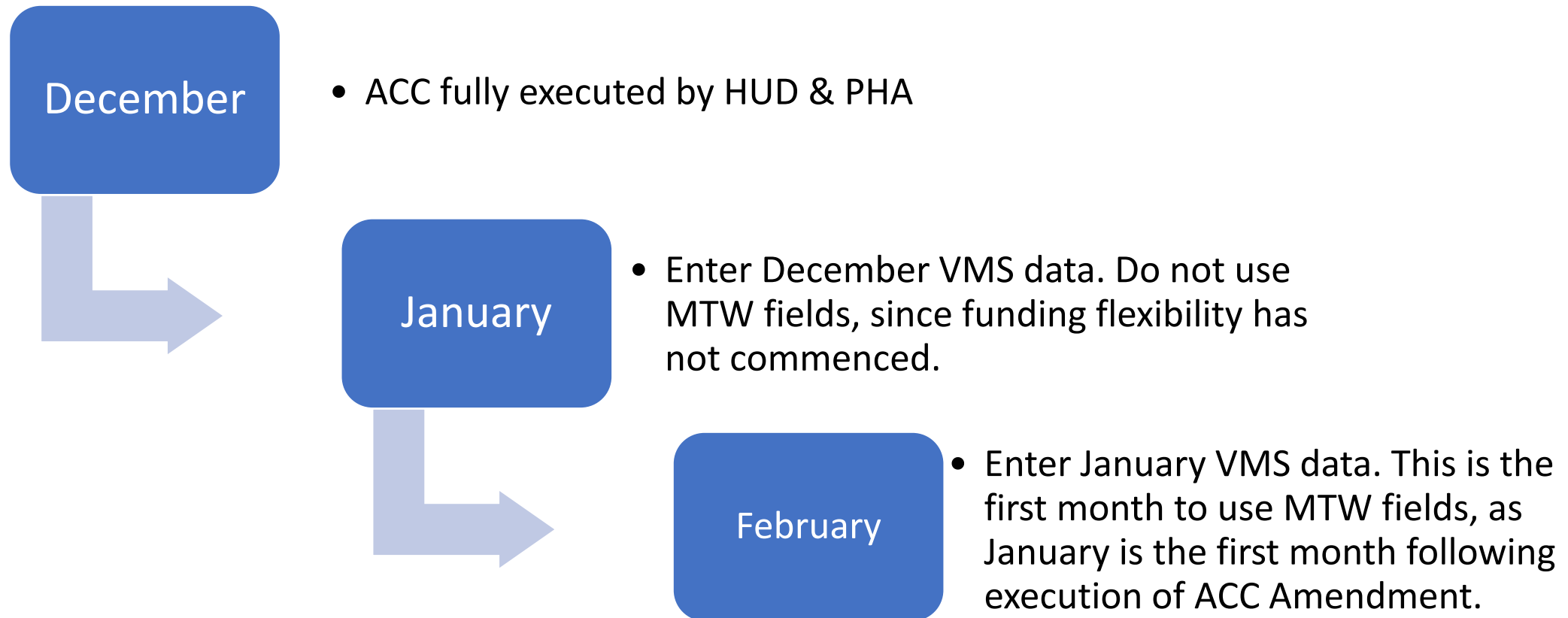


- MTW reporting will be effective first month following date the MTW ACC Amendment is executed
- VMS Fields for HAP and Leasing:
 - Moving to Work Vouchers (as Unit Months Leased)
 - Moving to Work HAP Expenses
 - Special Purpose Vouchers
- VMS Fields for HCV Funds used to cover MTW Expenses:
 - MTW-Public Housing Operating Subsidy Eligible Expenses
 - MTW-Capital Fund Program Eligible Expenses
 - MTW- Local, Non-Traditional (LNT) Program
 - MTW-HCV Administrative Fee Expenses
 - MTW-HCV Administrative Expenses Using HAP
 - MTW-Other Expense
 - MTW- Other Comments

MTW-Specific Financial Reporting: VMS



Time frame for starting to use MTW-specific fields. Below is an example based on a December 2022 MTW ACC Amendment execution:



Special Purpose Vouchers



- SPVs are vouchers designated to serve a specific population
- MTW funding fungibility/flexibility cannot apply to SPVs.
- MTW Expansion agencies must continue to maintain internal accounting records to differentiate fund balances for all voucher types
- VMS reporting for SPVs for MTW agencies and non-MTW agencies is similar

Please watch the November 3, 2021 MTW Finances: SPVs and VMS Reporting webinar at <https://www.hudexchange.info/trainings/moving-to-work-expansion-webinar-series/>

Learn more by reading the MTW SPV FAQs at <https://www.hud.gov/sites/dfiles/PIH/documents/SpecialPurposeVouchersFAQ.pdf>

MTW-Specific Financial Reporting: VMS Resources



Homes & Communities
U.S. Department of Housing and Urban Development

Secure Systems

Manage PHA Data

- View PHA Data Tabs
- Review and Approve Pending Hard Edits Tabs



PMC
HUD-FMC

- HE Approval By PHA
- HE Approval By FA

Generate Reports
Exit VMS

Resources
Printable Form 52681B
Instructions
Quick References

Tools
Webcasts
Mailing lists
Contact us
Help

Voucher Management System

Home Page

Hello, PHILLIP PLESS .
(If you are not PHILLIP PLESS , please log out by going to [this link](#) immediately and call the TAC at 888-245-4860.)


Message of the Day


**Voucher for Payment of Annual Contributions and Operating Statement
Housing Assistance Payments Program**


Supplemental Reporting Form
OMB Approval No.2577-0169

Public reporting burden for this collection of information is estimated to average 1.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless that collection displays a valid OMB control number. Authority for this collection of information is the Housing and Community Development Act of 1987. Housing Agencies (HAs) required to maintain financial reports in accordance with accepted accounting standards to permit timely and effective audits. The financial records identify the amount of annual contributions that are received and disbursed by HAs. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

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VMS Demonstration

MTW Expansion Training: Asset Building Cohort Onboarding –
Preparing Your MTW Agency's Finances Part 1: Financial Reporting



Peter Beyer
Home Forward (Portland, OR)
Former Chief Financial Officer



Previously Appropriated Funds: Sections 8 and 9



- May be used flexibly per FY 2022 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

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:
 - <https://www.hud.gov/sites/dfiles/PIH/documents/2021-03pihn.pdf>
- 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 on HUD Exchange:
 - <https://www.hudexchange.info/programs/mtw/mtw-expansion-training/mtw-funding-calculations/mtw-hap-renewal-funding-calculation/>

Resources



- MTW Expansion Online Manual:
 - <https://www.hudexchange.info/programs/mtw/mtw-expansion-training/welcome/>
- MTW Expansion Webinars:
 - <https://www.hudexchange.info/trainings/moving-to-work-expansion-webinar-series/>
- MTW SPV FAQs:
 - <https://www.hud.gov/sites/dfiles/PIH/documents/SpecialPurposeVouchersFAQ.pdf>
- MTW ACC Amendment FAQ:
 - <https://www.hud.gov/sites/dfiles/PIH/documents/MTWACCAmendmentFAQ.pdf>
- Welcome Letter, Timeline, and Resources received via email

Upcoming Asset Building Cohort Onboarding Webinars



Planning Your MTW Agency's Finances Part 2: Policies and Procedures	January 11, 2023	2:30 - 4:30 PM EST
The MTW Supplement to the PHA Plan and the Public Process	February 22, 2023	2:30 - 4:30 PM EST
The MTW Supplement – Tips for Success	March 15, 2023	2:30 - 4:30 PM EDT
HUD – 50058 MTW Expansion Form Changes	April 5, 2023	2:30 - 4:30 PM EDT
Office Hours	April 26, 2023	2:30 - 4:30 PM EDT

Thank you!