



**PRAC Budget Based Rent Adjustment (BBRA) Webinar**  
 8/13/24, 2 – 3:30 pm EDT

# SPEAKER INTRODUCTIONS

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# Agenda

- I. Webinar objective
- II. What the webinar covers
- III. Opening remarks
- IV. Introduction to Budget Based Rent Adjustments (BBRAs)
- V. Steps for submitting a BBRA request
- VI. Tips for budget completion
- VII. Supportive Services/Service Coordinator Budgets
- VIII. Next Steps
- IX. Questions
- X. Closing

# Today's Objective

To provide practical guidance and direction to Owners and Management Agents in preparing submissions for Budget Based Rent Adjustments for Section 202 and 811 Project Rental Assistance Contracts (PRAC) properties

# This Webinar Covers:

- **Required components of a BBRA submission package**
- **Overview of the PRAC calculation budget worksheet**
- **Creation and review of Service Coordinator budgets**

# OPENING REMARKS

**Jessica Jackson**

Deputy Director

Office of Asset Management (OAM)

*U.S. Department of Housing and Urban Development (HUD)*

## Resources:

- [HUD – Section 202 Properties](#)
- [HUD – Section 811 Properties](#)
- [Multifamily Housing Policy Drafting Table](#)

# Introduction to BBRAs

# Challenges in Processing Rent Adjustments

- Owner/Management Agent
  - Insufficient rents resulting in budget shortfalls
  - Confusing time frame requirements
  - Service Providers vs. Housing Providers
  - Multiple changes in Account Executives
- Account Executive (HUD)
  - Workload and multiple priorities
  - Late/Incomplete/Incorrect submissions
  - Loss of historical knowledge through senior staff retirements



# What is a Budget Based Rent Adjustment (BBRA)

When current rent levels are not sufficient to cover anticipated or unavoidable increases in operating costs, Section 202/PRAC and Section 811/PRAC owners may request a rent adjustment based on an evaluation of the project's operating budget

# Who Prepares a BBRA and When?

## **Who?**

- Property Owners or Management Agents

## **When?**

- 120 days prior to contract anniversary date
- Can be done each year of the contract
  - If not done, the owner still must submit a budget 30 days prior to anniversary date
- In certain circumstances, rents may be adjusted at a point-in-time other than the contract anniversary date (e.g. RAD conversion or project operations in jeopardy)
- At contract expiration

# Why would a Property need a Rent Increase and would it impact the residents?

## **Why?**

- Insufficient rental income to cover property expenses and reserve deposits
- Property cannot keep up with its capital needs

## **Will it affect the residents?**

- No - In units covered by a PRAC, tenant pays 30% of their monthly adjusted income toward rent
- Tenant rent portion only increases if a change in income, deductions, or family compensation occurs

# Important Guidance associated with PRAC property development:

- Capital Advance Regulatory Agreement
- Notice H-2022-05: Renewal of Expiring Project Rental Assistance Contracts (PRACs)
- Original PRAC Contract
- PRAC Renewal
- Chapter 7 of HUD Handbook 4350.1
- Management Certification
- Notice H-2023-02, Supportive Housing for the Elderly

# PRAC Renewal

HUD will adjust operating expenses and correlating contract rents annually on the 1st day of the month in which the anniversary of the Contract Renewal Amendment falls, if requested by the owner in accordance with all procedures established by HUD

# BBRA Submission

# Overview: BBRA Submission Steps

1. Owner/agent compiles submission documents
2. Owner/agent submits documents to HUD
3. HUD reviews documents and performs the Rent Calculation

# Submission of Documents

- Cover Letter
- Budget Worksheet 92457 – A
- An explanation and supporting documentation for line items
- Payroll Analysis
- Itemized Lists for Expenses
- Copy of Notice to Tenants
- Copy of Comments from Residents and Owner Evaluation of Comments
- Owner Certification that proper notice to the tenants was provided
- Executed copy of Owner's Certification of Purchasing Practices and Reasonableness of Expenses.
- Signed request for an increase in the Replacement Reserve deposit
- 20-Year Reserve for Replacement Analysis
- Utility Allowance Analysis



# Budget Worksheet 92457 – A

# Budget and Rent Calculation Tool (Form 92547A)

- Budget is first worksheet of Budget and Rent Calculation tool

Project Number:	Name of Project:			Differences	Percentage			HUD Use	
067HH655	ABC Living Center			Dollar	of Budgeted			Only	HUD Comments
Description of Account	Acct. No.	Budget from (05/01/2020 ) to (04/30/2021)	Acct No	Budgeted / Audit	/ Audit	Allowed Amount 5%	Approved Amount		
<b>Rental Income - 5100</b>									
Rent Revenue-Cross Potential	5120	27,499	5120	\$6,884	33.39%	\$21,646	\$141,000	141,000	\$1,175 X 10 X12
Tenant Assistance Payments	5121	134,261	5121	\$18,229	15.71%	\$121,834	\$0		
Rent Revenue -Stores and Commercial	5140		5140	\$0	0.00%	\$0	\$0	0	
Garage and Parking Spaces	5170		5170	\$0	0.00%	\$0	\$0	0	
Flexible Subsidy Income	5180		5180	\$0	0.00%	\$0	\$0	0	
Miscellaneous Rent Revenue	5190		5190	\$0	0.00%	\$0	\$0	0	
Excess Rent	5191		5191	\$0	0.00%	\$0	\$0	0	
Rent Revenue/Insurance	5192		5192	\$0	0.00%	\$0	\$0	0	
Special Claims Revenue	5193		5193	\$0	0.00%	\$0	\$0	0	
Retained Excess Income	5194	0	5194	\$0	0.00%	\$0	\$0	0	
<b>Total Rent Revenue Potential at 100% Occupancy</b>	<b>5100T</b>	161,760	<b>5100T</b>	<b>25,113</b>	<b>18.38%</b>	<b>143,479</b>	<b>141,000</b>	141,000	
<b>Vacancies - 5200</b>									
Apartments	5220		5220	(\$439)	-100.00%	\$461	\$0	0	
Stores and Commercial	5240		5240	\$0	0.00%	\$0	\$0	0	
Rental Concessions	5250		5250	\$0	0.00%	\$0	\$0	0	
Garage and Parking Spaces	5270		5270	\$0	0.00%	\$0	\$0	0	
Miscellaneous	5290		5290	\$0	0.00%	\$0	\$0	0	
<b>Total Vacancies</b>	<b>5200T</b>	0	<b>5200T</b>	<b>(439)</b>	<b>-100.00%</b>	<b>\$461</b>	<b>\$0</b>	0	
<b>Net Rental Revenue (Rent Revenue - Vacancies)</b>	<b>5152N</b>	161,760	<b>5152N</b>	<b>25,552</b>	<b>18.76%</b>	<b>143,018</b>	<b>141,000</b>	141,000	
<b>Nursing Homes/Assisted Living/Board &amp; Care/Other Elderly Care/Coop/Other Revenue</b>									
	5300	0	5300	\$0	0.00%	\$0	\$0	0	
<b>Financial Revenue - 5400</b>									
Financial Revenue- Project Operations	5410		5410	\$0	0.00%	\$0	\$0	0	
Revenue from Investments - Residual Reports	5430		5430	\$0	0.00%	\$0	\$0	0	
Revenue from Investments - Reserve Replacement	5440	15	5440	\$1	7.14%	\$15	\$0	0	Revenue from investment increased \$1
Revenue from Investment - Miscellaneous	5490		5490	\$0	0.00%	\$0	\$0	0	
<b>Total Financial Revenue</b>	<b>5400T</b>	15	<b>5400T</b>	<b>\$1</b>	<b>7.14%</b>	<b>15</b>	<b>0</b>	0	

# Budget Format Requirement

- Budgets must be submitted in proper format per Appendix E, Data Definition for audited Annual Financial Statements (AFS)
  - Appendix E provides standard definitions for all AFS data elements
  - Appendix E includes HUD's chart of accounts, which must be used for project's monthly accounting

# Budget Tips

- Column C, Statement of Profit and Loss
  - Figures come from property's prior year's AFS
- Column D, Current FY
  - Figures come from property's current year income and expenses for the months of operation (e.g., January 1 through August 31)
- Column E, proposed budget
  - Figures are based on current expenses and anticipated increases/decreases in particular categories

# Operating Budget Categories

<b>Income</b>	<b>Routine Expenses</b>	<b>Taxes and Insurance</b>	<b>Other Expenditures</b>
Rental Income	Administrative (including mgmt. fee)	Real estate and payroll taxes	Reserve for Replacement Deposits
Financial Revenue	Utilities	Property and health insurance	
Other Revenue	Operating and Maintenance	Miscellaneous Permits, Licenses	

# Rental Income

<b>5110 Rental Income</b>		
5120	Rent Revenue – Gross Potential	All rents received from tenants
5121	Tenant Assistance Payments	Subsidy payments
5140	Rent Revenue – Stores and Commercial	Payment received from lease of commercial spaces
5170	Garage and Parking Spaces	Payment received from parking spaces
5190	Miscellaneous Rent Revenue	Other gross rental revenue
5192	Rent Revenue/Insurance	Insurance claims proceeds in connection with lost rent revenue
5193	Special Claims Revenue	Amount of revenue collected from special claims including vacancy

# Vacancies

<b>5200: Vacancies</b>		
5220	Apartments	Units not Rented – PRAC N/A
5240	Stores and Commercial	Space not rented
5250	Rental Concessions	Rentals Concessions – PRAC N/A
5270	Garage and Parking Spaces	Space not rented
5290	Miscellaneous	Any other space or equipment not rented not listed above

# Service Income and Financial Revenue

<b>5300: Income</b>		
5300	Nursing Homes/ Assisted Living/ Board & Care/ Other Elderly Care/ Coop/ and Other Revenues	
<b>5400: Financial Review</b>		
5410	Financial Review – Project Operations	Interest from operating account
5430	Revenue from Investments – Residual Receipts	Interest from residual receipt account
5440	Revenue from Investments – Replacement Reserve	Interest from reserve for replacement account
5490	Revenue from Investments – Miscellaneous	Interest from other investment accounts for the property



# Other Revenue

<b>5900: Other Revenue</b>		
5910	Laundry and Vending Revenue	Income from laundry and vending machines
5920	Tenant Charges	Damages, forfeited security deposits, etc.
5970	Gifts	Unrestricted donations from churches, fundraising, etc.
5990	Miscellaneous Revenue	Other revenue sources. Must explain.

# Administrative Expenses

<b>6200 and 6300: Administrative Expenses</b>		
6203	Conventions and Meetings	Expenses related to on-site staff attendance/participation at conventions and meetings, training and related travel
6210	Advertising and Marketing	Radio, TV, newspaper and other paid advertising
6250	Other Renting Expenses	Other rental expenses associated with the property. Must be explained on separate cover i.e. criminal background checks
6310	Office Salaries	Salary for office staff. Front-line responsibilities (taking application, screening, certifying, and recertifying tenants; maintaining the project; and accounting for project income and expenses

# More Administrative Expenses

<b>6200 and 6300: Administrative Expenses</b>		
6311	Office Expenses	Routine office expenses (office supplies, postage, stationary, copying, internet charges, telephone and answering services)
6312	Office or Model	Expense for rental loss from unit used as the project office or as a model apartment
6320	Management Fee	Cost of management agent service. Does not include charges for bookkeeping or accounting services performed by either the management agent or another party
6330	Manager or Superintendent Salaries	Salaries paid to a resident manager or superintendent

# Other Administrative Expenses

<b>6200 and 6300: Administrative Expenses</b>		
6331	Administrative Rent Free	Expense for rental loss from manager living in unit
6340	Legal Expense – Project	Legal fees or services incurred on behalf of the project (i.e. eviction procedures)
6350	Audit Expense	Auditing expenses incurred by the project that is directly related to HUD’s requirement for audited financial statements and Tax Returns
6351	Bookkeeping Fees/Accounting Services	Actual cost of bookkeeping fees or accounting or computing services
6370	Bad Debts	Tenant bad debts for the audit purposes only
6390	Miscellaneous Administrative Expenses	Other administrative expenses (i.e. bank charges, investment fees, membership dues and subscriptions)

# Utilities Expenses

<b>6400: Utilities Expenses</b>		
6420	Fuel Oil/Coal	Cost of fuel oil/coal charges billed to the project
6450	Electricity	Cost of electricity charges billed to the project
6451	Water	Cost of water charges billed to the project
6452	Gas	Cost of gas charges billed to the project
6453	Sewer	Cost of sewer charges billed to the project

# Operating and Maintenance Expenses

<b>6500: Operating and Maintenance Expenses</b>		
6510	Payroll	Wages of maintenance staff
6515	Supplies	All supplies used for maintenance and operation of the property, such as nails, screws, paint, paintbrushes, faucets and washers, and plumbing supplies
6520	Contracts	Contracts with service providers, such as landscapers, exterminators, etc.
6521	Operating & Maintenance Rent Free Unit	Unit provided to maintenance staff or for storage
6525	Garbage & Trash Removal	Costs of waste removal by a private company, rather than the municipality (which usually includes waste removal as part of property taxes)

# More Operating and Maintenance Expenses

<b>6500: Operating and Maintenance Expenses</b>		
6530	Security Payroll/Contract	Salary/Expenses for on-site security personnel
6531	Security Rent Free Unit	Expense for rental loss from security person living in unit
6546	Heating/Cooling Repairs and Maintenance	Repair and maintenance of HVAC units performed by 3 <sup>rd</sup> parties
6548	Snow Removal	Snow removal performed by 3 <sup>rd</sup> parties
6570	Vehicle and Maintenance Equipment Operation and Repairs	Cost of operating and repairing project motor vehicles and maintenance equipment. Ok, if purchase of vehicle was approved as project expense.
6590	Miscellaneous Operating and Maintenance Expenses	Other expenses not accounted for, must be explained on separate sheet.

# Taxes and Insurance

<b>6700: Taxes and Insurance</b>		
6710	Real Estate Taxes	Real estate taxes of the project
6711	Payroll Taxes (Project's Share)	Project's share of FICA and State and Federal Unemployment taxes
6720	Property & Liability Insurance (Hazard)	Cost of project property and liability insurance
6721	Fidelity Bond Insurance	Cost of bonding project employees who handle funds
6722	Workmen's Compensation	Cost of workmen's compensation insurance for project employees
6723	Health Insurance and Other Employee Benefits	Cost of any health insurance and other employee benefits charged to the project
6790	Miscellaneous Taxes, Licenses, Permits and Insurance	Any taxes, licenses, permit fees, or cost of insurance assessed to the project and not otherwise categorized in the 6700 Series



# Service Expenses

<b>6900: Service Expenses</b>		
6900	Nursing Homes/Assisted Living/Board & Care/Other Elderly Care Expenses	<p>Service Coordinator Expenses – Must include SC budget worksheet HUD-91186-A providing detail of program costs</p> <p>Supportive Services – Up to \$15 Per Unit Per Month (PUMP) for Section 202s only</p>

# Common Misclassifications

5200: Vacancies – Budgeting for vacancies.  
No factor allowed in PRAC

6203: Conventions & Meetings - Budget should not exceed the higher of \$5,000 or one half of one percent of gross rents stated in Handbook 4381.5, Rev-2, paragraph 6-38(c).

5440: Revenue from Investment RFR -  
Should not be counted toward operations

6320: Management Fee – Using PUPM Fee instead of approve percentage

5920: Tenant Charges – Including as income. HUD Handbook 4350.1, Chapter 7, paragraph 7-30(L)(2)(b)(3) direct owners and agents not to count the tenant's charges as other revenue as this amount fluctuates from year to year and is not guaranteed.

6390: Miscellaneous Administrative Expenses – Including expenses that belong to other categories i.e., Office Supplies (6310); Criminal Background (6250) Telephone (6311); Training (6203) (cont..)

# Common Misclassifications

6390: Miscellaneous Administrative Expenses – Cont ... Including ineligible costs such as refreshment for Board of Director meeting and social activities for tenants; Excessive mileage, Cable TV

6390: Miscellaneous Administrative Expenses – Cont ... failure to provide breakdown

6520 Contracts – Failure to provide specifics; Including maintenance payroll. Including RFR items

6590: Miscellaneous & Maintenance Expenses – Failure to provide breakdown.

6723: Health Insurance – Including fringe benefits of Service Coordinator (6900)

# Common Errors

Minimum Capital Investment not utilized (during) the first three years of operation

Sponsor related costs included in the project operating budget, i.e., services expense (outside the supportive service plan)

Tenant Activities Expenses: Cable TV, transportation, parties, food, entertainment are not allowed to be paid from project income

Payables to Sponsors included as expenses

# Reserve for Replacement (RfR) Deposits and Analyses

- If requesting an increase in reserve deposits:
  - Have a CNA performed - using CNA e-Tool - or use one the property has already obtained
    - Multifamily may require CNAs every 10 years
    - Will help you right-size reserve deposit amount
  - Include signed request for an increase with submission
  - CNA should identify the following:

Repair Type	Critical Repairs	Non-Critical Repairs
When they must occur	Immediately	Within 12 months

# Supportive Services

- Per Housing Notice-H-2023-02
  - Explains allowable uses of supportive services funds
  - Rental subsidies may include:
    - Costs for a full or part-time Service Coordinator
    - \$15 PUPM for provision of direct supportive services
  - Properties must have updated Supportive Services Plan
    - Must explain how subsidies support service coordination/provision
    - Must describe other funding sources, if applicable

# Overview: Submission Documents

# Cover Letter

- Detail project needs
- Other funding resources
- Any proposed improvements budgeted
- Any proposed changes in services or equipment and why
- Summarize why increase is needed
  - Include any necessary increases to the RfR account (support by a Capital Needs Assessment, where appropriate)
- Percentage of rent increase requested
- Anticipated date of the rent increase



# Additional Materials to be Submitted

- Copy of Notice to Tenants
- Copy of Comments from Residents and Owner Evaluation of Comments
- Owner Certification proper notice to the tenants was provided (Handbook 4350.1, Chapter 7, Appendix 2)
- Executed copy of Owner's Certification of Purchasing Practices and Reasonableness of Expenses (Handbook 4350.1, Chapter 7, Appendix 3)
- For projects with tenant-paid utilities, owner's recommendation for changes to utility allowance (UA) and documentation to support that recommendation is required
- Itemized list for the following categories budgeted for regardless of whether an increase is being sought:
  - 6390 Misc.. Admin Expenses
  - 6590 Misc. Operating and Maintenance Expenses
  - 6790 Misc.. Taxes, Lic., Permits and Insurance
  - 6890 Misc. Financial Expenses

For example, if owner claims a total of \$1,000 in line 6390, Miscellaneous Admin, each expense must be itemized

# Utility Allowance (UA) Adjustment Requirements

- Properties where tenants pay utilities, owner must submit analysis of project's UA annually (see Housing Notice 2015 – 04)
- Any allowance change(s) to be effective on amended rent date or contract anniversary
  - If utility analysis results in decrease in UA(s) to the tenants, owner must follow the tenant notification procedures in 24 CFR Part 245
    - 30-day notice must be provided to tenants if UAs are decreasing
    - Decrease in UA doesn't change Total Tenant Payment (TTP)
- Owners must establish baseline UAs for each bedroom size every third year
- For two remaining years, O/As **may** perform a factor-based UA

# Utility Allowance (UA) Analysis Methodology - Baseline

- O/A requests utility data from utility or sample of tenants, per bedroom size (see Housing Notice 2015-04, Section VI for required sample size)
  - If buildings are identical, one building's utilities may be used
    - For buildings not identical, must sample per building
  - Determine average utility cost per bedroom size
- Owners may require tenants to sign release for utility data
- Per HUD Model Lease for Subsidized Projects, households must provide utility document requested by O/A

# Utility Allowance (UA) Analysis Methodology – Factor Based UA

- For intervening 2 years from baseline year, UAs may be adjusted by HUD-provided UA Factor
- O/A should compare adjusted UA to paid utilities for past 12 months
  - If significant disparity, O/A should complete baseline analysis
- Utility Allowance Factors are published by HUD and can be found on the [HUDUser website](#)

# Tenant Comment Procedures (Handbook 4350.1, Ch 7, Section 2)

- If proposed rent is greater than property's current Maximum Allowable Rent Potential, owner must:
  - Notify Residents of the proposed rent increase
  - Make all information used by owner to justify increase available to tenants or their representatives to review or copy for 30 days following date of notice
  - Allow residents to submit comments to the owner or HUD
  - Review and evaluate all comments

# Documentation to be Included

- Line-items showing an increase of more than 5% or \$500 (whichever is less) require explanation
- New line items not included in the prior year budget require explanation and supporting documentation
- Any expense reclassifications require explanation
- Examples of supporting documentation include:
  - Current (past 12 months of data) list of contracts, invoices, bills or estimates obtained
  - Dated notice of an increase from a utility company, insurance provider etc.
  - Analysis and backup documentation of how the projected expenses were estimated

# PRAC Calculation Budget Worksheet

# Calculating the Annual Rent Potential

- Use the PRAC Rent Calculation Spreadsheet
- New tool: Automated HUD 92547-A Budget Worksheet
  - PRAC Rent Calc included
  - Use of this tool is not mandatory

## **Benefits of using the Electronic version of the Form HUD-92547-A:**

- Eliminates calculation errors
- Provides identification of accounts with 5% or \$500 increase; assists O/A to ensure all required documentation is included
- Calculates approved rent amounts
- Assists in ensuring compliance with HB 4350.1, REV-1, Chapter 7



# Rent Computation Worksheet - Basic Info

## Rent Computation Worksheet

Project Name	ABC Living Center
Section of Act	811
Non-Profit Y,N	Y
Management Agent Fee	7.92%
Previous Rent Schedule GRP	\$136,080
Residual Receipts Balance	\$ 4,000.00

FHA # 067HH555  
# Units 10

Date 03/30/20

Vacancy 0.0000%

# Box C - Rent Potential Computation

BOX C	RENT POTENTIAL COMPUTATION		
Allowed Expenses		\$120,416	
less Management Fee		\$11,176	
Plus			
Reserves		\$20,700	
Total Cash less Management Fee			\$129,940

# Box D - Management/Vacancy Factor

- No vacancy allowance for Section 202 or 811 PRAC projects allowed

BOX D	MANAGEMENT / VACANCY FACTOR
Authorized Management Fee	7.92%
Allowed Vacancy Percent	0.00% (5% or 7%)
Factor = (1 - Management Fee) x (1-Vacancy)	0.9208

# Box E

## BOX E

Rent Potential

	\$129,940	÷	0.9208	=	\$141,116
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Total Cash

Factor

# Box F

## BOX F

1. RENT POTENTIAL		\$141,116	
2. Less Other Income		( \$100 )	
2a. Less RR Available for Offset		\$0	
3. Authorized Potential		\$141,016	
4. Monthly Potential (Authorized Potential / 12)		\$11,751	
	(Previous Rent Schedule GRP)	\$136,080	
5. Percent Increase (Authorized Potential - Current Potential divided by Current Potential)			0.0363

# Box H - Unit Rent Computations

BOX H UNIT RENT COMPUTATIONS								
Unit Type	0BR	1BR	2BR	3BR	4BR	5BR	6BR	7BR
Current Unit Rent		\$1,134						
1 + % Increase	1.0363	1.0363	1.0363	1.0363	1.0363	1.0363	1.0363	1.0363
Authorized Unit Rent	\$0	\$1,175	\$0	\$0	\$0	\$0	\$0	\$0

ANNUAL RENT POTENTIAL PER UNIT DETERMINATION								
Unit Type	0BR	1BR	2BR	3BR	4BR	5BR	6BR	7BR
No of Units		10						
Rent Potential Per Unit	\$0	\$141,016	\$0	\$0	\$0	\$0	\$0	\$0
Total Annual Rent Potential	\$141,016							

# Utility Allowances

## UTILITY ALLOWANCES

Unit Type	OBR	1BR	2BR	3BR	4BR	5BR	6BR	7BR
Current Utility Allowance	\$0	\$76	\$0	\$0	\$0	\$0		
Approved Utility Allowance	\$0	\$76	\$0	\$0	\$0			

# Residual Receipts: PRAC ERR Termination Payment Due to HUD

RESIDUAL RECEIPTS PRAC ERR Termination Payment Due HUD						
	New Rent Potential		\$141,116			
	Other Income		\$100			
	Authorized Potential		\$137,016			
	RR Balance		\$4,000			
	\$250 per unit		\$2,500			
	PRAC ERR Termination Payment		\$1,500.00	Note: If Negative no payment is due.		



# Supportive Services/ Service Coordinator Budgets

# Creating Service Coordinator Budgets

- Section 202/PRAC developments may request to include expenses related to a Service Coordinator Program in the Operating Budget.
- If project has approved Service Coordinator, Service Coordinator Budget must be included as part of rent increase request
  - O/A must complete Form HUD-91186-A – Multifamily Housing Service Coordinator One-Year Budget, detailing the program costs, the total amount of which must correspond with Account 6900 on the Form HUD -92547-A, Budget Worksheet
- See HUD Handbook 4381.5, REV-2, Chapter 8 for allowable Service Coordinator program costs
- See HUD Exchange about Service Coordinators Budgeting:  
<https://www.hudexchange.info/programs/scmf/budgeting/>
  - Includes recorded training and automated Form HUD-91186-A
- If project operating budgets include Service Coordinators, projects must submit the Standards of Success Report annually. See HUD Exchange:  
<https://www.hudexchange.info/programs/standards-for-success/>

# Elements of Service Coordinator Budget (Form HUD-91186-A)

- List # of properties, # of PRAC units, # of people served
- Show personnel, hours, salaries, and fringe benefits
- Enumerate # of hours for quality assurance/program evaluation and training
- Provide travel costs, supplies and materials, and other costs
- List funding sources and amounts
- Should tie directly to Supportive Services Plan

# Budget Detail



US Department of Housing and Urban Development

2. Line Item Expenses:				4. Application of Funding Sources to Specific Expense Items:			
a. Salary/Direct Labor – Please Identify Positions (e.g. 'SC' or 'Aide') and Professional Licensure (e.g. 'MSW')	Rate per Hour	Number of Hours	Estimated Annual Cost	Amount MFSC Grant	Amount Other Sources	HUD Approved Adjustments	Total All Sources
			-				-
			-				-
			-				-
			-				-
			-				-
			-				-
			-				-
			-				-
			-				-
			-				-
Subtotal Salary/Direct Labor Costs				-	-	-	-
b. Fringe Benefits – List and describe all benefits and taxes included; specify individual bases for costs	Rate for Calculating Cost	Cost Base	Estimated Annual Cost	Amount MFSC Grant	Amount Other Sources	HUD Approved Adjustments	Total All Sources
			-				-
			-				-
			-				-
			-				-
			-				-
			-				-
			-				-
			-				-
			-				-
			-				-
Subtotal Fringe Benefits Cost				-	-	-	-

# Budget Summary



US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

OMB Approval No. 2502-0447  
(exp 8/31/2024)

**4. Budget Summary: Total Revenue and Expenses**

MFSC Budget Summary	Expense Totals	Fund Sources Total	MFSC Grant	Residual Receipts	Rental Assistance	Debt Service Savings	Other Sources	Amount Remaining to Apply
a. Personnel (Direct Labor)	-	-						-
b. Fringe Benefits	-	-						-
c. Quality Assurance	-	-						-
d. Training	-	-						-
e. Travel	-	-						-
f. Supplies and Materials	-	-						-
g. Other Direct Costs	-	-						-
h. Indirect Costs	-	-						-
j. Grand Total	-	-	-	-	-	-	-	-
Revenue-Expense		-						
Check Figures		-	-	-	-	-	-	

# Next Steps

# Next Steps

- O/A submit BBRA package to Local HUD office 120 days prior to anniversary or expiration date of PRAC contract
- HUD Account Executive evaluates submission
- HUD Account Executive makes final rent determination and sends O/A rent increase approval letter and PRAC renewal
- Owner completes and returns (1) Rent Schedule HUD-92458 and (2) signed PRAC contract
- HUD Account Executive sends PRAC Renewal to Accounting Center for entry into LOCCS.

**Q & A**





# TOOLS AND RESOURCES

- PRAC Rent Calculation Sheet
- [Capital Advance Program Regulatory Agreement](#)
- [Part I of the Project Rental Assistance Contract, form HUD 90173 A CA](#)
- [Part II of the Project Rental Assistance Contract, form HUD 90173 B CA](#)
- [Project Owner's Certification for Owner-Managed Multifamily Housing Projects, form 9839 A](#)
- [Project Owner's/Management Agent's Certification for Multifamily Housing Projects for Identity-of-Interest or Independent Management Agents, form 9839 B](#)
- [Multifamily Housing Service Coordinator One-Year Budget, form HUD 91186-A](#)
- [Service Coordinator Training](#)
- Residual Receipts Authority – Section 202/811 Project Rental Assistance Contracts (PRACs)

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