Financial Management Training

The Public Housing Authority Financial Management training was developed to help improve the financial performance of PHAs throughout the United States. The training is focused on internal controls and financial management topics related to the public housing and HCV programs. The training provides an interactive approach with 8 Learning Activities incorporated into the training

topics. Users should open (and print, if desired) the Learning Activity associated with the module under review and as directed in the module. Users can access several financial management resources related to the training by clicking the "Resources" and "Templates" links above.

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Financial Management Training

MODULES   RESOURCES   TEMPLATES

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The modules included in this training are in PowerPoint format, presented as a narrated slide show. To view the module, the user will need to open and download the slide deck while in PowerPoint in order to launch the presentation. To view the slide presentation and to enable the audio (the narration of the presentation) select "Slideshow" and then play slideshow "From Beginning."

The user will need to advance the slides with the right arrow button to move through the presentation. In addition to the narrated modules, a PDF version of each module is provided for users to download along with a script of the narration.

For users from Housing Choice Voucher-only PHAs, note that under the icons for each module there is information to guide users on which slides or sections of the Module are relevant.

MODULE

1

Introduction

provides an overview of the module topics and learning activities covered in the web-based version of the training and the other resources and templates that are provided as part of this training.

Launch Module 1
Note: To enable the audio, select "Play Slideshow"

Download the Transcript

Download the Slides (PDF)

HCV-only PHAs: all slides are relevant.

MODULE 2

Understanding Financial Management

provides some national level information on the portfolio of housing authorities with respect to the number of PHAs that manage

MODULE 3

PHA Operating Environment

covers the financial environment that PHAs operate in; the importance of ethics in managing the programs; explains the concept of waste, fraud, and abuse including HUD remedies for non-compliance; and key provisions in the Annual Contributions Contract (ACC).

Launch Module 3
Note: To enable the audio, select "Play Slideshow"

Download the Transcript

Download the Slides (PDF)

Handout 1 Module 3 Waste Fraud and Abuse

Handout 2 Module 3 Risk Irregularities

HCV-only PHAs: most slides are relevant. Learning Activity #2 associated with Module 3 (reviewed in slides 50 – 66) pertains primarily to public housing management but can still be a useful exercise.

Learning Activity Materials

Initial Identification of Risk

ONE

Introduces the case study for the "Anywhere Housing Authority" which is discussed as part of the other learning activities.

Learning Activity Materials

Identifying Financial and Management Concerns

TWO

Provides a case study and questions to identify various financial and management risk indicators.

Learning Activity 2: Identifying Financial Management Concerns

MODULE

4

The Eligible Uses of Funding

provides information on the activities that are allowed to be charged against the major federal funding sources received by PHAs (the Operating Fund, Capital Fund, and the Housing Choice Voucher programs). The session also covers eligible costs including cost allocation as determined by the Office of Management and Budget (OMB).

Launch Module 4
Note: To enable the audio, select "Play Slideshow"

Download the Transcript

Download the Slides (PDF)

HCV-only PHAs may wish to skip slides 24 – 45 which cover operating fund and capital fund.

MODULE 5

Effective Internal Controls

discusses the importance of the control environment, how to evaluate a PHA's control environment, and steps for creating a proper control environment. The session also discusses the various financial policies and procedures and the importance of tailoring the policy to each PHA.

Launch Module 5
Note: To enable the audio, select "Play Slideshow"

MODULE 6

Operating and Capital Budgets

covers the purpose and HUD's requirements for the Operating Budget, steps in preparing the Operating Budget, and the relationship between the Operating and Capital Budgets.

Launch Module 6
Note: To enable the audio, select "Play Slideshow"

Download the Transcript

Download the Slides (PDF)

HCV-only PHAs may wish to skip this module as it pertains to establishing and managing operating and capital budgets.

Learning Activity Materials

Effective Internal Controls

THREE & FOUR

Provides exercises on how to conduct a risk assessment and identify control weaknesses.

Learning Activity 3 and 4: Effective Internal Controls

Learning Activity Materials

Preparing an Operating Budget

FIVE

Provides a review of a sample budget.

Learning Activity 5: Preparing An Operating Budget

MODULE

7

Financial Statements & Annual Audits

explains how to read Generally Accepted Accounting Principles (or GAAP) financial statements. This session will also provide information on the different audit types, audit coverage, managing the audit process, and auditor warning flags.
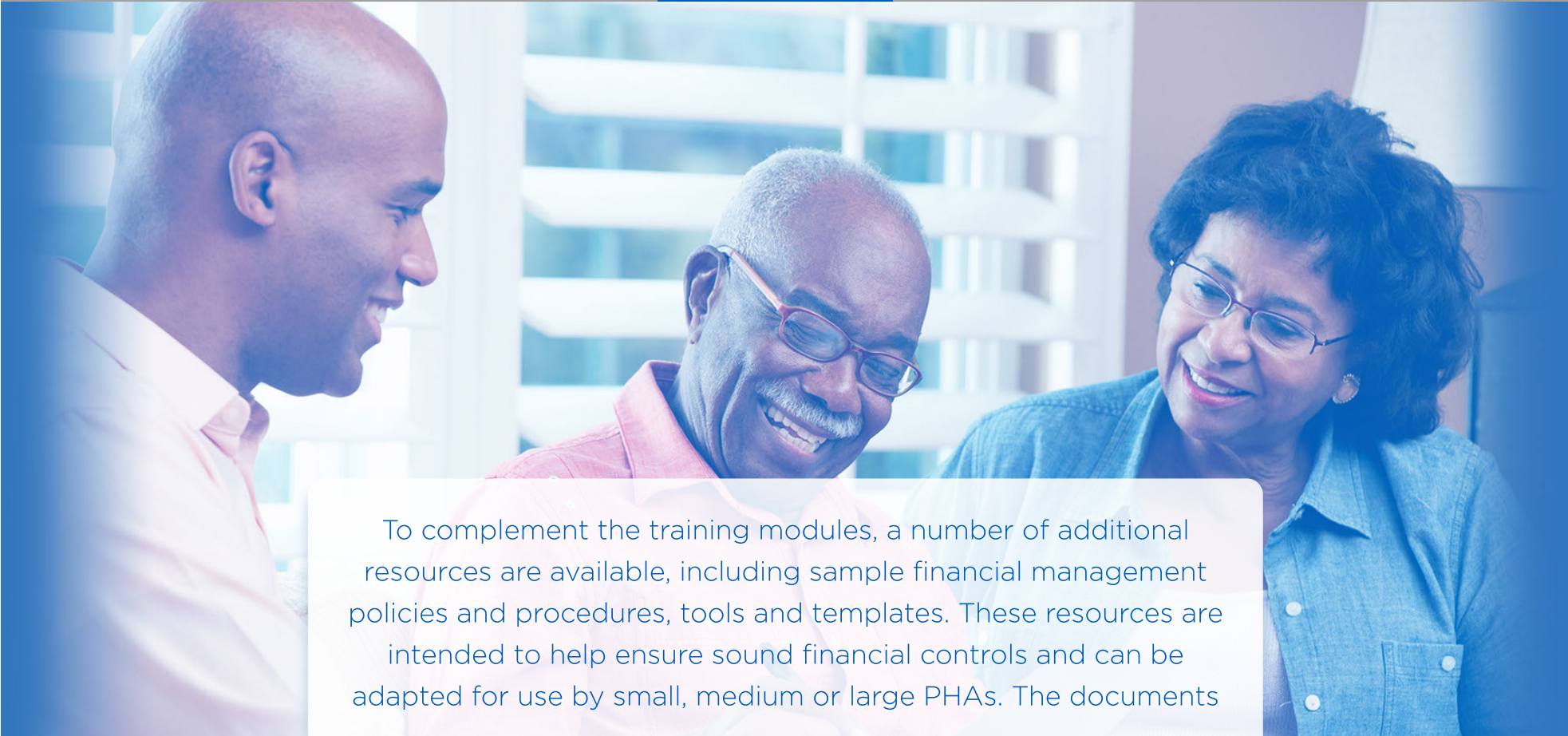
Launch Module 7
Note: To enable the audio, select "Play Slideshow"

Download the Transcript

Download the Slides (PDF)

HCV-only PHAs: all slides are relevant.

MODULE

8

Financial Monitoring

provides information on: 1) the financial reporting framework used by PHAs to account during the year (that is, cash vs. GAAP-based transactions); 2) the monthly financial statements provided by the Fee Accountant or finance department and how these financial statements differ from year-end financial statements; 3) the types of reports a PHA should have available to them on a monthly basis (including those that a fee accountant would typically provide); and 4) metrics from monthly reports that PHAs can use as key performance indicators or KPIs.

Launch Module 8
Note: To enable the audio, select "Play Slideshow"

Download the Transcript

Download the Slides (PDF)

Handout 3 Module 8 GAAP Conversion Example

HCV-only PHAs: While a few specific slides in this module pertain to public housing, generally the Module is relevant.

Learning Activity Materials

Review of an Income Statement

SIX

Provides a budget to actual review exercise.

Learning Activity 6: Review of An Income Statement

Learning Activity 6: Sample Income Statement

Learning Activity 6: Sample Income Statement in Excel

MODULE

9

Financial Ratios & Monitoring Reports

provides an introduction to ratio and trend analysis; information on ratios used to evaluate the Public Housing and HCV programs including ratio results for the Public Housing and Housing Choice Voucher programs at a national level. This module also provides recommendations on the information and monitoring reporting that should be included in the monthly board package.

Launch Module 9
Note: To enable the audio, select "Play Slideshow"

Download the Transcript

Download the Slides (PDF)

HCV-only PHAs should focus on slides 1 – 6, 35 – 48 and 50 – 53. Learning Activity #7 (reviewed in slides 54 – 65) uses a public housing example to illustrate financial monitoring, but it can still be a useful exercise.

Learning Activity Materials

Monitoring Using a Dashboard Report

SEVEN

Provides an exercise on how to improve a PHA's financial performance.

Learning Activity 7: Monitoring Using Dashboard Reports

MODULE
10

Financial Management Tools

provides an overview of the different financial management tools that will be made available as part of this training for PHAs use and how the PHAs will be able to access the tools.

Launch Module 10
Note: To enable the audio, select "Play Slideshow"

Download the Transcript

Download the Slides (PDF)

HCV-only PHAs: all slides are relevant as this module provides an overview of the available financial management tools accompanying this training.

MODULE
11

Asset Management Concept & Capital Needs Planning

provides an overview of asset management and discusses asset repositioning using mixed-finance and the Rental Assistance Demonstration (RAD) program. The module also covers capital needs planning including a discussion of the various funds that are able to be used to fund capital needs and how the capital needs assessment and REAC physical inspection reports can impact or influence a PHA's budget.

Launch Module 11
Note: To enable the audio, select "Play Slideshow"

Download the Transcript

Download the Slides (PDF)

HCV-only PHAs may wish to skip this module as it pertains to asset management, capital needs planning, and strategies for financing such as mixed finance and the Rental Assistance Demonstration program.

Learning Activity Materials

Capital Asset Planning

EIGHT

Provides an exercise on capital needs planning.

Learning Activity 8: Capital Asset Planning

MODULE
13

Personnel Policies

covers various topics that should be reflected in a PHA's personnel policy and provides information on: 1) the factors that a PHA should consider when determining whether to keep certain activities in-house or to contract out; 2) HUD guidance and best practice for determining employee compensation; 3) time reporting policies and best practices for exempt and non-exempt positions; 4) OMB's guidance on employee bonuses and items to consider in conducting employee evaluations; and 5) best practices for PHA hiring policy and practices.

Launch Module 13
Note: To enable the audio, select "Play Slideshow"

Download the Transcript

Download the Slides (PDF)

HCV-only PHAs: all slides are relevant.

Financial Management Training

To complement the training modules, a number of additional resources are available, including sample financial management policies and procedures, tools and templates. These resources are intended to help ensure sound financial controls and can be adapted for use by small, medium or large PHAs. The documents

are presented in Word and Excel formats so that the PHA can edit and adapt each document for the individual PHA's use.

The following available sample policies and procedures are listed in alphabetical order by name. Along with a brief description of each, the risk level is identified as Low, Moderate or High. A PHA may use the risk level as a starting point for determining the highest priority policies or procedures to develop or update. Policies noted with a "High" risk level should be priority.

Priority:

List of Policies and Procedures

This document lists all policies and procedures available, grouping them in areas of: Accounting Policies and Financial Management Policies. The list also identifies high risk areas that could be used as a starting point for PHAs to develop and implement individual policies and procedures.

Priority:

Accounts Payable

Proper reporting vendor accounts payable liabilities.

Priority:

Assets Disposition

Proper disposition of PHA personal property.

Priority:

Bank Reconciliations

3

Proper preparation and review of bank reconciliations.

Priority:

Board Reporting

4

Policy for the timing of and items to be provided to the Board.

Priority:

Capital Asset

5

Proper tracking and recording of fixed assets.

Priority:

Capital Fund Processing

6

Proper coding and accounting for Capital Fund Program expenditures.

Priority:

Capitalization Policy

7

Proper identification of assets to be capitalized.

Priority:

Check Writing

8

Proper process for writing checks and payment.

Priority:

Conflict of Interest

9

Proper identification of conflict of interest and who is affected.

Priority:

Cost Allocation
10

Proper identification of cost allocation methods and preparation of cost allocation plans.

Priority:

Credit Card
11

Proper use and monitoring of PHA credit cards, including gas cards.

Priority:

Credit Card User Agreement
12

Part of Credit Card Use Policy.

Priority:

Disbursements
13

Proper payment of goods and services purchased.

Priority:

Expenditure Cycle – Purchase of Goods and Services
14

Proper payment of goods and services purchased.

Priority:

Financial Reports and Analysis
15

Proper review of financial statements for monitoring purposes.

Priority:

Financial Close-Out and Reporting
16

Proper monthly and annual reporting processes.

Priority:

FSS Escrow Account
17

Proper recording and disbursing of FSS escrow funds.

Priority:

General Internal Controls
18

Policy for describing the internal control structure and how to develop internal controls.

Priority:

General Ledger Interfacing
19

Proper interface of PHA software with general ledger reporting disposition of PHA personal property.

Priority:

HAP Processing
20

Proper HAP payment process and monitoring of disbursements.

Priority:

Interfund Transfer
21

Proper recording of due to/due from balances and transfers of funds.

Priority:

Investments
22

Proper investing of PHA funds and recording of activity.

Priority:

23 Maintenance Inventory

Proper maintenance and recording of maintenance inventory.

Priority:

24 Payroll Processing

Proper processing and monitoring of payroll transactions.

Priority:

25 Petty Cash

Proper maintenance, recording, and monitoring of petty cash funds.

Priority:

25 PHA Provided Items

Proper issuance and monitoring of PHA provided cell phones and other electronic devices.

Priority:

26 Rent Collection

Proper collection and recording of rent and other tenant charges.

Priority:

27 Revenue Cycle

Proper flow of resources into the PHA.

Priority:

28 Security/Pet Deposits

Proper collection, recording, and disbursing of tenant security and pet deposits.

Priority:

29 | **TAR Processing**

Policy for accurately recording dwelling rents and other tenant charges.

Priority:

30 | **Transaction Processing**

Proper recording of financial transactions that affect the financial statements.

Priority:

31 | **Travel Policy**

Proper administration of travel and travel-related matters.

Priority:

31A | **Travel Authorization Form**

Part of Travel Policy.

Priority:

31B | **Out of Area Travel Reimbursement Expense Form**

Part of Travel Policy.

Priority:

31C | **Local Area Travel Reimbursement Expense Form**

Part of Travel Policy.

Priority:

32 | **Uncashed and Voiding of Checks**

Policy for checks issued but not yet cleared.

Priority:

| 33 | **Vehicle Use** |

Proper use of a PHA vehicle.

Priority:

| 34 | **Write-Offs** |

Proper write off and recording of uncollectable tenant account balances.

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Financial Management Training

MODULES	RESOURCES	**TEMPLATES**

In addition to the policies and procedures, PHAs may download and adapt the following financial management related templates for use. Each is described below.

Operating Budget Template Tool Guidance

This Operating Budget document provides information related to current PHA practices regarding the process of preparing operating budgets; briefly discusses the operating budget tool (available separately); programs required to have a budget; schedule for budget preparation; and policy requirements for board approval.

Operating Budget Tool

The Operating Budget Tool can be used in preparation of the PHA's budget (see also the accompanying document that provides guidance on the tool).

Supporting Information Checklist

The Supporting Information checklist provides a checklist of the supporting information that should be provided to the Board and Executive Staff for key budget items and is organized by general, revenue, and expense budget items. The supporting information and the budgeted amounts constitute a complete budget package.

Board Reporting and Financial Dash Templates Introduction

PHAs can use the templates as the basis of a Board of Commissioner's financial and monitoring report package to be used at regular meetings.

Appendix A Board Meeting Package Guidance

Appendix B Board Reporting Templates

Audit Services Procurement Template

This document can help PHAs issue a solicitation for audit services that are compliant with both PHA and HUD's requirements.

Fee Accounting Services Procurement Template

This document can help PHAs issue a solicitation for fee accounting services that is compliant with HUD's requirements.

Banking Services Procurement Template

This document (and sample forms) can help PHAs issue a solicitation for banking services that is compliant with HUD's requirements.

Banking Services Procurement Template Bid or No Bid Form

Banking Services Procurement Template References Form

Insurance Services Procurement Template

This document (and sample forms) can help PHAs issue a solicitation for insurance services that is compliant with HUD's requirements.

Banking Services Procurement Template References Form

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