The Casterline Associates Advisor

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www.casterline.net

11 Davis Rd - Bldg 2 - Suite 225
Valley Forge, Pennsylvania 19482-0962
(610) 783-6844 phone ~ (610) 783-6845 fax

SPECIAL ISSUE: PROTECTING PUBLIC HOUSING OPERATING RESERVES

December 3, 2015
Volume 20, No 22

Strategies to Avoid Recapture of Public Housing Operating Reserves!

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STRATEGIES TO PROTECT THE PHA FROM RECAPTURE OF PUBLIC HOUSING OPERATING RESERVES

MANAGING RESERVES TO MINIMIZE DAMAGE IN THE EVENT OF A RECAPTURE

By: Jason Casterline, CPA

In our last issue of the Advisor, we mentioned that there are rumors bouncing around the industry that the government is considering another recapture of Public Housing Operating Reserves. We can't say if this is in the works, or even if it is whether it will happen any time soon, but it has before and therefore it is important for your PHA to be prepared and to proactively manage this risk. Rumors are that this might be in the early stages of planning for federal fiscal year 2017, but who knows.

The purpose of this article is to (1) discuss what is the optimal level of reserves (based upon a historical context and looking at the latest operating reserve recapture), in other words how much is too much and how much is too little, and (2) if a PHA has too much reserve what are some strategies that can be used to either (a) reduce the reserves down to an optimum level, or (b) shelter as much as possible of the excess reserves to protect them in the event a recapture should occur. A summary of recommendations is presented at the end of the article.

Let me start by saying that the content herein is based upon what we have seen happen in the past. Given that no one can see into the future, this is all we have to go on. It is conceivable something totally unexpected could happen, but that is impossible to plan for anyway.

Optimal Level of Operating Reserves

A good reference to use for operating reserve planning is PIH Notice 2011-55. This was the notice that implemented the 2012 operating reserve recapture and outlined what HUD considers to be the calculation of operating reserve (that is, which FDS lines are included). The notice also spelled out various categories of exclusions from recapture – in other words, items that can utilized to avoid recapture.

According to PIH 2011-55, operating reserve is calculated as follows (note: this is based upon "total projects" column on the FDS):

#	FDS Line No.	Line Description
1	111	Cash – Unrestricted
2	114	Cash – Tenant Security Deposits
3	120	Total Receivables
4	131	Investments – Unrestricted
5	142	Prepaid Expenses and Other Assets
6	144	Inter-program – Due From
7	145	Assets Held for sale
8		Total of Lines 1 through 7
9	310	Total Current Liabilities
10	343	Current Portion of Long term Debt – Capital Projects*
11		Line 9 Minus Line 10
12		Operating Reserves (Line 8 minus Line 11)

* Line 343 is defined in the FASS-PH FDS Line Definition Guide as follows: "This line item includes the current portion of bonds & notes, which were used for capital financing, as well as capital leases, and mortgage revenue bonds." For the public housing program for this line item and time frame line 343 is typically used for debt associated with the Capital Fund Financing Program and Energy Performance Contracts. This line item is excluded from the operating reserve calculation because the current liability will not be paid from operating reserves but from subsequent Capital Fund grant revenue and energy savings.

In 2012 the amount on line 12, "operating reserves", was then compared to your monthly expenses[1]. HUD recaptured reserves that were in excess of 4 months of

(continued on page 5)

[1] When HUD calculated the 2012 reserve recapture they didn't use actual operating expenses. Instead they used formula expenses from the operating subsidy calculation: Project Exp Level + Utilities Exp Level + Add-ons. Presumably the reason for this is that the "formula" expenses are what HUD estimates a PHA should be spending, whereas actual expenses might be more or less than that. These amounts may be found on the operating subsidy calculation but you would need to add up all of the AMPs. For purposes of what we are trying to accomplish in this article I think it is okay to use actual expenses, FDS line 96900 ordinary expenses plus line 97100 and 97200, extraordinary maintenance and casualty losses.

Casterline Associates PC

"True Direction in PHA Financial Management"
(800) 337-5088 ~ www.casterline.net
11 Davis Road, Bldg Two, Suite 225
Box 962, Valley Forge, Pennsylvania 19482-0962

Casterline Associates PC is a Certified Public Accounting (CPA) and Consulting Firm founded in 1995 that is specialized in providing a variety of services to Housing Agencies. We have assisted over 200 Public Housing Agencies, trained over 12,000 PHA and HUD personnel at our seminars, are a HUD contractor to assist troubled PHAs, and have published numerous articles and guidance to assist PHAs. We have helped PHA clients to increase their operating subsidies by a cumulative amount of more than $70,000,000, since our firm was formed in 1995, thus enabling us to frequently pay for ourselves many times over.

Services we provide:

- Accounting Services, including Monthly, Quarterly or Annual Assistance
- REAC FDS Submission and related Technical Assistance
- Public Housing Assessment System (PHAS) Scoring Enhancement
- Preparation for annual IPA Audit
- Accounting and Financial Consulting
- Interim Finance Director Services
- Budget Development – Public Housing, Voucher, and Other Programs
- Assistance in the area of Site-Based Budgeting, Accounting and Reporting
- Financial Operations Assessments and Workout Plans
- Financial Consulting for RAD Evaluation, Application, and Implementation
- Training Seminars, including In-House Training
- Development of Policies and Procedures
- Operating Subsidy Enhancement Services
- Internal Control Reviews
- Technical Assistance - Energy Performance Contracting

We have hands-on experience assisting Public Housing Agencies and other providers of Affordable Housing in all of the above areas, and would be happy to share more details concerning specific assignments in regard to the above. Our staff includes a team of highly qualified individuals, sharing a common client service philosophy, with a broad range of skills and credentials. This enables us to go beyond helping our clients to meet minimum compliance. In fact, our proactive approach has allowed our clients to maximize opportunities and minimize risks, while implementing the operational effectiveness and efficiencies that are needed to successfully manage the Housing Agency of the 21st Century.

(continued from page 3)

expenses for PHAs with 250 or more public housing units, and recaptured reserves that were in excess of 6 months of expenses for PHAs with less than 250 public housing units.

For PHAs with 250 or more public housing units, this reserve level of 4 months of expenses corresponds roughly to the amount needed to obtain the maximum number of points under the PHAS Financial Condition assessment Months Expendable Net Assets (MENAR) indicator. However, there are differences between the operating reserve calculation and the MENAR calculation as follows:

- MENAR includes FDS lines 115 and 135, cash and investments restricted for payment current liability – Operating Reserve does not (possibly worked to your advantage in 2012, if you were in the recapture range, as these balances probably should have been included)

- MENAR is reduced by FDS line 343, the current portion of capital debt – Operating Reserve calculation did not allow that liability to be deducted (possibly worked to your disadvantage in 2012, if you were in the recapture range, as HUD in our opinion should have allowed you to include this in current liabilities)

Recommendations

Calculate the level of operating reserves your PHA has based upon your latest FDS or – even better – the current operating reserve amount if you have the financial data to do so (to do this with current data you essentially need to have financial statements that reflect more or less that the FDS would show, if you prepared an interim FDS right now). Use the formula on page 3 of this article to do this. Compare the operating reserve amount on line 12 of the schedule to your average monthly expenses. If you have more than 4 months of expenses in operating reserve (if you have 250+ units) or more than 6 months of expenses in operating reserve (if you have less than 250 units) you are exposed!

If you have less than 4 months of operating reserve you are below the amount needed for the optimal PHAS scores and, if the 2012 recapture methodology is followed, would not be a target for operating reserve recapture. You should be looking to improve reserves if you want to get better PHAS financial scores.

Pointer for small PHAs that have less than 250 units: small PHAs sometimes take their entire Capital Fund Program (CFP) grant and put it into the category of 1406 to be transferred to operations. This can sometimes build reserves way beyond the 6 month level. This is a bad idea as it can put the PHA way up into recapture territory!

Spending Down Excess Reserves

One way to make sure you do not end up having your operating reserves recaptured is to not carry excess reserves (obviously). This assumes that you have needs at the properties to be addressed.

If there is nothing to spend the money on at the properties, that is if all needs are met, then of course it is hard to spend excess reserves. But if there are needs at the properties it is actually, in my view, a disservice to your PHA to carry excess reserves – much better to use them than have them recaptured, of course[2].

The most obvious candidate is property rehab. The Capital Fund Program has been significantly underfunded, and many PHAs have a backlog of capital work. In addition, rehab allows you to obligate a large amount of reserves quickly. Unfortunately this is prohibited by HUD through PIH 2012-2 and their interpretation of the 1937 Housing Act, as amended. In addition, around the time of the 2012 operating reserve recapture HUD's PIH Assistant Secretary sent a letter to each PHA stating their legal opinion that operating reserves may only be used for operating purposes, and not for capital purposes, unless the PHA undertakes an OFFP (more about OFFP later in this article).

Note: PHAs with less than 250 public housing units are not subject to this restriction. Under current law (the 1998 QHWRA), small PHAs have full flexibility to use operating funds for capital purposes and capital funds for operating purposes.

Allowable Uses of Operating Reserves

Allowable uses of operating reserves are spelled out in Section 9 of the 1937 Act, and PIH notice 2012-2:

Under Section 9 of the Housing Act of 1937, Operating Funds are available to PHAs for the operation and management of public housing, including:

(A) procedures and system to maintain and ensure the efficient management and operation of public housing units (including amounts sufficient to pay for the reasonable costs of review by an independent auditor of the or other information maintained pursuant to section 6(j)(6) by a public housing agency or resident management corporation to substantiate the performance of that agency or corporation);

[2] Although I recognize that some PHAs build reserves "for a rainy day", which I completely understand. This is one of the reasons why recapturing operating reserves is a bad idea – not only does it take away the PHA's rainy day fund but it also penalizes PHAs that have been frugal and therefore built up reserves.

(B) activities to ensure a program of routine preventative maintenance;
(C) anticrime and anti-drug activities, including the costs of providing adequate security for public housing residents, including above-baseline police service agreements;
(D) activities related to the provision of services, including service coordinators for elderly persons or persons with disabilities; activities to provide for management and participation in the management and policy making of public housing by public housing residents;
(E) the costs of insurance;
(F) the energy costs associated with public housing units, with an emphasis on energy conservation;
(G) the costs of administering a public housing work program under Section 12, including the costs of any related insurance needs;
*(H) the cost of repaying, together with rent contributions, debt incurred to finance the rehabilitation and development of public housing units, which shall be subject of such reasonable requirements as the Secretary may establish;**
(I) the costs associated with the operation and management of mixed finance projects, to the extent appropriate; and
(J) the costs of operating computer centers in public housing through a Neighborhood networks initiative described in subjection (d)(2)E), and of activities related to that initiative.

* Editors note: this is an OFFP and requires HUD approval. More information later in this article.

PIH Notice 2012-2 was issued for two purposes: (1) to clarify the government's position on what expenditures are allowed under the operating funds, and (2) to explain the one time congressional authorization to use operating funds for capital purposes in 2012 (since expired).

Excerpts from PIH 2012-2:

1. Purpose

This Notice describes eligible uses of Operating Funds under the United States Housing Act of 1937 (the 1937 Act) and the Operating Fund rule (24 CFR 990) for Public Housing Agencies (PHAs) who administer the low-rent Public Housing Program. The eligible use authority for Operating Funds extends to Operating Reserve balances. Operating Reserve balances are those funds accumulated through the operation of public housing, assistance from the Operating Fund program authorized by section 9(e) of the 1937 Act, and operating receipts as defined in section 2 of the Annual Contributions Contract (7/95) (ACC).

2. Applicability

PHAs may use Operating Funds as outlined by sections 9(d) 9(g) and 9(l) of the 1937 Act, HUD regulations and MTW agreements. PHAs may use Capital Funds as outlined by Section 9(d), 9(g), and 9(l) of the 1937 Act and HUD regulations. In addition to these statutorily permitted uses, in FY 2012 pursuant to the HUD Appropriations Act, PHAs may use the portion of operating reserves above the HUD recommended minimum operating reserve levels for capital improvements, excluding large modernization projects as defined in Section 6 of this notice.

3. Statutory Background

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) established the Operating Fund program in section 9(e) of the 1937 Act which provides assistance for the operation and management of public housing. Section 9(e) stipulates that operating funds may be used for procedures and systems to maintain and ensure the efficient management and operation of public housing units. Section 9(d) of the 1937 Act established the Capital Fund program for the purpose of making assistance available for capital and management activities. Section 9(e)(1)(I) of the 1937 Act permits the use of Operating Funds for the costs of repaying, together with rent contributions, debt incurred to finance the rehabilitation and development of public housing units with HUD approval (described in section 5 of this Notice). Section 9(g)(1) of the 1937 Act permits PHAs to use not more than 20% of their annual Capital Fund for Operating Fund activities if the PHA plan provides for such use. Section 9(g)(2) of the 1937 Act permits PHAs with less than 250 public housing units (and that are not designated as troubled and are, in the determination of the Secretary, operating and maintaining public housing in a safe, clean, and healthy condition) to use their Operating and Capital Funds flexibly.

4. Operating Fund Regulations

The Department is deeply committed to providing PHAs maximum flexibility under the 1937 Act and committed to the preservation of public housing. In conformance with the statute, the Operating Fund regulations at 24 CFR 990 reiterate that the Operating Fund was established for the purposes of the operation and management of public housing. Additionally, all maintenance activities specifically listed in Section 9(e) of the 1937 Act are eligible Operating Fund activities. PHAs may also use Operating Funds for unforeseeable and unpreventable emergencies that include damage to the physical structure of the PHA's housing stock, for example, damage as a result of a natural occurrence such as a windstorm or flood. Although damages caused by unforeseen emergencies may eventually be covered under a warranty, with insurance proceeds, or through disaster funds, PHAs may use Operating Funds to cover the expenses incurred prior to receipt of warranty, insurance or disaster proceeds. After receipt of warranty, insurance or disaster proceeds, the PHA must reimburse their operating account for any expenses that were initially covered with Operating Funds up to the amount received.

5. Alternative Financing Options:

The Operating Fund Financing Program (OFFP), PHA Mortgaged Transactions (PMT), and Energy Performance Contracts (EPCs) provide opportunities for PHAs to leverage their Operating Funds to perform modernization or development activities. Consistent with the 1937 Act, these programs allow PHAs to utilize Operating Funds to pay debt service on financing used to modernize or develop public housing units with HUD approval. In FY 2012, PHAs may use operating reserve amounts above the HUD recommended minimum level of operating reserves to pay for capital improvements that are not large modernization projects; therefore, there may not be a need for PHAs to undertake an OFFP to pay for such improvements. However, PHAs that wish to fund large modernization projects as defined in Section 6 of this notice may only do so through the OFFP unless the PHA is small and transfers its Operating Fund to Capital Fund.

Recommendations

If you have determined you have excess operating reserves, and might be a target for recapture, one option you have is to use the reserves for the benefit of your properties before they are recaptured. Unless you have less than 250 public housing units, do not spend the operating reserves on rehab or capital improvement items as this is prohibited. However, I would consider a couple of possibilities:

- increasing your capitalization threshold to the maximum level of $5,000 might enable you to shift some items from the capital category to the operating expense category – as long as you are not doing work comprehensively across all units in an AMP (like you would do in CFP) – you might be able to do some property improvements that are expensed and that do not violate the prohibition against using operating funds for capital purposes
- carrying out preventative maintenance (not modernization) which is allowed with operating reserves (see top of page 7) – there might be a fine line between preventative maintenance and modernization, so be careful, but this strategy combined with increasing your capitalization threshold could allow you to utilize reserves to address property needs without violating the rules.
- if you have excess reserves and have been approved for RAD, but have not yet closed, make sure you are committing the maximum amount of operating reserves toward the project – if HUD recaptures reserves, amounts obligated toward RAD will almost certainly be excluded from the recapture

Operating Fund Financing Program (OFFP)

There is another way around the government's prohibition against using operating reserves for capital purposes. It is a technique known as the "Operating Fund Financing Program" or OFFP. We have a client that successfully used this approach to avoid recapture of over $2 million in reserves in 2012.

The OFFP was authorized by Congress is 2012 as part of the Quality Housing and Work Responsibility Act (QHWRA). It enables a PHA to borrow against operating funds, essentially using operating reserves as collateral, in order to do capital improvements. The operating reserves are then used to pay back the loan. Really it is the same as using the operating funds for capital purposes but requires that you take out a loan to do so (and unfortunately incur the related interest and any other financing-related expenses).

HUD's Operating Fund home page has information concerning the OFFP:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/am:

Operating Fund Financing Program

Summary (source: HUD PDF flyer on OFFP from operating fund home page)

"Under the Operating Fund Financing Program (OFFP), Public Housing Authorities (PHAs) are permitted to borrow private capital to finance development and modernization of public housing. Under this program, a PHA may use a portion of its Operating Fund reserve balances to collateralize financings and pay debt service and customary financing costs where the financing is used for public housing development or modernization (including public-housing mixed-finance developments).

Operating reserve balances are those funds accumulated through the operation of public housing, assistance from the Operating Fund program authorized by section 9(e) of the 1937 Act, and operating receipts as defined in section 2 of the Annual Contributions Contract (7/95) (ACC). The FFY 2012 Appropriations Act, P.L. 112-55, permits HUD to adjust the CY 2012 Operating Fund allocation by up to $750 million from excess reserve amounts by PHAs. For more information on the implementation of this offset, see notice PIH 2011-55.
PHAs may use Operating Funds as outlined by Section 9(e), 9(g) and 9(l) of the 1937 Act, notice PIH 2012-2, and HUD regulations. PHAs may use Capital Funds as outlined by Section 9(d) of the 1937 Act and HUD regulations. In addition to these statutorily permitted uses, pursuant to P.L. 112-55 and for FFY 2012 only, PHAs may use operating reserves above the HUD recommended minimum for capital improvements, except PHAs may not use operating reserves above the HUD recommended minimum for large modernization projects or development in the absence of an OFFP approval. Because of the added flexibility provided by P.L. 112-55, in FY2012 there may not be a need for PHAs to undertake OFFPs unless they want to pursue large scale modernization or a development project. For more information about the use of operating funds generally, and the use of operating reserves above the HUD recommended minimum for capital improvements in FFY 2012, see notice PIH 2012-2.

Written approval is required before a PHA undertakes an OFFP transaction. HUD is implementing the OFFP on a case-by-case basis and has approved a small number of transactions to date. PHAs interested in participating in the OFFP should follow the general guidelines and instructions outlined on this web page. PHAs should note that financing proceeds from an OFFP transaction will be subject to regulations associated with Capital Funds, including all applicable modernization or development requirements under the 1937 Act and HUD regulations (including procurement and environmental review)."

"In reviewing OFFP proposals, HUD will determine the amount of reserves available for financing by analyzing the PHA's financial statements over a two to three year period. The amount available for financing is calculated by taking short term assets, subtracting short term liabilities, and then subtracting an amount equal to four or six months of operating expenses, depending upon PHA size (four months for PHAs with 250 or more units, six months for PHAs with 249 or fewer units)." [note for more information see the web address on previous page 10]

Ensuring that Operating Reserves Reported on the FDS are Accurate

When the operating reserve recapture occurred in 2012, a number of PHAs ran into problems because they had items included in operating reserves that should not be included. You should make sure these items, and others that affect the Operating Reserve, are handled properly to ensure that HUD does not think you have more reserves than what you really have:

- Reporting cash that should be restricted, as unrestricted cash. There were a number of cases where disposition proceeds were not shown as restricted when they should have been. That is one example but there could be more. If you have excess reserves, make sure you have restricted all of the cash and investments that you can justify under GAAP accounting[3].

- Reporting a noncurrent asset as a current asset. One appeal we did in 2012 was due to the PHA reporting long term notes receivable related to mixed finance development as short term receivables (which probably should not have been reported in Public Housing to begin with). This caused them to be included in the reserve. Once again, this is just one example, there could be more, of different types. If you have excess reserves, make sure that all of your current assets, receivables etc, truly are current.

- Understating current liabilities. I notice that many PHAs do a very low allocation of the accrued compensated absences to the current liability category. In fact, there are a number of PHAs that put 90% as noncurrent, and 10% as current. This will only hurt you if you have excess reserves and a recapture occurs. Make sure that you have a proper classification of liabilities with respect to the current and noncurrent portions.

- Generally, you should take the time now to review the lines that are included in operating reserve (see page 3) to satisfy yourself that you are accurately reporting the data and not overstating reserves on the FDS.

[3] Under GAAP, in order for cash or investments to be reported as restricted, it must be from an external source – such as a law, HUD regulation, notice, contract, or something like that. An internal action such as a Board resolution normally will not result in the funds being reported as restricted.

Summary of Recommendations From This Article

- Determine your current level of operating reserves. In order to do this, refer to the formula on page 3. If you have more than 4 months of reserves (if you have 250 or more public housing units) or more than 6 months of reserves (if you have less than 250 public housing units) you could be a target for a future recapture!

- You need to manage the reserve level with PHAS/FASS scores in mind. Unfortunately, it is a fine line. Generally the PHAS financial condition scoring provides the full number of MENAR points if you have 4 months of reserves, so you want to have 4 months if possible. But if you have more than that, you could be subject to a future reserve recapture if you have 250 or more units.

- If you have less than 250 public housing units and pull all CFP funds into 1406 - Operations, just remember that this could cause you to build reserves to a level that might put you into recapture territory. It is not fair (in my opinion), but that is the way it works. Some small PHAs before 2012 were drawing CFP funds through 1406 and building reserves in anticipation of using them for future capital needs, only to have the funds recaptured!

- One option to avoid being in recapture territory (for PHAs with 250+ units as well as those below 250 units) is to use them to address needs within your properties before they are recaptured. Refer to pages 6 through 9 of this article for information concerning what is allowable. Some ideas: (a) increase your capitalization threshold to the maximum ($5,000) in order to minimize the number of items that are considered "capital" and therefore prohibited (b) look to the preventative maintenance category to accomplish work that needs to be done at the AMPs, and save future maintenance dollars, and to utilize reserves in a way that benefits your housing stock (c) maximize the amount pledged toward RAD if you have excess reserves and are pursuing that program.

- Another option that should be considered is an OFFP. If HUD does another recapture, even being in progress toward applying for an OFFP could shelter your reserves from recapture. See page 10 for more details.

- Finally, make sure that your FDS is accurate with respect to the lines affecting operating reserve. See page 11 for common problems we saw last time around.

Timing: is this in fact occurs in 2017 as rumored, and the 2012 pattern repeats itself, the fiscal year end FDS's that would be used are 6/30/2015, 9/30/2015, 12/31/2015 and 3/31/2016. So the time to look at this is now. If the fiscal year end has already passed, you will probably have options for appeal for most of the items above. For the appeal items allowed last time see PIH 2011-55, pgs 12-19.

PIH NOTICES AND FEDERAL REGISTERS

Editor's note: in order to make this section most beneficial and yet concise for our readers, we will list each notice, but we will provide articles only on those issues that directly impact the financial management of the PHA.

PIH NOTICES

PIH2015-21 Amendment to the definition of tuition

PIH2015-20 Public Housing Operating Subsidy Calculations for 2016

PIH2015-19 Arrest Records in Housing Decisions

PIH2015-18 New PHA 5yr and Annual Plan Templates

PIH2015-17 Use and Reporting of Admin Fee Reserves

PIH2015-16 Financial Reporting Requirements for HCV Program

PIH2015-15 Section 184 Indian Loan Guarantee Program Disaster Policy

PIH2015-14 Guidance on Reporting PHA Executive Compensation

PIH2015-13 Changes to Flat Rent Requirements

PIH2015-12 Administering the Community and Self Sufficiency Requirement

PIH2015-11 Set Aside Funding for Project Basing HUD VASH Vouchers

PIH2015-10 Project Basing HUD VASH Vouchers

PIH2015-09 Extension PIH 2014-06 regarding TDC for Native American Housing

PIH2015-08 Administrative Requirements for Investing Indian Housing funds

PIH2015-07 Funding for Tenant Protection Vouchers for Low Vacancy Areas

PIH2015-06 Privacy Protection Guidance for Third Parties

PIH2015-05 Project Based Voucher Guidance

PIH2015-04 Expiration of Temporary Compliance Assistance

PIH2015-03	Implementation of HCV 2015 Funding Provisions
PIH2015-02	Extension: admin guidance effective use of EIV
PIH2015-01	Indian Housing Block Grant: guidance/procs - environmental reviews

FEDERAL REGISTERS

11/23/2015	Notice of Annual Factors Used to Determine HCV Admin Fee
09/18/2015	Regulatory Waiver Requests Granted Second Quarter 2015
09/08/2015	Proposed Fair Market Rents: HCV and Mod Rehab
09/08/2015	Streamlining Public Housing: Revisions to PH Flat Rents
09/01/2015	Streamlining HCV Portability Process (More)
08/20/2015	Streamlining HCV Portability Process
07/16/2015	Extension for Comment Period on Proposed Admin Fee Formula
06/26/2015	RAD: Revised Notice
06/26/2015	Proposed HCV Admin Fee Formula
06/22/2015	Regulatory Waiver Requests Granted First Quarter 2015
06/02/2015	Advanced Notice of Proposal Rulemaking Small Area FMRs
04/20/2015	Section 8 Inflation Factors for 2015
02/25/2015	RAD Alternative Requirements and Waivers
02/09/2015	Section 8 Annual Adjustment Factors
01/29/2015	RAD: updated application review CHAP issuance process
01/12/2015	Final Fair Market Rents, HCV and Mod Rehab (revised)
01/06/2015	Streamlining administrative regulations for PH, HCV, and other progs

CASTERLINE ASSOCIATES PC PHA FINANCIAL UPDATE SEMINAR – LATEST DEVELOPMENTS IN PHA ACCOUNTING AND REPORTING!

AGENDA (TO BE FURTHER UPDATED AS APPLICABLE, AS THE YEAR PROGRESSES!):

- 2015 Public Housing and CFP Financial Management Update
- Latest REAC Accounting Briefs, and PIH Financial Mgmt Division (FMD) Guidance / RAD Accounting Tips and Coverage
- The New OMB Omni Circular – goes into effect in 2015, as well as Coverage on the Latest GASB Statements Affecting PHAs, including expanded information on new Pension Accounting rules and Other Items
- RAD Financial Overview, Accounting for RAD, Accounting Setup including Ledgers and Chart of Accts, Conversion Entries, RAD Financial Reporting
- 2015 Housing Choice Voucher Program Financial Management Update and Managing the HCV Program in 2015: funding, utilization, reserves, etc
- New HUD HCV Admin Fee Study – Details, What it Means for PHAs, and HUD Implementation of the New Formula (as available)
- Other Advanced PHA Financial Update topics to be determined…

(note: the Agenda for the Alameda class will be different as it is occurring in 2016 – watch for more details in this newsletter – we anticipate updating all materials at year end as 2016 funding and other info become available)

LOCATIONS (CALL 800-337-5088 FOR A FLYER, PRICING AND/OR MORE DETAILS):

City	Sponsor	Dates	Location	Status
Orlando FL	Casterline Assocs	Dec 8-9, 2015	Disney Coronado Springs Hotel and Convention Ctr	Open for Registration
Alameda CA	City of Alameda Housing Authority	March 8-9, 2016	Alameda Housing Authority 703 Atlantic Ave in Alameda	Open for Registration
**Your Town	**Your PHA	**Based upon your preference	**Your choosing	

OTHER NEW 2016 LOCATIONS COMING SOON

**** also available as a 2 day in-house course to be held at *your* PHA – and training fees collected from other PHAs are split 50-50 with your agency – call for details ~**

CASTERLINE ASSOCS NUTS & BOLTS OF PHA BUDGETING & ACCOUNTING WORKSHOP –2016 LOCATIONS COMING SOON!

THREE AND A HALF DAY COURSE / FULLY UPDATED FOR ALL RECENT HUD CHANGES!

- The Public Housing Operating Subsidy Calculation – The Operating Fund Formula
- Tips on Maximizing Public Housing Operating Subsidy Funding Under the Formula
- Public Housing & Capital Fund Accounting – Project Based Accounting & Reporting
- Public Housing Year End Closing, REAC Requirements and FDS Submission
- Latest Public Housing Assessment System Financial Scoring Process & Indicators
- Housing Choice Vouchers Program Funding Process – How Funding is Calculated
- How to Manage the Voucher Program Under new HUD Cash Management Procedures
- Voucher Management System (VMS) Reporting and Ongoing Voucher Program Monitoring
- Housing Choice Voucher Program GAAP and HUD Accounting Requirements
- Housing Choice Voucher Program Year End Closing and HUD / REAC Reporting

LOCATIONS (CALL 800-337-5088 FOR A FLYER, PRICING AND MORE DETAILS):

City	Sponsor	Dates	Location	Status
St Louis MO	Casterline Associates PC	April 19-22, 2016	Hilton St Louis by the Arch 400 Olive Street St Louis, MO 63102	Open for Registration
Meadowlands NJ (just 5 miles from NYC Times Square!)	Casterline Associates PC	October 18-21, 2016	Courtyard Meadowlands 1 Polito Avenue Lyndhurst, NJ 07071	Open for Registration
Your Town (in house training / see below)	Your PHA	Based upon your preference	Your choosing, and we will gladly market the course to invite other PHAs in order to reduce your costs!	Call for details or see our website

ADDITIONAL 2016 LOCATIONS COMING SOON!

~ also available as a 3 day in-house course to be held at *your* PHA – invite other PHAs and training fees from other agencies are split 50-50 with your PHA – call for details ~