

## **Planning Your MTW Agency's Finances – Part II: Financial Reporting**

Marianne Nazzaro: Fantastic. Thank you so much, John, and good afternoon, MTW agencies. I hope you all are doing well this afternoon. This is our third webinar in the MTW Landlord Incentives Onboarding series, and it is the second one explicitly focused on MTW finances.

The first one was on March 9th, and we talked about MTW funding in general, funding flexibility, appropriate uses of using MTW -- I'm sorry -- Section 8 and 9 funding flexibly, and that recording is on HUD Exchange, for those of you that weren't able to see it.

Today we're going to kind of dive in a little bit deeper. We'll talk about the MTW ACC amendment execution and financial reporting, some specific -- MTW-specific MTW financial reporting into FDS, EPIC, VMS, Cares Act, talking about prior appropriated funds and more.

And throughout the conversation, I'll kind of incorporate some nuggets of change management, and we'll kind of keep hearing the same theme around the mantra. As we all know, the mantra is that change management intentionality is great, saves time, energy, and rework. And we'll kind of talk about that throughout as well.

And so, with us here today speaking, I would now like to turn it over to Phillip Pless and Jeree Turlington to get us started. Phillip.

Phillip Pless: Okay. Thank you, Marianne. You can go to the next slide, please.

All right. So we're about to do a quick roll play to kind of introduce a lot of the concepts that we're going to talk about today. But first, I want to kind of frame this a little bit so you guys know the context of which we're operating under today.

So we have a hypothetical landlord incentives cohort called Housing Innovations, Inc., and they are in the process of executing their MTW ACC amendment. And they also want to know a lot about how funding flexibility and preparing for their financial reporting as an MTW agency.

So the following is the conversation between myself as the MTW office, and then we have Jeree, who is with us today, Jeree Turlington from the MTW office, who will be portraying the executive director of Housing Innovations, Inc.

So good afternoon. This is Phillip with the MTW office. How can I help you today?

Jeree Turlington: Hello, Phillip. This is Jeree Turlington, executive director of Housing Innovations, Incorporated.

Phillip Pless: Awesome.

Jeree Turlington: We are still working -- sorry. We're still working through our executing our MTW ACC amendment, but I have a few questions on what may or may not change with our agency's financial reporting. Do you have a second?

Phillip Pless: Sure. This is a great time to talk. What can we help you with today?

Jeree Turlington: All right. Great. So first thing first, when are we officially MTW? When do we get that designation?

Phillip Pless: Okay. Great. So as we covered in the previous webinar, your first day as an MTW agency is the first day of the month following your fully executed ACC amendment. So for example, if you had submitted your ACC amendment to HUD on March 4th and then HUD fully countersigned on the 24th, your first day as an MTW agency would be April 1st. So that would be your first day you would be able to use your funds flexibly if you chose to do so.

Jeree Turlington: Okay. Great. I thought that was the case, but thank you for confirming. I have a few questions from different departments within our agency. The first is kind of financial reporting. So could explain how our agency's reporting will change once we become an MTW PHA? And will there be any impact to our VMS reporting?

Phillip Pless: Yes. So your VMS reporting will change when you become an MTW agency. We will be hearing from the FMC staff a little bit later, and we will -- and I will kind of introduce the topic and we will talk about MTW reporting in VMS to include an overview of the MTW fields and how non-housing assistance payments are processed in VMS. So we'll talk about that in just a little bit.

Jeree Turlington: Okay. I'll keep an eye out for that. And like I said, I'm having different conversations with different staff within our agencies. Our CFO is also someone that's kind of highly concerned about MTW's impact, and they're wondering what the impact will be to our financial data schedule and reporting.

So just for your background, our agency's current operating year ends September 30th. Is there anything we need to know here or that I need to report back to him to kind of assuage him or talk him off a cliff?

Phillip Pless: Yeah. So we're going to be covering this in just a little bit. But we are -- there's a couple of options that will be available to you, and it really depends on whether or not you choose to implement funding flexibility during the course of your current fiscal year.

So we will be talking about these two options in just a few minutes. But one thing I want to just remind you about is that you cannot undertake new activities until after your MTW supplement to the PHA plan has been approved. We will have two specific webinars covering that document in particular in a very high level of detail. So just be on the lookout for those, and that will give you some additional information on how to do that, how to go about and approach that.

Jeree Turlington: Okay. Good to know. Thank you. And one final question related to the financial reporting. How will my agency's cap fund reporting change with our MTW status, or will it at all?

Phillip Pless: Yes. So the capital fund staff who are unfortunately not with us today, we will be covering that information. John and Kenny [ph] and will be providing some information about capital fund reporting for MTW agencies. But the biggest thing that you should know is that you will cease using BLI 1406, which is transfer to operations, and you will use a budget line item 1492 for MTW.

And finally, since we're having a lot of discussion here today, I have a question for you, Jeree, and what is -- and that is, what is the biggest obstacle that you anticipating in preparing for your MTW status?

Jeree Turlington: I think it's just gearing up our staff and kind of letting them know that might be a bunch of work up front getting ready but down the road it will all pay off.

Phillip Pless: Okay. Great. Well, the MTW office is always here to support you all.

And now. I'm going to turn it back over to Marianne momentarily.

Marianne Nazzaro: Fantastic. Thank you. Executive Director Turlington and Phillip.

Just checking in to see if there are any questions before we turn it over -- before we move forward. And as a reminder, you can put any questions in the chat or come off mute. Okay. So next slide, please.

So Phillip, I am going to send it back over to you.

Phillip Pless: Okay. Great. Before we do that, I think Steve Dersnah has his hand raised. Steve, do you have a question?

Steve Dersnah: Yeah. Real quickly, my colleague Jay Hall is in the waiting room, and she can't get into the meeting.

Phillip Pless: ICF, could you guys help with that, please. Okay. Great. Thank you. Just hold tight, Steve, and somebody from my ICF will contact you to help you out with that.

Okay. Well, great. So thank you all, again, for participating today. We just did a quick -- sort of quick little role play to kind of introduce you all to the topics today. And this is just a quick summary slide that we will be going over in greater detail, and this just kind of outlines how reporting will be changing.

So the big thing just to keep in mind is for your FDS reporting, which we will go over in a lot of detail, in particular the MTW requirements for reporting, the trigger for change there will be

when you choose to use MTW funding flexibility. And so, we will cover the MTW specific reporting requirements.

For capital fund, the trigger for change is going to be your ACC amendment execution. And the biggest thing that's going to be changing, as we just kind of alluded to in the role play, is that you're going to begin using BLI 1492 and cease using the transfer to operations line item.

And then finally, for VMS, it's going to be the month following your ACC amendment execution, you will begin using your MTW specific fields.

So we have a frequently asked question document that we put together on this topic last year, and it will be available as a link in the slides. So we highly encourage you all to take a look at that document when the slides are sent out. Next slide.

Okay. I'm going to pause again. See if we have any questions.

So it looks like we do have one question in the chat from Rob Fredericks. I'm going to read it out loud. "So if we have our ACC amendment fully executed next month, then at what point are we as an MTW agency with funding flexibility? But if we did not begin using flexibility until our next fiscal year beginning April 1st, then we do not have to change our FTS reporting this year?"

So hold on tight to that question, Rob. We are actually going to be addressing that in just a few minutes. So we will be directly answering that in the slides directly.

Are there any other questions before we advance? I think that's the only one I saw come in through the chat. Okay. I believe we can move on. ICF, can you advance to the next slide, please?

Okay. So this is what we are going to talk --

Marianne Nazzaro: Hey, Phillip? I think that Kim Williford might have her hand raised.

Phillip Pless: Okay. We will stop. Kim, do you have a question?

Kim Williford: No. I'm sorry. I bumped that. Thank you.

Phillip Pless: Okay. No worries.

So this graphic provides a lot of information, or this is just sort of a visual of the different aspects of MTW financial reporting. We're going to cover each one of these in great detail. And, Marianne, I think you actually might have a little thing here to drop in about change management. Would you like to share a little bit here about how a change management and the tool that we covered last week could apply here?

Marianne Nazzaro: Yeah. Absolutely. Thanks, Phillip. So again, as a reminder, we have a mantra on change management that change management can save time, energy, and redoing

work. And throughout the webinar, we're going to be talking -- our financial experts are going to be talking to you about everything relating to change management.

It's important for you to kind of remember some of those ideas that we talked about on the previous webinars. Specifically, we shared the 11 Essential Questions for Managing Change, and Andelyn is going to be dropping a link into the toolbox to remind you what those 11 questions are for you to consider as you move forward.

So I challenge you kind of as we're moving into this next section of the webinar, maybe think about this question as it relates to change management. What are the ripple effects of the change? As you hear people talk, think about who needs to know what is changing as it relates to your financial reporting.

Do any procedures need to be updated? Do you need to update or replace existing software? Do you need to kind of work with your vendor, test the system, train staff, kind of thinking through those ripple effects of some of these financial changes that you all will be doing?

So as we kind of move forward into this next section, I'd ask you to keep a tiny little piece of your mind kind of focused on that question, what are the ripple effects, and kind of remembering that mantra of keeping these change management intentionality in place can help save time, energy, and rework. And with that, I'm going to go back to you, Phillip.

Phillip Pless: Okay. Great. ICF, if you could advance to the next slide, that would be great.

Okay. So we're going to cover the financial data schedule and the instructions for MTW agencies. So before we cover the specific slide, the instructions, ICF, could you advance one slide because I think it makes sense to start with how this is triggered.

Okay. So we had an excellent question come in through the chat that was asking about, when does the agency really need to start using their MTW financial reporting instructions?

And this really depends on whether or not -- could we pause for a second. Somebody -- there's some background noise. Can somebody please put their selves on mute? Okay. Thank you.

So this really depends on the timing of where you are and whether or not you choose to implement funding flexibility during your current fiscal year. So there's two options. So if you choose to implement funding flexibility, so, for example, in the previous webinar, we had gave you an example of that as being let's say you use operating funds to issue housing choice vouchers to eligible participants. So if you chose to do that, you will need to use the MTW FDS reporting instructions if you choose to implement that in your current fiscal year.

However, if you choose to wait and start using funding flexibility in your next fiscal year, then you would follow your current FDS reporting instructions as a non-MTW agency during your current fiscal year. And then the big take home here is, after your current fiscal year is completed, you would then switch over to follow the MTW reporting instructions.

So for your current year -- just to kind of make this as simple as I can, for your current fiscal year, there's kind of a decision tree here if it's yes or no. If you choose to use funding flexibility, yes, in your current fiscal year, then you need to use the FDS reporting instructions that we'll cover in just a minute.

However, if your answer to that question is no, then you're going to go with option B, which is to follow your current non-MTW RDS reporting. And then after this current fiscal year is over, then you're going to switch over and start using the MTW FDS reporting instructions.

So ICF, could you go back to the previous slide? So thank you. Perfect.

So okay. So now that we kind of talked about that timing a bit, let's talk about actually what the steps are for preparing FDS for MTW agencies. And so, before I go through this graphic here, I just want to remind all folks here that all FDS related single audit ACC submissions are still applicable here. So the timeframes for submitting that information to the department have not changed. So your unaudited financial data needs to come to the department within 60 days after the end of your year, and then it's nine months for audited financial information. So that's not changing.

And of course, you're using the same system, the financial assessment subsystem public housing, also known as FASSPH. So that's not changing. So those -- that is absolutely the same as you are as a non-MTW agency, those deadlines for submitting your financial information. So that's just one thing I wanted to reiterate right out of the block.

Okay. So let's go through the steps now. So your first step is you're going to create your FDS columns for your low rent public housing, capital fund, HCV, and MTW. So those column numbers or names is -- for public housing, it's going to be 14.OPS. For capital fund, it's 14.CFP. For Section 8, it's 14.HCV, and then for MTW is 14.A1.

So those first three columns that we mentioned are only going to be created if you have received revenue from those programs during the reporting year, and they're basically, essentially, there just to record the revenue. So the first step is to create those and then use those to record your revenue.

The next step in the process is going to be report your grant or subsidy revenue in those columns, as we had just kind of alluded to. Low rent. So all revenue related to public housing will be reported under line item 7600. Capital fund revenue will be reported under 7610 for capital grant or 7600 operating revenue as applicable. And then all revenue associated with the Section 8 program will be coming in under 7600 or operating revenue.

So after you do that, after you record all of your revenue, the next step is to transfer all of that recorded revenue to the MTW program. So after you have created those columns, you report your revenue, you're immediately going to transfer it to that 14.A1. And so, after you transfer, there should be no amount left in those first three columns. So you can kind of think of this as a pass through.

The next step in the process is you are going to report all project financial activity within any supplemental project schedules and transfer those funds accordingly. So you will complete the subject -- the supplemental schedules for all of your public housing projects as you would any other PHA, with the exception that you will need to enter the funds needed to operate each project as a transfer in from the MTW column.

And then finally, you're just going to want to understand and just be reminded of the asset management types that are available, and we will have a link to the FDS reporting instructions that goes into a lot of detail about the different asset management types. So I'm not going to go through every single one of those today since this is kind of an overview, but that's basically the special reporting instructions for MTW agencies.

And just as a reminder, for your current fiscal year, whether or not you need to transition this is based upon whether or not you choose to implement funding flexibility this year or not. So just remember that it's a simple decision tree yes or no. And then after the conclusion of your current fiscal year, then you transition over to using these reporting instructions. So I just wanted to make that clear because this can be kind of confusing. I know it's brand new, and I just want to make sure we are all on the same page. So that's why I'm saying it a couple times. ICF, can we jump forward two slides, please?

Okay. So just to kind of wrap up this section, I just want to let everyone know we have a lot of resources available to you all to help you guys as you transition with your financial data schedule reporting.

The first link is going to be really detailed instructions on how to report as an MTW agency in the financial data schedules. So please, after distributing these slides, bookmark that link because it's got -- basically, it goes through the whole thing that I just went through, the whole process and gives some additional information on asset management types.

And then another super helpful resource, which you guys are probably already familiar with since this resource is also helpful as an MTW PHA, is going to be the FDS line definition guide. I use this document a lot in the work that I do, and I find it to be an extremely useful resource. I believe REAC updates it pretty regularly. So please check this out as well because it goes into a large amount of detail on pretty much any FDS aspect that you would ever want to know about. And I believe now, I'm going to turn it over to Marianne to see if we've had any questions come in.

Marianne Nazzaro: Great. Thank you, Phillip, and thanks for that information. Just checking to see if there are any questions. Again, you can put your question into the chat feature, or you can come off mute and ask your question directly. And as you're kind of thinking through what those questions may be, John P., could I ask you to pull up the knowledge check number one?

All right. Here's the question. Expansion MTW agencies must still submit unaudited and audited financial information to HUD using the financial assessment subsystem public housing, FASSPH. True or false? Expansion agencies must still submit the unaudited and audited financial information to HUD using the FASSPH. True or false?

Give folks a minute. All right. John? And the answer is true. So of those that answered, the majority answered correctly. The answer is true, that MTW agencies still need to submit their audited and unaudited financials to HUD.

And with that, I am going to turn it over to John Concannon, if we could -- oh, actually, let's see. Are there other questions in the chat? Yes. And all of the slides will be available on the HUD Exchange page. So next slide.

And I'd like to turn it over to John Concannon, the deputy director of the MTW office. John.

John Concannon: Thanks, Marianne, and hi, everyone. John Concannon with the MTW office. I'm pinch hitting for our colleagues in the capital fund who were going to present these slides today. So go easy on me with any questions but -- and all this information I will say from the outset is in the MTW operations notice. We have a section on the capital fund.

The main differences in the capital fund are you can't use BLI 1406. That's the transfer to operations. That's really just -- the reason why is because there's just a system limitation on the HUD end and locks speaking to EPIC system. So for any funds -- now, it's not to say we're -- you can't use operations capital fund for operations. You absolutely can. We just ask that you place those funds into budget line item 1492.

And the other major difference is that all of your MTW eligible expenses should be placed in budget line item 1492. Now, any of your traditional budget line items that you're using just for traditional capital fund purposes should go and be eligible capital fund line items except for 1406.

The obligation and expenditure requirements are still the same that you deal with today, 90 percent obligation within 24 months of your award and 100 percent expenditure deadline within 48 months of your award.

And the immediate need, the cash management requirements continue to apply as well. You can't accelerate your drawdown of capital funds for funding reserves for any other purposes. You can only draw down your cap funds when those funds are due and payable.

But again, sort of big picture, that 14 -- that budget line item 1492, you can use it for anything eligible under MTW. So that's anything that you would want to dedicate -- if you have an approved MTW supplement, want additional funding to go to your -- something that is a waiver within that program or in the -- something to transfer say to your traditional your voucher program that doesn't require any sort of funding flexibility or waiver flexibility. Excuse me. Next slide, please.

Now, the -- in terms of reporting, you will, as I mentioned before, use the traditional budget line items for traditional budget capital fund budget items. And 1492 includes activities under Section 9, Section 8, LNT, local non-traditional, and activities that are approved in your MTW supplement. So you have a lot more flexibility here.



I will say, in talking to the initial group of MTW agencies, oftentimes, you're -- they're taking other funds and supplementing your capital fund. There's less transferring out into your other programs, but that's not to say you can absolutely do it depending on your local need.

In this final kind of section, this bullet, we realize -- I can blame my cap fund colleagues who aren't here. Just kidding. But this should read your pre-2022 allocation versus your 2022 allocation. So we know your 2021 allocation has already been awarded. Now, if you want to keep those -- your same funding plan in place, you don't want to do any sort of revision, you want to keep it the plan that you have, you don't have to do any sort of -- you don't have to go to the field office and do a revision to your budget.

Now, if you do want to change some of those older capital funds awards where you still have funds that aren't obligated or expended and you want to move them, say, to that budget line item 1492 for a broader use of MTW funds, you would have to go through the budget revision process and work with your field office to do that.

But again, we're saying is, if you already have your capital fund budgets in place sort of through 2021, there's no need to go back and revise them unless you want to. It's your choice. But starting in FY '22, you will start to use budget line item 1492 and no longer use that BLI 1406. And again, this is also spelled out in the operations notice.

So I may pause there to see if there are any questions on the capital fund.

Marianne Nazzaro: Thanks, John. There are a couple of questions on the capital fund. So you can put on your Chris Granger-Damian Thomas hat from our capital fund colleagues.

Okay. The first question, "So BLI 1406 is capped at 20 percent. For the MTW BLI 1492 is there a similar cap?"

John Concannon: Sorry. Can you repeat that question, Marianne? You cut out for me. I think it's my end.

Marianne Nazzaro: Sorry. Sorry about that. So for BLI -- for the 1406 BLI s capped at 20 percent. Is there a similar cap in BLI 1492?

John Concannon: Yeah. For operations line item. On that operations line item. So you go by the 20 percent cap, and you can add that into BLI 1492.

Marianne Nazzaro: Yeah. And then we have another question. It says, "Does the 24/48-month obligation and expenditure time frame apply to BLI 1492?"

John Concannon: It does. Yeah. So all of your capital fund awards, you're still subject to the same -- and that's, again, I think part of the question. Yeah. That is statutory. We're not able to extend those deadlines. So you're still have those 24- and 48-month deadlines.

Marianne Nazzaro: Great. Thank you. Again, now answered -- the second part of that question you just answered was, is that a requirement, an appropriations requirement, or just something that HUD has chosen not to allow any waiver of? And you answered that that is a requirement that cannot be waived with MTW.

Are there any other questions for John?

John Concannon: Okay. And if there are any capital fund questions that come up, certainly reach out to your point of contact in the field or your financial analyst or us here in the MTW office as well.

Marianne Nazzaro: Great. Thanks, John.

Male: I do believe we have a clarifying question about the obligation requirements. And just to clarify, the 24- and 48-month obligation expenditure deadlines that you just covered, is it that those cannot be waived, or is it that HUD is not allowing those to be waived? Can you just make that clarification? Thank you.

Marianne Nazzaro: Sure. And we have been -- we are told by our counsel that that cannot be waived with MTW authority. So it wasn't that HUD chose not to waive it. It is that it is not able to be waived with MTW authority. Thanks for that clarification question.

Are there any other questions on this piece? Okay. John, back to you.

John Concannon: Okay. Thanks. Great. Next slide, please.

And this is -- we just have a couple of quick slides just on the financial reporting for the CARES Act funding. This likely doesn't apply to anyone here who there is a provision and we have our -- the FAQs for the CARES Act supplemental funding.

Basically, what they say is for the supplemental funds, you can use them for the appropriated purpose that you receive them. So if it's public housing operating funds, supplemental, you could use them for public housing operating and the eligible CARES Act increase uses. But for MTW agencies, you can also use them for MTW eligible expenses. So you have that fungibility with your Cares ACT funding.

Now, if those funds have already -- if you've already expended them, I think -- I believe there are some waivers out there. There are folks who may have gotten a waiver to extend that deadline, but likely, they're all spent.

So it's just a reminder that if you received your CARES Act funding to still follow these financial reporting requirements in notice the FDS requirements in 2020-24 and the close out procedures in notice 2021-36. Next slide, please.

And, oh, these are the notices here. And so, you can just click through those once we send out or post the slides. But this is all just information from these notices, but if you do -- for some

reason, if you do have unexpended funds, you can't -- and your MTW amendment to the ACC has been executed, you do have fungibility of those funds, if that applies to your agency. And with that, I'll pass it back to Marianne. Or I can pass it to you, Phillip.

Marianne Nazzaro: Thank you, John. Sorry. I'm like -- I'm in a new spot, as you can tell, and I'm reminding myself how to use this here. And so, I'm so sorry, John. I'm curious if we could use a knowledge check number four, John P.

Okay. So the question here is, traditional capital fund eligible activities should be drawn down using the line item associated with that activity. Again, the question here is a true or false. Traditional capital fund eligible activities should be drawn down using the line item associated with that activity. True or false?

All right. Let's see. Yes. Well done. Again, the vast majority have that correct. And that is true, that the MTW capital funds are being used for regular capital fund purposes, they should use that BLI. So well done, everybody.

And with that, I'm going to turn it back over to Phillip to talk about previously appropriated funds. Phillip.

Phillip Pless: Okay, everyone. I am the last thing standing between you and the break. So there's one additional topic that we want to cover before we go to our ten-minute break, and that is about this question that we have gotten several times. And that's about, okay. So I have probably some reserves that I have left over before I became an MTW agency. Well, can I use those flexibly or not now that I've become an MTW agency?

And the answer to that question is yes. So starting I believe, regularly in fiscal year 2020 and it is continuously renewed during our annual appropriations bill process, MTW agencies, expansion agencies are able to use their previously appropriated operating fund, housing choice voucher, and capital funds with funding flexibility.

So this is currently included in the annual appropriations bill process. So we just recently got full-year funding for fiscal year 2022 about a week ago, I believe. So through September 30th of 2022, you are able to continue to or you are able to use that previously appropriated reserves or previously appropriated funds flexibly.

So we keep this status updated on our MTW website for the expansion agencies. So if you click on this link in the slides after today's webinar, if you want to kind of keep up with where we are in the process, just click on this link. We keep it up to date. So after September 30th of this year, we will update it again. And likely, what will happen is we rarely have full-year appropriations bills by October 1.

So likely, what we'll -- we'll be operating under a continuing resolution. But one thing we want to emphasize about this is it is the agency's responsibility to keep track of this. So we provide you all with the status. So please, please, please bookmark this page on your -- for all your

finance staff. Please bookmark this page because it will always keep you up to date of what's going on in terms of your ability to use previously appropriated funds flexibly.

So bookmark this page. It's updated regularly. We will not update it again until after September 30th. So on October 1 it will be updated again, and we'll provide you with an updated status after this -- a time. So this provision has to be renewed annually as a part of the appropriations bill. So that's why we are telling you all continuously go this link to get the updated status of where this is.

And so, now, let me pause and let's load a knowledge check question. Knowledge check question number five, John Panetti from ICF, can you please load it up?

Okay. So the question is, HUD publishes the status of the ability of an MTW expansion PHA to use a previously appropriated funds flexibly on the MTW website. Is that true or false? So let's take a few seconds to allow people to answer that question. I'll read it one more time.

HUD publishes the status of the ability of an MTW expansion PHA to use previously appropriated funds flexibly on the MTW website. Is that true, or is that false?

Okay. Let's end the polling, and let's see how you all did. Okay. So of the folks who answered, the majority of you got it right. That is absolutely correct. We do publish that status. The link is included in the PowerPoint. I would please ask you to bookmark this after this call because that will always tell you where your ability to stand lies in terms of the calendar dates. So please, please, please do that.

And now, I'm going to turn it over to Marianne to see if we have any questions that came in while I was presenting.

Marianne Nazzaro: Sure. Phillip, there is one question for you. The question is, "When you say HCV, does that include both HAP and admin fees funding fungibility for previously appropriated funds?"

Phillip Pless: Yes. So when we use HCV, that includes both HAP, housing assistance payments, and HCV administered reserves can be used flexibly. So to answer your question, yes.

Marianne Nazzaro: Great. Good clarification. Are there other questions on anything that we've discussed thus far? Okay. So with that, next slide.

The time here is 2:44 Eastern. So we'll take 10 minutes. We'll regroup again at 2:54 Eastern, and we just got a last question that we'll come back to right at the end of the break. So we'll see you all back here at 2:54 Eastern. So thanks, everybody.

Good afternoon, everybody. I hope you enjoyed your time to grab some coffee and get refreshed for part two of the training. Before I turn it over to regularly scheduled programing, I did want to address some of the questions that did come into the chat feature just at the end of the last section.

So with that I am going to go back to the questions. So first one, Phillip, I am going to send to your -- your way. Phillip, the question is, "Does the appropriations status often vary year to year?"

Phillip Pless: So that is a great question. So we've had the current language, I believe, with us -- the first year we had it was in fiscal year 2020 prior to us naming any expansion agencies. And then it has been renewed in FY 2021 and FY 2022.

And essentially, the language of the general provision has not changed over the course of the last couple of fiscal years. That's why we add that caveat, though, that, because the appropriations bills are time bound -- so, the federal fiscal year goes from October 1 to September 30 -- we are constantly updating that website to reflect the current appropriation status.

So since we have '22 funding now, that general provision that we are mentioning, the ability to use funds flexibly -- previously appropriated funds flexibly, that will expire on September 30th of this year. So to answer your question, the language has not changed in the last couple of fiscal years.

Marianne Nazzaro: Fantastic. Thank you, Phillip. So John Concannon, this next question I am going to send it to you. The question is, "When is the HAP baseline established, i.e., is it when the ACC amendment is executed or when the MTW flexibility starts?"

John Concannon: Thanks. That's a great question, and I received that from another landlord incentive cohort PHA recently. What I can do is I can -- I'll put in the chat -- there's a great resource on the HUD Exchange that walks through the calculation of how we establish your HAP renewal funding. But there isn't really a baseline that's established.

Your renewal is based on your HAP spending plus you're spending on non-HAP MTW eligible expenses. So if we spend something on -- that's an MTW expense, we add it to your HAP funding, and you're renewed on that funding.

So there isn't -- there may be some of the initial agencies have what's known as sort of a frozen voucher formula. That's not the same for the -- for you all. So I just want to make sure if you've been talking to your neighbors. But what I'll do is I'll share that in the chat, and if that doesn't answer your question, please come back and we'll address -- we'll walk through it with you.

Marianne Nazzaro: Great. Thanks, John. And just if I could add a little clarifying piece. So it's only -- the HAP renewal is based on HAP funds that are spent on HAP or an MTW activity. So it's the renewal of HAP funds expenditures.

And so, then the question here is, "So if we don't spend all of our HAP, we might get less in future months?" John, do you want that, or do you want me to take that?

John Concannon: Yeah. The formula is based on the calendar year. So if you don't spend -- say, in 2022, if you set some money to the side that let's say you all have a development deal in mind,

you're right. You wouldn't be renewed for those funds if you didn't pull them down and spend them. But what you would -- but if you spent them in 2023, those would be added to your renewal formula in 2023, just using that simple example.

So yeah. It is important to watch what you spend in the calendar year because that's what you'll be renewed for, subject to proration and whatever HUD is funded. But we know that agencies will set funds aside for, say, large expenditures over time, but when it comes time to expending it, you will be renewed for those funds.

Marianne Nazzaro: That's right. Thank you so much. Hopefully, that answers the question. Are there any other questions from the prior -- from what we've talked about so far? So then the question is, "Does HUD recapture excess HAP of an MTW agency?" John?

John Concannon: So there's -- this is in the tenant-based voucher appropriations, and this varies year to year. But it does say if your funding is in your block grant, it isn't subject to reallocation. Now, we're not encouraging anyone to build up reserves, but that is what the appropriation says today. I don't know if there's anything you want to add to that, Marianne.

Marianne Nazzaro: Yeah. Thank you very much. Any other questions? All right. So kind of next slide, please.

So here is a question. So now, we're going to get into kind of the details of VMS. And again, I want you to turn on that change management intentionality of intentionality relating to change management saves time, energy, and reworking. And so, think about the question in this next segment, thinking about the question of what is actually changing and what is not changing. Who do you need to communicate these changes to in the agency and those types of things?

And so, in this section, Phillip is going to talk to us about communicating changes to other parts of the agency, tracking systems that might be able to report back to the use of funds by funding source, when to use the MTW funding flexibility, those types of things. So with that, I'm going to turn it over to Phillip.

Phillip Pless: Okay. So thank you. So our next session we're going to talk about voucher management system reporting and some things that you kind of need to know about this particular section.

So voucher management system reporting as an MTW agency will be effective the first month following the conversion, and we will show a timeline of a hypothetical example of how that works out in just a second.

And so, these are the VMS fields for both HAP and leasing. So you're going to start reporting in the MTW voucher field, and we actually will be watching a recorded demonstration in the voucher management system here shortly, where Samantha Faught, one of the financial analysts from the FMC who works with MTW agencies, will go through and go through all of this into a large amount of detail.

These are the current MTW what we call non-HAP expense fields and we do realize that we are going to be changing these fields and we will have upcoming training in future months to cover the new fields. But these are the current non-HAP expense fields.

And a big really important reference -- so, this is another thing that I encourage you all to bookmark is the VMS Manual, the Quick Reference Guide. It goes through a lot of information and detail about these different fields. Next slide.

Okay. So let's talk about how the MTW ACC and then the execution affects when you start reporting as an MTW agency in VMS. So here is an example. We're going to use an example from this month.

So we're just going to have our fictional Housing Innovations, Inc. PHA. So they have fully executed their ACC amendment in March of 2022. So it's been -- the agency submitted to us. It's been countersigned by the general -- the assistant secretary or equivalent. And so, their first day as an MTW PHA will be April 1st; right, because that's the first day of the month following the fully executed ACC amendment.

So in April of 2022 for their VMS reporting, they're going to enter their March VMS data because this always runs a month behind; right? So in this month you are going to do your VMS reporting as a non-MTW PHA because you have not yet started as a MTW agency. I'm going to say that one more time. In March -- in April of 2022 for March 2022 VMS reporting based on this example, you would do your reporting as you normally do it as a non-MTW agency for one more month because you're funding flexibility or your first day of MTW designation has not yet started.

Okay. So let's forward a month. Let's jump forward in time a month to May of 2022. Now, what do we do? Okay. So now, you've had the month of April. You've had April 1 to April 30. Your first day as an MTW PHA based on this example was April 1st of 2022. So for May of 2022, this is going to be the first month that you used the MTW fields because April is the first full month following execution of the ACC amendment in which you were actually now an MTW PHA.

Okay. Can we jump forward to the next slide, please?

Okay. So special purpose vouchers, we want to just say a word about the MTW designation and special purpose vouchers. And we covered some of this information in the previous webinar, but we just want to reiterate these main points and also point you to a couple of resources that will go into a lot more detail on this topic.

So just a reminder, special purpose vouchers are those vouchers designated to serve a specific population. So we've given the example in previous webinars. So for example, HUD-VASH, those vouchers must be used to serve, in this example, homeless veterans because that's what Congress basically appropriated that money for. So that money has to be used to serve homeless veterans.

You cannot apply funding fungibility to special purpose vouchers because they have to be used for that intended purpose. You need to continue to maintain internal accounting records to differentiate fund balances for all voucher types, and that includes special purpose vouchers. Okay.

VMS reporting for SPVs for MTW agencies and non-MTW agencies, it's pretty similar. There are, I believe with certain voucher types -- and Sam will go into this in more detail in her recording that you'll see in just a few minutes. She will actually go through and point out some of those SPVs and how the naming of the fields differs a little bit between non-MTW and MTW.

Now, okay. There's two final points that I want to cover here. The first is that we actually did a special webinar in November of 2021 on this topic, and it goes into a lot of detail about special purpose vouchers and VMS reporting. This webinar is available on the HUD Exchange. So if you click on this link, it's on the same page where all of the other expansion training webinars can be viewed, and it goes into a whole lot of information about this topic of special purpose vouchers and VMS reporting.

And there's a second resource here that is called a special purpose voucher FAQ document. That document we have covered in the previous webinar. Please, please, please bookmark this page because I almost guarantee you about 95 percent of your questions, as it pertains to SPVs and MTW flexibility, are answered in this document.

This document is an amazing resource. It has -- it doesn't -- not only just cover how you report this information, a special purpose voucher information in VMS as an MTW PHA. It also includes some things about 50058 reporting, and it also covers how and when MTW what we're going to refer to as administrative flexibilities can or cannot be applied to special purpose voucher programs.

So an example to just make that clear is, for example, there might be certain things you're doing as an MTW PHA when you're calculating rent, for example, or things like that. There might be administrative processes that you're doing. Those can be potentially applied to your SPV programs as well, but you will want to consult this special purpose voucher FAQ document.

And just to reiterate, on the first link with the webinar, we covered this topic exhaustively in that November 3rd webinar about SPVs and VMS reporting. So I highly, highly, highly, strongly, strongly recommend you, after this webinar is complete within the next couple weeks, to take a view of this webinar and have your SPV FAQ document with you. And this will answer a lot of your questions as it pertains to this topic.

Okay. So now, I have the pleasure to introduce a recording, a video. So Samantha Faught is a financial analyst with the Financial Management Center in Kansas City. She was, unfortunately, unavailable to be with us today, but she was gracious and kind enough to do a recording of how you report in MCD -- in VMS as an MTW PHA.



So I'm going to ask ICF to please set up the video recording of Samantha Faught. And so, now, we will listen to her demonstration of how you will do your reporting as an MTW PHA in VMS. All right. You have -- play the video, ICF.

Samantha Faught: Hi, everyone. I'm Sam Faught from the FMC in Kansas City. We are on the Operations Division, and that is the division that takes care of the Moving to Work housing authorities now.

I was the financial analyst for the new Moving to Work PHAs that came on earlier, and moving forward, Mario Hall will be taking over the new PHAs. When you first sign your ACC amendment and you become the PHA, the very next month you will receive a welcome email from Mario, and it should look something like this.

Welcome to MTW, and it kind of gives an overview of the new division you're going to be managed under as far as the Financial Management Center goes. We have some kind of quick references to go over regarding your VMS reporting, and that's kind of what I'm going to be going over today with your VMS and where you should be reporting, the fields that are going to be changing now that you're MTW, and the dates that you'll begin reporting in those fields.

So we kind of have a little cheat sheet for you in the body of the email as well as a Word document, VMS Reporting for MTW PHAs. And this is also going to help you if you want to go back and reference it when you go to report in VMS for the first time as an MTW PHA.

So in the email, this example right here, it says, you became MTW on 3/1/22. So that means you probably signed your ACC amendment in February, and you officially became an MTW in March. You will begin reporting in VMS as an MTW PHA in April when you enter your March data.

So I'm going to go into the VMS system, and I'm going to pull up a current MTW PHA that came on earlier and just kind of show the fields that you should be reporting in when you report for the first month as an MTW PHA.

So this is my screen. It may look a little different than what your guys' look like just because we have different permissions. I'm just going to pull up current MTW PHA. We're going to go into January data because that was the most recent.

You can see they are now reporting in the Moving to Work fields. So previously, these would be in the all other vouchers field. So the first month that you begin reporting as an MTW, you will report in the Moving to Work field instead of the all other vouchers fields.

These special vouchers down here, if you have any family unification or FYI vouchers or non-elderly disabled, those now have specific fields to report in. So you'd be reporting in the family unification 2008 forward MTW field now, where previously, you reported in the non-MTW field.

Down below, same thing with the NED vouchers. You'll be in the 2008 forward MTW specified field rather than the non-MTW fields. The VASH vouchers will still be reported where they were before. So you'll keep those the same for that specific section.

As you go down, you can see you're no longer reporting in all other vouchers. The fields below here are specific to MTW PHAs. So you have your family unification and FYI vouchers right here. You'll want to start reporting the expenses after the first of the month for those vouchers.

And your NED vouchers, same thing. If you have any expenses after the first of the month, you'll report those in this MTW specific field. And this is where the VASH also has a new MTW specific field for after the first of the month expenses.

If you have any one-year mainstream, you would do the same for those there. I know a lot of the PHAs we've seen come onto the new MTW section do not have any one-year mainstream. That's just what I've seen so far. So this may not be specific to you, but that is something that, if you do have one-year mainstream vouchers, you would report those in the after the first of the month expenses as well.

All of the other fields will remain the same. So if you have any RAD vouchers or your portable vouchers paid, home ownership, anything like that, those will still be reported the same. You only report in an MTW specific field for a special purpose voucher if it has a corresponding MTW field.

Some things we noticed when PHAs first transitioned to MTW. We have to manually add you guys to an upload that we do for that month that you begin reporting as an MTW. So we've noticed that there are some finicky things going on with the system when we first tried to transition you guys over. The system's getting a little confused.

So if you do receive any hard edits when you're reporting in the new fields, for example, if you report in Moving to Work and you get a hard edit in that field but you actually should be reporting in that field for that month for the first time, you can just enter a comment as the hard edit to bypass it and say you are MTW as of whatever date. I think the example we used before was 3/1/22. So you would just enter that comment there. And then Mario, your new financial analyst, would work with our VMS people to get that updated going forward, and hopefully that edit would go away.

It's also important, if you do receive a hard edit that you don't think you should have received, just send Mario an email and let him know so that he can also make sure he looks out for that when he goes in to approve your hard edit, just so we can make sure that we're capturing it all over and we can try and reduce the hard edits moving forward and get them taken care of ahead of time.

All the other fields will remain the same for you. Your mainstream vouchers will still be down where they were before, and that is it for the first page.

The next tab, the income expense tab, there's going to be a few new fields that you'll be using on this tab. Your administrative expenses will now be reported. Rather than the non-MTW administrative expenses, they'll be reported down here in the MTW HCV administrative expenses fields.

Once you start using your funding flexibility, you'll begin using the fields below that. In the future, these titles of these fields are changing a little bit. We don't need to go into that detail right now because those changes are coming later down the road in a few months. So you will be notified when those fields change and anything you need to do at that point. But for now, the concept is the same. They'll remain here in this location. Just might have some title changes.

When you become an MTW PHA and you start reporting in that month that you became the MTW, you will report regardless if you're using your funding flexibility. So whenever you are officially an MTW PHA is when you start reporting in VMS as an MTW PHA, regardless of if you're using your funding flexibility yet.

So you'll still want to put your administrative expenses here and your special purpose vouchers and the corresponding MTW fields. You just maybe won't be using these fields below the administrative expenses yet. And that's okay. We just want to make sure that you're reporting as MTW when you officially become an MTW the month after you sign your ACC.

All of these fields remain the same. You usually won't be using those, and all the other tabs will remain the same as well. If you have any disaster or EHVP funding, anything like that will also be reported in the corresponding tabs, just like they were before. So those fields don't have anything specific to MTW. Those different tabs don't. It's mainly just the voucher UML tab and income expense tab where you'll really see the differences, making sure that you're reporting the special purpose vouchers and your all other vouchers in the correct MTW fields.

As always, if you have any questions, you can reach out to us at the FMC. Mario Hall will be your financial analyst, and his contact information should be on the FA letters that you receive letting you know who your financial analyst is. All of his information will be on there.

And if you have any other questions, feel free to reach out to myself. I'm Sam Faught, and I think my email address might be on the presentation somewhere. If not, we can make sure to send it out afterwards, and we'd be happy to help you at any time. Thank you so much. I think Jean and Mario are going to be on the call, and they will be able to answer any other questions that you may have at this time.

Marianne Nazzaro: Great. So I want to say thank you, Samantha, even though she's not here in person to thank. And we do recognize that there was some kind of visual quality issues. Apologies for that. Two years into the pandemic, we're still learning the bandwidth of 100-and-some people on the line is causing some issues. We will make sure that the video is posted with the good quality and everything to the website after the meeting.

Are there any questions really on what Sam discussed? Are there any questions for Mario or Jean?

Okay. Great. Again, a lot of really good information there.

And with that, I would like to now also introduce a not quite here speaker. Peter Beyer was the Chief Financial Officer of Home Forward in Portland, Oregon for a number of years. He has since gone on to go to other opportunities, but he has presented several times in the past. And the previous MTW expansion agencies really appreciated hearing from him directly.

So rather than us try to communicate to you what Peter said, we thought it would be good for you to hear his words directly from Peter himself. And so, with that, I ask you to again turn on the volume on your computer. And, John P., if you could play the video with Peter Beyer from Home Forward.

Peter Beyer: Great. Thanks for that introduction, Marianne. And yes. We also have been working with -- quite a few years together. So I welcome all of the new agencies to the MTW family. It is really a fascinating and innovative group to belong to, and this is on top of all of the great work that you've been doing as a traditional agency. But there's definitely some more flexibilities that will allow you to expand even further.

Just a few stats about Home Forward, if you can go to the next slide, please. We've been a Moving to Work agency since 1999 and combination at one point of 10,000 to 12,000 vouchers, 3,000 public housing apartments. We've been transitioning away from the public housing model, though, under the RAD and Section 18 programs through HUD.

And so, for anyone who is interested in more information about that, that is definitely a multi-day webinar to talk about how do you combine RAD, Section 18, and Moving to Work. But it's definitely a worthwhile conversation to be had later down the road. Next slide, please.

A few things that I want to share from the Moving to Work agency perspective is, number one, we started some information about this. It's make sure you really know your Moving to Work amendment to the annual contributions contract and the MTW expansion notices.

So that includes reading the full agreements, making sure you understand the appendices, as well as what waivers you already have built in and which ones you have to work through the Moving to Work office and request your initiatives to be approved.

The other thing I want to impress on you is make sure you understand the timing of when things are due, the reports. Most of those will be similar to what you've done previously, but you now have this Moving to Work layer, and there's a public notification process and outreach that you want to make sure that you build in enough time to go through those processes. Next slide, please.

But when it comes -- what I really want to share with this group is when it comes to Moving to Work, I like to talk about it not just from the accounting or finance lens but from a change management lens. And so, I reference it's like Change Management 101, 201, 301, and beyond

all rolled together. And it all depends on how quickly and how elaborate your agency wants to incorporate new initiatives.

And I know with this cohort, looking at alternative rent structures is a key component. But even beyond that piece, you're going to need to think through culture change because you really are able to move away from, hey, this is how we've always done it, or this has been the rules for decades to, what's a better way that we can approach helping to house people in our communities?

And with that change in even the philosophy for your organization, you need to think through, how does that impact employees? How does that impact your participants and residents? What does it mean for your relationship with landlords, and what are those other community members that might be impacted by changes that you're going to make? And those can include advocates and partners and neighbors and whatnot. So please do not underestimate the work that will go into just the change management process.

When we talk about new initiatives and that your agency might want to roll out, some that really won't impact the finance or accounting offices, for example, if you're streamlining the inspection process or landlord certification for repairs, those really don't impact finance and accounting.

But there are other ones that could be major departures for your operation, and I'll share in just a few seconds an example of what Home Forward went through as it worked on its alternative rent approach. But what I really want to make sure you're thinking through is, as was shared earlier, there's going to be changes in VMS and new accounts that you need to be able to report on in VMS, as well as FDS. The new columns and the movement of activity in FDS becomes important.

The ability to track how you're using Moving to Work funds separate from your non-Moving to Work or special purpose voucher type funding is key. You'll have this requirement to trace back to origin sources. So if you are going to use housing choice voucher money for some sort of public housing related item, you still need to be able to know that it originated from housing choice voucher funds.

Entailed in all that, you're going to need to think through, does your chart of accounts need to change because your accounting system becomes now this area of change management and that blends into are you going to need new software or are you going to need reprogramming of your existing software? And those are -- they are not to be taken lightly.

The other thing is that, as you're changing the initiatives, you're going to need staff training. You're going to have to change your policies and procedures. So you have to build in time for all of that aspect of the change.

The last couple things on this slide, your audit firm, this will change how your audit team has to test your programs. And so, they need to become familiar with Moving to Work and what are the compliance requirements and with the flexibility and the fungibility. That may be new for your audit team that they'll have to work through understanding.

And then lastly, the field office, depending on where you're at in the country, you may be working with a field office that already works with a Moving to Work agency. And so, they'll have much more familiarity with what these changes might look like for you. But if you're in an area that is -- where moving to work as new for the field office, understand that that group is going to go through change as well.

And I know Marianne and the Moving to Work team and the folks from the D.C. offices will be there to help. But just recognize that Moving to Work, in many cases you're an outlier program compared to the traditional housing authorities. And so, you'll want to be partnering with your field office and the Moving to Work office very early in your transition process.

Marianne Nazzaro: Okay. Welcome back, everyone. And again, thank you to Peter Beyer, formerly of Home Forward. Just a couple -- next slide, please.

Peter's experience over the years and major lessons learned to us really kind of helped us hone in on the need for change management, talking about it earlier, talking about it often.

Some of the key things that we heard from Peter were MTW provides the opportunity to move away from this is how we've always done it to thinking about is there a better way to do this? Thinking about your impact on operations, you're tracking systems, your reporting requirements, your software systems, your training, your policies, your procedures, thinking about your stakeholders, your staff, your participants, your residents, your landlords, your community advocates, your partners, your neighbors. And never underestimate the work that goes into this change management.

Again, thinking through our mantra of this intentionality of thinking about change management will help save time, energy, and reworking.

So any other kind of questions or key takeaways from what we heard from either Samantha or Peter? Is there any? I'd ask you really to think about, as he said, is when and why is this change happening, how to articulate the need for that change for staff and others?

And so, Peter is not on the phone at the moment, and I am not sure if there is someone on the phone that is able to answer this question. And so, if not, Phillip, I'll defer to you. We might need to take this back for an insider. But our question here is, "Could you please give examples of the new accounting code that you created when you converted to MTW?"

Phillip Pless: Yes. So this is a great question. And so, we may be able to connect you with one of our initial 39 agencies who presented in the first webinar. And we might be able to connect you to either John or someone on Maria Raza's [ph] staff to be able to kind of give you some additional assistance with this question because I know that this is one of the things that they spoke about. So what we can do is we can take this question back and see if they -- and we'll get you some additional information to do so.

Marianne Nazzaro: Fantastic. Thank you. Thank you, Phillip.

Other questions or takeaways? So again, other things to think about, what is the expected outcome? What are the benefits, helping to communicate the benefits of this change to the team? Who will be affected, whether it's obviously the finance team when you're talking about finances? What about the IT team? Is there any procurement, any vendors, any -- anyone that uses the report that needs to understand? Was it -- what about the executive director; right, that front office staff, the board? Thinking about who that is and helping to be able to convey those benefits for why we need to make the changes that we do.

And as Peter notes, never underestimate the time and the need and the work really to manage change effectively. But it's worth it. It's absolutely worth it, from his words.

So here is a question for, I believe, Phillip. I'm going to ask you. It may be for Jean. I'm not sure. I will ask the question is, "We're a Section 8 only agency. Do we need to track the movement of funds from HAP to end?"

Phillip Pless: So I believe we actually covered this question in the previous webinar. The answer to that is yes. You still need to track your funds discretely for several reasons. One is there's a part 200 requirement to be able to track funds discretely across fund types. So -- and there are also other reasons as well. So yes. So key to track those funds.

Marianne Nazzaro: Perfect. Thank you, Phillip, and thank you for that question. Are there any other questions on anything finance related and MTW ACC amendment, related change management related, welcome to MTW related?

Phillip Pless: This is Phillip. I just wanted to say a couple things. We are aware that there was a lot -- you guys asked a lot of great questions in the previous webinar. We are working on sending out our first newsletter, which we call the MTW Insider, that will feature some of the more common questions that were asked from the previous webinar.

If your specific question that you had answered previously was very specific, we will be getting back to you as soon as we are able to because there are a couple of questions that were very specific to that individual agency's circumstances. So I just wanted to say a word about that.

I also just wanted to say, from the previous webinar, I think we could take a second just to kind of reflect back on some of the more common things that were answered, and we can kind of just clarify a couple of the main points that we gave since we had to kind of wrap up quickly.

So just to clarify, one of the common questions that we heard from you all was about -- just to clarify, all of the funds that are able to be used flexibly are HCV, capital funds, and operating subsidy. Okay. So that was a question that we heard from you all that was -- that you all had asked quite a bit.

You will continue to need to be able to track fund types. That was something that we've heard from you all. And I think those were the main questions I have seen through here that were asked a couple of times in a couple of separate ways. So I just want to quickly review that.

So just to reiterate, we will be sending out our first MTW Insider that kind of highlights some of the more frequent questions that were asked, as well as kind of just summarizing some of the key themes that were presented during the webinar. So be on the lookout for that shortly.

Marianne, do we have any additional questions that have come in?

Marianne Nazzaro: Yes. So there is another question related to -- and I'm going to take a stab at it and then see, John, if you want to -- John Concannon, if you want to add to it at all.

The question relating to, "Our software provider has told us that the PIC system is being updated, and we will not be able to submit any MTW -- any 58s as an MTW agency. Where do the 58s for MTW agencies get submitted?"

And so, I think the long answer to this is you won't be able to submit any -- I think it was Jenny talked about kind of the process; right? First, you are announced as being selected as MTW, and then you sign your ACC amendment. It gets countersigned by HUD. At that point, you are an MTW agency. Beginning the following month, you can use your funds flexibly. You then need to put your MTW plans, what do you want to do with MTW plan, through a public process and submit an MTW supplement through the web-based system, which is a great shout out to our next webinar on the MTW supplement.

And it's not until that supplement has been into the system, reviewed, and approved by HUD that you can start applying your MTW administrative flexibilities to your programs. And so, that's -- it would be at that point you wouldn't even need to transition to the 58 prior to that point, which is some months down the road because we are just in the process now of getting those MTW ACC amendments received from you all and countersigned by HUD.

So John, do you want to -- is there anything else that you want to -- and we do have a webinar coming up specifically about what those changes are on the MTW 58 expansion form, and that training will be in May 25th. And we don't anticipate anybody needing to submit any 58 using their MTW flexibilities prior to that time. John?

John Concannon: Yeah. I'll just say we're pushing hard to have that functionality available to you, but it shouldn't -- it won't slow you down from really implementing any of your waivers, let's say, if they were happened to be implemented earlier. You would still submit a 58. Your vendor knows this. You might get an error, and then we can fix those when we transition you over to the new software or to the IMS PIC modernization, but don't let it slow you down. That's something we're working on. We had a little snag last year just in some development contracts. So we're hoping to have that up and running very soon.

Marianne Nazzaro: Great. Thanks. And that's good advice. Don't let that slow you down. Thanks, John.

Any other questions? Next slide, please.



Phillip Pless: Marianne, it does look like there's one question that came in the chat while --

Marianne Nazzaro: Oh, really?

Phillip Pless: -- speaking. Yeah.

Marianne Nazzaro: Oh, sorry.

Phillip Pless: It's from Celia.

Marianne Nazzaro: I did not see those.

Phillip Pless: The question is --

Marianne Nazzaro: I need to continue scrolling down. Sorry, Celia.

Phillip Pless: Her question is, "I take 5K of HAP under the flex option and don't use it for HAP. When I go to renew that HAP, will the 50K be renewed as HAP or not renewed at all or something else?"

Marianne Nazzaro: Okay. So that's a question of, so, if you have -- again, that's a funding flexibility question. So I encourage you to -- and we talked about that in our last webinar. So if you're using your HAP and you're using \$50,000 of HAP for non-HAP purposes, MTW-eligible, obviously, but non-HAP purposes, say capital fund purpose, operating fund purpose, once we do that renewal calculation for the next calendar year, that HAP expenditure, that \$50,000 will be included as part of the -- I don't want to say baseline, but as part of that calculation for the next year's HAP. So that \$50,000 will be included for the next -- for that subsequent year. Did that answer your question, Celia?

Celia: Yes. Thank you.

Marianne Nazzaro: Okay. Great. And then, Phillip, there's a question, and I don't know the answer to this. "Is there a sample FDS report that we could share?"

Phillip Pless: I would need to know more information about the question. So the person that asked this question, do you want to come off the line and elaborate a little bit more about what you're specifically asking? I can just tell you quickly that the instructions that we provided today, that kind of -- I'm not aware of a sample report that we have, but if you want to come off mute to ask your question or elaborate a little bit more, that would be great. Or you can also -- if you prefer, you can also submit the question through the landlord, the MTWLandlordIncentives@hud.gov mailbox, if you prefer to do that.

Marianne Nazzaro: Okay.

Phillip Pless: Well, Marianne, I believe you could probably advance the slide. I'm assuming we will get that.

Marianne Nazzaro: Great. And we'll email. Awesome. Thanks, Jesse.

Okay. So let's talk resources. Again, you'll see you'll see this again, and this is part of the -- Andelyn also included in the chat feature a link to where we can find this PowerPoint, and all of these are linked there. We have a lot of resources available for you.

The MTW ACC amendment, I think you all have that by now. The selection notice, obviously, you've seen that, but you need to understand it. The MTW operations notice, we talked about that in some detail, and you need to become very familiar with the MTW operation notice.

We have the general Moving to Work page on the HUD website. We have the MTW expansion page on HUD Exchange with a lot of resources relating to the expansion, including an MTW expansion online manual. This online manual includes a lot of the kind of key information and concepts relating to the expansion, the operations, notice, et cetera.

We do have a site on the HUD Exchange where we link to all of the webinars, including today's webinar. So you can go there. We talked a lot today about the SPV, special purpose voucher FAQs. Those are available there. The ACC amendment FAQ. There's just a lot of really good information that we encourage you to check out. And next slide.

And so, coming up -- and we gave a little shout out -- on April 13th, we will have our next webinar where we will specifically be talking about the MTW supplement to the PHA plan as well as the public process, importance of the public process.

And then we will do a walkthrough of the supplement on May 4th. And as I had indicated previously, on May 25th we will have a webinar where we can talk through the explicit changes in the form, the 58 form for MTW expansion agencies. So we'll do a good walkthrough of that.

And then in early June we'll have some office hours where you and also your fellow counterparts in the other MTW expansion cohorts will be able to join us.

So really enjoyed having you with us this afternoon, and appreciate all of your questions. Appreciate you guys being here. If you have any other questions following today's webinar, please don't hesitate to email us at [MTWLandlordIncentives@HUD.gov](mailto:MTWLandlordIncentives@HUD.gov), and we will get back to you just as soon as we can.

So with that, I want to say thanks for joining us today, and we look forward to seeing you again on April 13th. So thanks, everybody.

(END)