

Operating Budget Template Tool Guidance

BACKGROUND INFORMATION

Budgeting is a fundamental concept that provides a public housing authority (PHA) with a financial plan for the upcoming fiscal year. Used properly, the budget provides the ground work to implement future directives while verifying the financial viability of the PHA.

The Annual Contributions Contract (ACC) requires the preparation of an operating budget for the Low Rent Housing Program. HUD does not prescribe a required budget format for the Low Rent Housing Program and does not require an operating budget for the overall PHA. For the Low Rent Program's operating budget, HUD requires an operating budget to be developed for each asset management project (AMP) and in a format that is easily reconcilable to the FDS line items. These budgets should include estimates for all revenues and expenses that support the operations of the AMP, including CFP activities such as operating transfers, management improvements, or other CFP activities that are not capital in nature.

As part of the technical assistance provided to PHAs, HUD is providing an Operating Budgeting Tool/Template that a PHA may use in preparation of the PHA's budget. This document provides information related to current PHA practices regarding the process of preparing operating budgets, briefly discusses the operating budget tool, and provides information on industry best practices.

ORGANIZATION OF DOCUMENT

The Budget Tool consists of an operating budget template that can be utilized by PHAs to improve the accuracy of their budget estimates for all major programs that a PHA may administer. The document is organized as follows:

1. *Operating Budget Guidance*. A Word document that supports the Operating Budget Tool and provides general information that is typically followed in the preparation of the Operating budget.
2. *Instructions and Use of the Operating Budget Tool*. A Word document that provides instructions for PHAs on how to properly utilize the Operating Budget Tool for maximum effectiveness in the budgeting process.
3. *Operating Budget Tool*. An Excel file that provides the Operating Budget Tool itself, for preparation of the PHA wide budget, including individual projects and programs.

1. OPERATING BUDGETS – CURRENT PRACTICES

A properly prepared operating budget serves both as a valuable planning and monitoring tool. However, at many PHAs, operating budgets are prepared by the PHA's contracted fee accountant or PHA finance staff, with limited management participation. In certain cases, operating budgets are only prepared for programs where the development of an operating budget is required.

Common Procedural Weaknesses of PHA Operating Budget Preparation

Use of a Fee Accountant. Contracted fee accountants prepare the operating budgets for the PHA. The budgets are generally prepared using a template designed by the fee accountant that aligns the account codes to the PHA's general ledger system.

The involvement of PHA's management varies depending on PHA's management understanding of financial statements and budgeting. In certain cases, the fee accountant prepares the entire budget with limited involvement and input from management. PHA management input is generally related to payroll items. For expenses, fee accountants will typically budget based on the agency's current spending patterns or by taking the prior year actual amounts and multiplying these amounts by an inflation factor. The support and documentation of the costs that are budgeted is lacking in many instances.

The major weakness of this approach is that the planning element of the budget process and the establishment of the PHA's goals would typically not occur and therefore, the operating budget is of limited value.

Use of a Finance Department. Certain larger PHAs have a dedicated finance office that maintains the accounting records for the PHA (i.e., in-house accounting). The budgets are typically prepared in an Excel template designed by the finance office.

In these cases, the finance office generally prepares the operating budgets with certain involvement from management. Management, in this case, may include the asset and property managers depending on the procedures established by the PHA. In many cases, expenses are budgeted based on current year actual amounts and adjusted by an inflation factor. While there is typically more management involvement, the operating budgets are not usually documented as to how and why amounts for the different line items were determined but simply serve as a projection of what will be incurred in the upcoming fiscal year. This approach is better than the previous fee accountant method but still has a similar weakness of limited planning and therefore may be of limited use for monitoring purposes.

Common Procedural Weakness in Operating Budget Planning

Budget Planning. For many PHAs the preparation of the operating budget is more of a requirement (formality) and is not seen as an essential planning tool. In fact, a large number of PHAs plan on a large budget revision that is requested and approved each year. The budget revision will simply revise the budgeted amounts to match the actual amounts incurred near to the end of the fiscal year as a normal course of a PHA's business practice. In many cases, the attention provided to the actual development of an operating budget is minimal.

This approach has led many PHAs to not substantiate how and why amounts were arrived at or supported during the original budget preparation.

The operating budget should be a realistic forecast of the expected future fiscal year's operating results and is a combination of known and estimated income and expenses for the future year. An approved operating budget should reflect the Board and management's priorities and expected goals and outcomes through various line items and acts as the main financial control and monitoring device.

OPERATING BUDGET TOOL

An operating budget tool was developed and provided which emphasizes the planning and documentation of assumptions needed in the budget process.

Format

Excel. Microsoft's Excel program was selected to develop the operating budget template. Excel is widely available for most computer users. The template is intended for users with a beginner or intermediate knowledge of the Excel program and provides a user-friendly design and layout.

For those PHAs that want to continue to use their operating budget format, PHAs should still review the tool, as the operating budget tool illustrates best practices for the planning and documentation of assumptions used in preparation of the budget and how the budget amounts were established.

Flow

Budget Flow. The operating budget tool provides for a flow of items that will enable the user to understand the process of preparing the budget while aiding them through the documentation process. The tool was also designed to provide flexibility for PHAs that have several programs other than the Low Rent Housing Program. Documentation of amounts should be supported by historical data, current contracts, and assumptions. Items to support budgeted amounts should include:

- Work orders
- Current contract rates
- Tenant rent charges
- Utility rate increases from the city

OTHER BEST PRACTICES

Best practices of financially stable PHAs have common characteristics. These characteristics include the active interest of management in the PHA's financial position, the implementation of procedures that emphasize the planning and preparation of operating budgets, and the integral role of staff in providing accurate data related to the preparation of budgets and financial statements.

Specific Best Practices for the Preparation of Operating Budgets

Budget Policy. PHAs should have a policy over their budget process. The policy provides a general schedule of the budget process, what programs are required to be budgeted, who is required to be involved in the process and what their role is in the process, required documentation to be presented as a part of the operating budget, requirements which will result in a needed budget revision, etc.

Budget Schedule. The establishment of procedures and timeline for the budget preparation and actual use of the budget is important to creating an environment that emphasizes the need to monitor and operate within financial boundaries. The procedures provide the employees a timeline for the gathering of information, pricing of items, etc. needed for the preparation of the operating budget. The timeline should allow time for management to assess the financial impact of the budget to the individual programs and the overall PHA and adjust as needed.

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Management Involvement. Operating budgets that are developed by or include significant involvement by management are typically more precise and used more as a financial plan. The impact of the budget can be discussed more methodically with interested parties (HUD, Board members, and the general public).

Supporting Documentation. Amounts included in the operating budget are supported. Supporting documentation is ancillary information that shows the method and assumptions used to calculate the budget line item amount. Supporting information can be based on projected proration levels, number of related work orders, contract amounts, estimated inflation levels, etc.

Use of the Budget. Budgets are used in association with the review of financial statements. Significant actual-to-budget variances are explained on a monthly basis. Financial statements are prepared accurately and in a timely manner. Budgeted balances are reviewed prior to the authorization of costs.

2. INSTRUCTIONS AND USE OF THE OPERATING BUDGET TOOL

The budget template worksheet has been developed to provide a tool which PHA’s management can use to prepare operating budgets for not only the Low Rent Housing Program but the HCV Program, the Central Office Cost Center (COCC), and other programs as well. The template was designed for individuals with limited Excel program skills to enter information. Therefore, macros requiring additional security settings have not been included into the template.

Not only does the tool allow for the preparation of individual program budgets, but the tool also will consolidate these budgets into an overall PHA agency wide budget. The budget template provides a process for the user to follow in the preparation of the operating budgets. The budget template has also been designed to provide documentation on how specific line item amounts were developed.

Budget Tool Template – Use of Tabs

The budget template was designed using individual tabs separating out key items and individual programs. The tabs include the following items:

- Instructions (abbreviated)
- General
- Overall PHA Budget
- Payroll
- Employee Benefits
- AMP 1
- AMP 2
- AMP 3
- HCV
- COCC
- Other 1
- Other 2
- Other 3
- Analysis

Each of these tabs will be discussed in following sections. To gain access to a tab, simply click on the tab at the bottom of the screen.

Insurance				
96110	Property	101,340		101,340
96120	General Liability	30,400		30,400
96130	Worker's Comp.	20,270		20,270
96140	Other Insurance	10,140		10,140
96100	Total Insurance Expense	162,150	-	162,150

General Expenses				
96200	Other General Expense	1,200		1,200

The screenshot also shows a tab bar at the bottom with the following tabs: Payroll (green), Emp. Benefits (green), AMP 1 (green), AMP 2 (red), AMP 3 (red), HCV (blue), COCC (orange), Other 1 (purple), Other 2 (purple), Other 3 (purple), Analysis (yellow), and Sheet2 (white). A blue arrow points from the 'Analysis' tab to the 'Total Insurance Expense' row in the table above.

While working in the tab, the user will notice shaded cells to aid in understanding the source of the information and the required cells that need to be completed. The meaning of the individual color coding is presented in the following table.

Color Coding of Cells	
	Represents cells to be completed by the PHA
	Represents an amount taken from the initial General tab
	Represents a template calculation
	Represents amounts taken from calculations in the current budget tab
	Represent a cell that does not apply to the budget or funding type
<u>Details</u>	The details represents a link. Upon clicking on the link, the user will be taken to the section related to that specific budget line item.
<u>Return to Budget</u>	This indicator represents a link to return to the operating budget from the detailed section

Individual line items used in the budget template are taken from the Financial Data Schedule (FDS) line items. As required by HUD in the *Changes in Financial Management and Reporting for Public Housing Agencies under the New Operating Fund Rule (24 CFR 990) Supplement to HUD Handbook 7475.1 REV., CHG-1, Financial Management Handbook*, operating budgets must be easily reconcilable to FDS line items. A crosswalk guide is available on REAC’s website at the following web address:

https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/react/products/prodpha/fdsline.

General Tab

The General tab provides basic information for the budget template that will be used to calculate various budget line items.

Budget Template - General Information	
Name of PHA	Anytown Housing Authority
PHA ID	OK008
Fiscal Year	9/30/2017
Anticipated Annual Inflation Rate	1.34%
Anticipated Operating Fund Proration Rate	94%
Anticipated Admin. Fee Proration Rate	85%
Average Interest Rate Earned on Investments	0.26%

The general information cells shaded in gold are for the PHA to enter data. The anticipated annual inflation rate represents a rate to estimate increases in various costs throughout the budget template. The PHA can use the Consumer Price Index (CPI) to project the inflation rate. These rates can be determined from the Department of Labor website at <https://www.bls.gov/cpi/>.

The remaining part of the General tab allows for the user to add additional projects/programs and additional employee benefit types if necessary.

Other programs can be added to the budget tool in the General tab section. Simply enter the program name in the assigned gold cell.

The following table allows for the use of three additional program budgets.

Other Program Listing	Project/Program
Other 1	Morganville
Other 2	Madisonville
Other 3	TBRA

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Payroll Tab

The Payroll tab is used to enter payroll information related to the individual positions of the PHA. The data includes the current salary rate, the requested salary rate, the payroll process frequency and the allocation of the costs between the programs. The user will notice that the current salary rate is a gold shaded cell that is recommended to be completed.

Example Payroll Tab

Position Title	Date	Salary Rate	Payroll Frequency	Amount	AMP 1	AMP 2	AMP 3	HCV	COCC	Other 1	Other 2	Other 3	Other 4 (No Budget)	Total Program Cost	Method of Allocation
ADMINISTRATION															
Executive Director		65,500	Biweekly	2,519	-	-	-	-	65,500	-	-	-	-	65,500	
Administrative Assistant		28,600	Biweekly	1,100	-	-	-	-	28,600	-	-	-	-	28,600	
AMP 1 Property Manager		30,000	Biweekly	1,154	30,000	-	-	-	-	-	-	-	-	30,000	
AMP 2 Property Manager		32,000	Biweekly	1,231	-	32,000	-	-	-	-	-	-	-	32,000	
AMP 2 Assistant Manager		27,800	Biweekly	1,069	-	27,800	-	-	-	-	-	-	-	27,800	
AMP 3 Property Manager		30,000	Biweekly	1,154	-	-	30,000	-	-	-	-	-	-	30,000	
HCV Program Coordinator		38,000	Biweekly	1,462	-	-	-	38,000	-	-	-	-	-	38,000	
Work Order/Cash Receipt Clerk		24,000	Biweekly	923	7,000	11,000	6,000	-	-	-	-	-	-	24,000	
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	
Total Administration		275,900		10,612	37,000	70,800	36,000	38,000	94,100					275,900	

The cells related to the payroll frequency include a drop-down list. Once the frequency is selected, the “Amount” column will change to reflect the frequency gross amount.

In column R, for PHAs that allocate costs between programs, it is strongly urged that the PHA indicate the method used to allocate the costs. For example, PHAs may use the following items:

- XX% Low Rent, XX% HCV based on indirect rate calculation;
- XX% AMP 1, XX% AMP 2, XX% AMP3, based on number of units; or
- XX% Low Rent, XX% HCV based on time study

The bottom of the spreadsheet has a proof to verify that the total amount of salaries listed in the various programs match the total of the salaries. If the cell is red, the amounts entered in the programs do not match the total salaries listed in column E as noted in the following example.

Example Payroll Error

Position Title	Date	Salary Rate	Payroll Frequency	Amount	AMP 1	AMP 2	AMP 3	(Non-Asset Mgmt. Ojls)	HCV	COCC	Morganville	Madisonville	TBRA	(No Budget)	Program Cost	Met
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	-	
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	-	
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	-	
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	-	
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	-	
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	-	
Position		-	Biweekly	-	-	-	-	-	-	-	-	-	-	-	-	
Total Protective Services		25,000		962	5,000	6,000	7,000	-	-	-	1,000	2,000	3,000	-	24,000	
Total Salaries and Wages		758,648		30,237	194,725	306,801	100,000	-	38,022	103,100	3,000	6,000	6,000	-	757,648	
Sum of payroll costs at the program level									757,648							
Total payroll cost requested									758,648							
									Error	(An error indicates that the total requested payroll amounts do not match the totals allocated to the programs)						

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As the example above indicates, there is an error. A review of Position #1 in the Protective Services category shows a total salary rate of \$25,000, while the total program cost is \$24,000 in column R.

The “Other 4” column (Column P) is not reflected in program budgets and provides a method for PHAs to list payroll costs that may not need to be reported in the PHA’s budget (FSS Coordinator, for example). Payroll cost will automatically be linked to the individual programs in the proper categories.

Employee Benefits Tab

Employee benefits (“Emp. Benefits”) can represent a significant part of a PHA’s operating budget. A separate tab has been designed to allow the user to budget individual employee benefit types that are specific to their functionality. Benefit costs have been categorized into the following types: Employer’s FICA, Unemployment, Retirement, Health, Vision, Dental, and two additional benefit types to be used by a PHA, if needed. These types can be identified in the General tab of the budget template. Benefit amounts must be entered into the individual program and functionality section for **each** benefit type.

A total section is listed at the bottom of the screen providing total amounts for the benefit types including a monthly column to allow the user to understand the monthly cost of each benefit provided to the PHA.

Once completed, the costs entered will be linked to the individual programs and the employee job classification (e.g., administrative, maintenance, tenant services, etc.)

AMP Tabs

The AMP budgets have been designed to provide two columns for the funding sources, Operating Fund and the Capital Fund Program. This provides a method to include estimates for all revenue and expenses under the Operating Fund and Capital Fund Programs that directly or indirectly support the operations of the AMP, as well as capital expenses to be paid with operating funds.

There are key cells in the AMP budget that must be entered. These cells include the following:

Item	Cell Reference
Address	C3
City, State	C4
Type of Budget	D7
ACC Units	D8
Estimated Occupancy Rate	D9

These amounts are used to calculate the dwelling rent amounts and other items.

Links have been placed beside many of the line items labeled “Details”. Once clicked, these links will forward the user to a supporting section which provides additional information to support the amount

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listed in the operating budget. For example, a details link takes the user to a supporting schedule to support anticipated travel cost as follows:

AMP Budget Section Example

Operating Expenditures:					
Administrative					
91100	Administrative Salaries	37,000	-	37,000	Details
91500	Employee Benefits - Administrative	105,610	-	105,610	Details
91200	Auditing Fees	510		510	Details
91300	Management Fees	35,370	2,000	37,370	Details
91310	Bookkeeping Fees	8,840		8,840	Details
91400	Advertising and Marketing	1,260		1,260	Details
91600	Office Expenses	1,500		1,500	Details
91700	Legal Expense	2,460		2,460	Details
91800	Travel	2,850		2,850	Details
91900	Other Administrative Costs	3,960		3,960	Details
91000	Total Administrative	199,360	2,000	201,360	

The link will take the user to the supporting detail to enter information related to anticipated travel costs:

Supporting Detail Example

Travel		Comments	
Monthly personal mile usage cost (car allowance)	\$ 100	\$ 1,200	Exec. Dir travel allowance
Travel Purpose			
Travel Item 1	Rent Calc. - 3 case mgrs. Detroit	\$ 750	Case Mgr. training
Travel Item 2	State Conference - Lansing	\$ 900	Travel for Exec. Director
Travel Item 3		\$ -	
Travel Item 4		\$ -	
Travel Item 5		\$ -	
Travel Item 6		\$ -	
Travel Item 7		\$ -	
Travel Item 8		\$ -	
Travel Item 9		\$ -	
Total Travel Expense		\$ 2,850	Return to Budget

The user is to enter the amounts in the gold cells. Please read the category carefully, as amounts are calculated based on the data entered. For instance, the monthly personal mileage usage cost is to be reported in the gold cell. The budget template will then multiply it by 12 to arrive at the annual cost. All cells shaded in light blue are based on the template calculations.

The total travel cost is automatically transferred to the operating budget, which can be returned to by clicking on the link “Return to Budget”.

Each category will generally have an adjustment line to allow the user to amend the balance if circumstances warrant the change. In the following example, the monthly garbage cost is currently \$80 per month, or \$960 annually. The PHA anticipates that this cost will increase by \$240 during the next fiscal year. An adjustment was added to bring the overall budget cost to \$1,200.

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Example of Supporting Detail Adjustment

Garbage Contract			Comments
Monthly garbage cost	\$ 80	\$ 960	
Adjustments:	Projected Annual Increase	\$ 240	
	Adjustment Item #2	\$ -	
	Adjustment Item #3	\$ -	
Total Garbage Contract Expense		\$ 1,200	Return to Budget

For cells that do not have a details link, the cells are editable (open) to allow the user to enter amounts directly to the budget. It is recommended that all amounts be entered in 10's, as rounding formulas have been built into the template to round to the closest 10.

In many cases, PHAs will not use all the line items. For example, small PHAs that have not implemented the asset management model will not use the management, bookkeeping, and asset management fee lines. The bottom line Net Cash Flow (Deficit) CFP column of the budget should always be zero (\$0) as the Capital Fund Program is basically a cost reimbursement program.

HCV Tab

The HCV budget tab was designed to track both the administrative fee and HAP funding sources. A column has been designed for both funding sources. The HCV budget has been designed in the same manner as the AMP budgets with cells shaded in gold to indicate where PHA input is needed, cells shaded in light blue have been calculated by the budget template, and rose shaded cells are calculated from the program spreadsheet. Details links work in the same manner as the AMP budget tabs.

There are key cells in the HCV budget that must be entered. These cells include the following:

Item	Cell Reference
ACC Units (Authorized Units)	D5
Estimated Annual Number of Units Leased	D6
Admin. Fee Rate – Column A	D8
Admin. Fee Rate – Column B	D9
Anticipated Average HAP PUC	G7

The main points of emphasis in the HCV budget include the calculation of the administrative fees earned and the projected HAP costs.

Administrative fees are calculated by taking the anticipated number of units leased and multiplying them by the administrative fees and proration levels. These projections require the completion of cells listed above and the information requested in the General tab.

HAP costs are projected using the anticipated average HAP PUC listed in cell G7 and multiplying it by the estimated number of unit months leased listed in cell D6. HAP expenses projected to be paid from RNP should be subtracted from HAP revenue, as the revenue was recorded in a prior period.

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Example HAP Funding (HCV Program)

HAP Funding			Comments
Anticipated HAP Expense		4,800,066	
Adjustment:	Use of RNP balances	\$ (120,000)	
Total HAP Funding		\$ 4,680,066	The PHA is cautioned to verify that funding is available thru the use of the two-year tool.
Additional HUD Fee Income			

The PHA is cautioned about the estimates used for the per unit cost and the number of unit months leased. It is highly recommended that the PHA cross reference these amounts to the Two-Year Tool.

Other income items are unique to the HCV budget. Other income items are split between Admin. Fee and HAP sources. The details link provides a method to split the revenue accordingly as described in the following example.

Other Income (HCV Program) Example

Other Income			Admin. Fee	HAP	Comments
Port - In Other Revenue					
Budgeted port-in HAP			36,678		
Anticipated admin. Fees			2,043		
FSS Forfeitures				\$ 3,500	
Adjustments	Item #1			\$ -	
	Item #2			\$ -	
	Item #3		0	\$ -	
Total Other Income			\$ 38,721	\$ 3,500	Return to Budget

COCC Tab

For PHAs that have implemented the asset management model, a budget tab has been designed for the Central Office Cost Center (COCC). The tab works similar to the other spreadsheets, providing the user with detail links to calculate individual line items.

The main emphasis in the COCC budget is the calculation of the management fees. All project and program budgets must be completed prior to the development of the COCC budget. Fees expensed in these projects and programs will be brought forward as revenue to the COCC. Therefore, fee revenue cannot be decreased without adjusting the amounts in the project and program budgets.

In addition, the fees are recorded at the gross amount, meaning that the COCC is entitled to 100% of the fee income. In certain situations, PHAs use a third-party management company to manage certain projects and programs. These fees must be subtracted from the supporting schedule. For example, AMP 1 is managed by a third-party management company and is anticipated to pay \$24,000 for the service. The remaining fees will be paid to the COCC.

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Example Management Fee (COCC Program)

Gross Management & Bookkeeping Fees					
	Management Fees	Bookkeeping Fees	Asset Management Fees	CFP Management Fees	Total Fees
AMP 1	\$ 35,370	\$ 8,843	\$ 10,000	\$ 2,000	\$ 56,213
AMP 2	\$ 52,920	\$ 13,230	\$ 10,000	\$ 35,000	\$ 111,150
AMP 3	\$ 105,210	\$ 26,303	\$ 10,000	\$ 35,900	\$ 177,413
HCV Program	\$ 120,000	\$ 60,000			\$ 180,000
Other Program 1	\$ 127,930	\$ 10,280			\$ 138,210
Other Program 2	\$ 85,260	\$ 6,780			\$ 92,040
Other Program 3	\$ 213,280	\$ 17,260			\$ 230,540
Total Gross Fees	\$ 739,970	\$ 142,695	\$ 30,000	\$ 72,900	\$ 985,565
Amounts Paid to Third Party Management					
AMP/Program	Management Fees	Bookkeeping Fees	Asset Management Fees	CFP Management Fees	Total Fees
AMP 1	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000
AMP 2	\$ -	\$ -	\$ -	\$ -	\$ -
AMP 3	\$ -	\$ -	\$ -	\$ -	\$ -
HCV Program	\$ -	\$ -	\$ -	\$ -	\$ -
Other Program 1	\$ -	\$ -	\$ -	\$ -	\$ -
Other Program 2	\$ -	\$ -	\$ -	\$ -	\$ -
Other Program 3	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fees Paid to 3rd Party Mgmt.	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000
Net Fee Revenue	\$ 715,970	\$ 142,695	\$ 30,000	\$ 72,900	\$ 961,565

The \$24,000 is deducted from the total fees available to arrive at the amount for the COCC.

Some PHAs have elected to centralize certain inspection and maintenance services and charge a market rate fee for service to projects and programs for services performed. A supporting schedule has been designed to allow for the documentation of these amounts. The supporting schedule requests the user to enter fee rates and the number of units (units or hours) to arrive at the amount.

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Example Fee for Service (COCC Program)

Fees for Services			Comments	
Centralized Inspection Fees				
Number of annual low rent unit inspections	70			
Low rent housing unit inspection rate	\$ 25.00	\$ 1,750		
Number of HCV unit inspections	60			
HCV unit inspection rate	\$ 40.00	\$ 480		
Add. inspections	Neighboring PHA inspections	70		
Neighboring PHA inspections inspection rate	\$ 50.00	\$ 3,500		
Adjustment		\$ -		
Total Inspection Fees		\$ 5,730		
COCC Centralized Service Fees				
COCC Service Provided	Rate/Hourly	Number of Calls/Hours Billed in Previous 12 months	Total Fee Income	Comments
HV&C	\$ 75	50	\$ 3,750	
Plumbing	\$ 250	120	\$ 30,000	
Electrical	\$ -	-	\$ -	
Electrical	\$ -	-	\$ -	
Lawn Care	\$ -	-	\$ -	
IT Service	\$ -	-	\$ -	
Item 1	\$ -	-	\$ -	
Item 2	\$ -	-	\$ -	
Item 3	\$ -	-	\$ -	
Item 4	\$ -	-	\$ -	
Item 5	\$ -	-	\$ -	
Total Centralized Service Fees			\$ 33,750	
Total Service Fees			\$ 39,480	

These fees are not cross-referenced to the expense of the projects and programs due to the possibility of the need to also include third-party vendors in the balances.

Other Programs Tab

Other programs can be added to the budget tool in the General tab section. Simply enter the program name in the assigned gold cell.

Other Programs Selection Example

The following table allow for the use of three additional program budgets.	
Other Program Listing	Project/Program
Other 1	Morganville
Other 2	Madisonville
Other 3	TBRA

By adding these names, the names will be changed in the individual program budgets and the overall PHA budget. The tab’s name will not change. The name of the tab can be renamed by right clicking the tab and selecting rename. This step is not necessary as the names will appear on all the budget documents.

The Other Programs budgets have been designed using the AMP tab concept but without the funding sources. In the case of a rental assistance program, the line HAP expense has been left open to allow an amount to be entered.

There are key cells in the other program budget that must be entered. These cells include the following:

Item	Cell Reference
Number of Units	D5
Purpose	F5
Est. Occupancy Rate	F6

If the program is not a rent-based program, delete the cells that refer to the number of units and estimated occupancy rate.

Overall PHA Budget Tab

The Overall PHA Budget tab pulls all individual program budgets into a single budget for the overall PHA. This budget will present each AMP and the programs separately for the reader.

The PHA should *review* all components of the budget upon completion. It is suggested that the budget be compared to the previous year budget and current operating statements to determine whether all amounts appear to be reasonable.

BUDGET TOOL TEMPLATE – REMOVING UNNEEDED PROJECTS AND PROGRAMS

Many PHAs will not need to use the number of program and projects provided by the budget template. To remove a program from the screen, you will need to hide the columns. For instance, a PHA has one AMP and a HCV Program only. In this case, the PHA only needs the columns for AMP 1 and the HCV Program.

The columns for AMP 2 & 3 are not needed and should be hidden from view. To accomplish this, right click on the actual letter of the columns you wish to hide, in this case columns E & F. Now click on hide. The columns will be removed from the spreadsheet. The columns are still there and can be retrieved by right clicking on the columns before and after the hidden ones and clicking on unhide. It is best to hide all programs not needed in the budget prior to the start of working on balances to help eliminate the chance of entering an amount in a wrong column.

You may select to hide the columns not needed in the Payroll and Emp. Benefits tabs as well using the same process.

Example of Column Hiding

The screenshot shows an Excel spreadsheet titled 'budget draft 5.7 - Excel'. The ribbon is set to 'Home'. A context menu is open over column E, with the 'Hide' option selected. The spreadsheet displays a budget template with columns A through M. Columns E and F are highlighted in grey, indicating they are hidden. The data is organized into sections: Operating Revenue (rows 7-15), Operating Expenditures (rows 18-29), and Tenant Services (rows 31-35). The columns represent different programs: AMP 1, AMP 2, AMP 3, HCV, COCC, Morganville, Madisonville, TBRA, and Total. The bottom of the spreadsheet shows a navigation bar with tabs for 'Instructions', 'General', 'Overall PHA Budget', 'Payroll', 'Emp. Benefits', 'AMP 1', 'AMP 2', 'AMP 3', 'HCV', 'COCC', 'Other 1', 'Other 2', and 'Other'.

	AMP 1	AMP 2	AMP 3	HCV	COCC	Morganville	Madisonville	TBRA	Total
Operating Revenue									
Tenant Charges	137,720	281,900							
HUD Operating Grants/Contributions	123,510	291,330							
Management Fees	-	-			790,900				790,900
Bookkeeping Fees	-	-			142,700				142,700
Asset Management Fees	-	-			30,000				30,000
Service Fees & Other Fees	-	-			40,840				40,840
Other Income	860	930		42,360	233,430	110	110	110	369,350
Interest Income	360	830		360	350	360	360	360	3,340
Total Operating Revenue	262,450	574,990	618,250	1,455,690	5,088,310	1,238,220	609,690	271,290	677,370
Operating Expenditures									
Administrative Salaries	37,000	70,800	36,000	143,800	38,000	94,100	-	-	275,900
Administrative Employee Benefits	105,610	200,750	301,000	607,360	50,000	2,000	100	200	300
Management Fees	37,370	87,920	141,110	266,400	120,000	-	129,960	85,260	213,280
Bookkeeping Fees	8,840	13,230	26,300	48,370	60,000	-	10,280	6,780	17,260
Asset Management Fees	10,000	10,000	10,000	30,000	-	-	-	-	30,000
Auditing	510	910	510	1,930	710	510	500	500	500
Advertising	1,260	4,280	1,260	6,800	1,260	1,260	1,260	1,260	1,260
Office Expense	1,500	108,770	1,500	111,770	1,500	1,500	1,500	1,500	1,500
Legal Expenses	2,460	2,460	2,460	7,380	2,460	2,460	2,460	2,460	2,460
Travel	2,850	10,890	1,950	15,690	1,950	1,950	1,950	1,950	1,950
Other Admin. Sundry	3,960	5,460	2,670	12,090	2,520	2,570	2,580	2,580	2,580
Total Administration	211,360	515,470	524,760	1,251,590	278,400	106,350	150,590	102,490	241,090
Tenant Services Salaries	100,010	200,000	300,000	600,010	20	9,000	1,000	2,000	3,000
Tenant Services Benefits	105,620	203,310	309,550	618,480	50,000	-	100	200	300
Tenant Relocation Costs	50,000	10	20	50,030	-	40	-	-	-
Tenant Services - Other	1,950	1,950	1,950	5,850	-	-	1,950	1,950	1,950
Total Tenant Services	257,580	405,270	611,520	1,274,370	50,020	9,040	3,050	4,150	5,250
Water	10630	10630	10630	31,890	10,630	10,600	2,530	2,530	2,530

Operating Budget Template Tool Guidance

The same process can also hide unneeded tabs. Simply right click on the tab you would like to see hidden and click on Hide.

Example of Tab Hiding

The screenshot shows an Excel spreadsheet titled "budg" with a context menu open over the "Overall PHA Budget" tab. The menu options are: Insert..., Delete, Rename, Move or Copy..., View Code, Protect Sheet..., Tab Color, Hide, Unhide..., and Select All Sheets. The spreadsheet content includes a header for "Low Rent Operating Budget" and a table of operating income and expenditures.

FDS Line #	Account Title	Operating Fund	Capital Fund	Total Project Budget
Operating Income:				
11220	Gross Potential Rent	284,870		284,870
11230	Less: Vacancy Loss Rent	(9,030)		(9,030)
70300	Net Tenant Rental Revenue	275,840		275,840
11240	Gross Potential Subsidy	289,170		289,170
11250	Less: Subsidy Loss - Proration	(17,350)		(17,350)
70600	Net Operating Subsidy	271,820		271,820
70600	HUD PHA Operating Grant-GFP		19,510	19,510
70400	Other Tenant Charges	2,980		2,980
70400	Excess Utilities	3,080		3,080
71100	Investment Income	830		830
71400	Fraud Recovery	-		-
71500	Non-Dwelling Rent	-		-
71500	Other Income	930		930
70000	Total Operating Income	555,480	19,510	574,990
Operating Expenditures:				
Administrative:				
91100	Administrative Salaries	70,800		70,800
91500	Employee Benefits - Administrative	200,750		200,750
91200	Auditing Fees	910		910
91300	Management Fees	52,920		52,920
91310	Bookkeeping Fees	13,230		13,230
91400	Advertising and Marketing	4,280		4,280
91600	Office Expenses	108,770		108,770
91700	Legal Expense	2,460		2,460
91800	Travel	10,890		10,890
91900	Other Administrative Costs	5,460		5,460
91000	Total Administrative	470,470		470,470

To retrieve the hidden tab, right click the tab and this time click on Unhide. A dialogue box will appear asking for the tab you would like to unhide.

Budget Tool Template – Use of Hyperlinks

The Operating Budget Tool incorporates several hyperlinks to assist the user in documenting budgeted amounts. These hyperlinks are cell sensitive; therefore, adding or deleting of rows may damage the hyperlink destination.