Chapter 4: Create New AFS Data Submission

In order to enter financial data in the Financial Assessment Subsystem - Multifamily Housing (FASSUB), the user must enter the criteria for the new annual financial statement submission. A new AFS submission record is created when a user accesses the data entry screens for the first time for the combination of owner, property, reporting period, and submission type. After selecting the criteria, the appropriate data entry screens are available based on the criteria entered.

The data entry screens contain the accounts for entry of the annual financial statement (AFS) data. The elements or accounts provided for a user on a screen are dependent on the submission type, which is based on the owning entity's mortgagor type (profit-motivated, non-profit, etc.), legal structure (Corporation, Cooperative Corporation, etc.), and whether the Federal Award is less than or greater than $300,000 for FYE reporting periods of 12/31/2003 or earlier, or $500,000 for FYE’s of 1/1/2004 or later.

The accounts on the data entry screens include elements that represent the HUD Chart of Accounts, line items from the basic financial statements not included in the HUD Chart of Accounts, and supplemental data. The data elements fundamental to each submission type are included in the appendices to this document. These documents are available for review on REAC’s Web site at http://www.hud.gov/offices/reac/products/fass/fassmf_guide.html. Select the appropriate appendix to access these documents.

When a user accesses FASSUB, they are required to enter submission criteria in a series of screens, creating an identification record specific for that annual financial statement. FASSUB maintains record identifications for annual financial statement (AFS) submissions. Records are also being created and maintained for administrative requests (e.g., waivers, extensions, and resubmissions for both Consolidated and Combined submissions).

The reporting period for an AFS is identified by the fiscal year end (FYE) date for the owning entity. For example, if an entity has a FYE of 12/31 and they are submitting an AFS for FY2000, the date entered would be 12/31/2000. The date entered is validated against the entity profile info in HUD’s Housing Enterprise Real Estate Management System (HEREMS) database. The FYE date will also be used with property-owner relationship dates to calculate the reporting period date from and date to for each property associated with the AFS submission.
**Selecting an Option**

The first screen in the Financial Assessment Subsystem - Multifamily Housing (FASSUB) is **Select An Option**. This screen allows the user to electronically:

- Create a new AFS data submission.
- Access the **Submission Status Box**, which allows a user to modify or process an existing AFS data submission.
- Create an Administrative Request.
  - Request 30-Day Extension
  - Request Resubmission
  - Request Waiver
- View an Administrative Request Status.
- View a prior year’s AFS data submission.

The first link, **Create New AFS Data Submission**, is used to create a new submission profile for AFS data. A new submission means that no criteria for the combination of owner, property(ies), and fiscal year end has been entered into the system previously.

Once a user successfully progresses to the Data Entry Screens:

- An identification record for the property exists according to the system, regardless of whether any financial data has been entered.
- If the user exits FASSUB, logs in again, and has not completed the submission identification process to the data entry templates, then the user must reselect the **Create New AFS Data Submission** link on the **Select An Option** screen for the purpose to update submission criteria or to enter financial data.
If a user incorrectly selects the Threshold for Annual Expenditures Less than 300K Annually for a non-profit submission, the Verify AFS Submission Criteria screen will display an Owner Certified Submission type and will not allow for an audited submission. To change to an audited submission, select the FASSUB Main Menu link and then select the Create New AFS Submission link and follow the correct steps to create the correct AFS submission for a non-profit.

The Create New AFS Submission link should also be used to create a new record in instances where the profile information for an owner or associated properties has changed since the original submission record was created in cases where the original submission has not yet been submitted as a completed AFS.

The Create New AFS Data Submission link is only available to user IDs that have an AFS Submitter role (SUB).

FASSUB provides three (3) types of administrative request options: 30-Day Extension Request, Resubmission Request, and Waiver Request for audited and owner certified annual financial statements that are submitted electronically. These administrative request options are available to owner-authorized users (e.g., employees, project owners, CPAs, management agents, and other service providers).

The Administrative Request Status Box allows the user to check the status of current administrative requests.

**Entering Fiscal Year End (FYE) Date for Owning Entity**

1. Enter the appropriate date in the *Owning Entity Fiscal Year End* field.

   **NOTE:** As indicated on the date example, dates must be entered in the following format: 2-digit month/2-digit day/4-digit year.

2. Click on the Continue button. The Select an Owning Entity screen displays.
Selecting an Owning Entity

The next screen is **Select an Owning Entity**. An owning entity is defined as: 1) a multifamily property owner with insured or HUD-held mortgages, or 2) a multifamily property owner that receives direct loans or capital advances from HUD. A user can be authorized to submit annual financial statements (AFS) for one or more owning entities, provided the user has been authorized by each of the owning entities.

The **Select an Owning Entity** screen is used to associate a user to an owning entity. If a user is authorized to submit for multiple owning entities, the Tax ID and name of those owning entities appear in the drop-down list and are sorted by the Tax ID.

1. Click on the drop-down arrow. The list of owning entities displays.

2. Click on the appropriate owner.

3. Click on the **Continue** button. The **Select a Property** screen displays.

**NOTE:** If the user is authorized to submit an annual financial statement for only one owning entity, the user does not see the **Select an Owning Entity** screen, but is automatically forwarded to the **Select a Property** screen.
Selecting a Property

The Select a Property screen is used to identify the property(ies) for the annual financial statement (AFS) being submitted. A drop-down list displays the property, or a list of properties, for the owning entity for which the user has been authorized to submit an annual financial statement. For non-profit entities, the user also selects a threshold for annual expenditure.

The Select a Property screen functionality is different for non-cooperative and cooperative entities. For non-cooperative owning entities, users are permitted to submit either a single property submission for each property or a consolidated submission. For cooperative owning entities, users are required to submit a combined submission. The examples on the next page depict the Select a Property screen for non-profit entities. Entities that are profit-motivated or limited distribution will not have the threshold drop-down function.

Select a Property Screen for Non-Cooperative Owning Entities:

Single Property Submission:

1. Click on the arrow in the first field to view the properties associated with the owning entity.
2. Select the appropriate property by clicking on it.
3. If applicable, click on the arrow in the second field to view the *Threshold for Annual Expenditures* drop-down list.

**NOTE:** If your FYE is 12/31/2003 or prior, then the drop-down list will display:

<table>
<thead>
<tr>
<th>Please select a threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $300K annually</td>
</tr>
<tr>
<td>Greater than or equal to $300K annually</td>
</tr>
</tbody>
</table>

If your FYE is 01/01/2004 or later, then the drop-down list will display:

<table>
<thead>
<tr>
<th>Please select a threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $500K annually</td>
</tr>
<tr>
<td>Greater than or equal to $500K annually</td>
</tr>
</tbody>
</table>

4. Select the appropriate federal awards expenditure by clicking on it.

**NOTE:** The Threshold for Annual Expenditures drop-down is only available for entities that are Non-Profit.

5. Click on the **Continue** button. The following message displays.

**WARNING:**
You are about to create the template for a single statement. However, HUD projects that share a common Tax Identification Number may choose to submit a single audited statement or a consolidated audited statement covering all projects as a single entity-level financial statement covering all financial activities conducted under the Tax Identification Number.

Once a single statement is created, you cannot back-track and change it to a consolidated project statement.

If you select the wrong type now, you will not be able to change it later. Are you sure you want to create a single statement?

[OK] [Cancel]

**NOTE:** When a user selects a single property from the property drop-down list, the message window shown above displays. The message reminds the user that they have to create and submit a separate AFS for each property. If this is the appropriate selection, click on the OK button.

6. Click on the **OK** button to continue.

The **Verify AFS Submission Criteria** screen displays.


Consolidated Submission:

To select a property and threshold:

1. Click on the arrow in the first field to view the properties associated with the owning entity.
2. Select Consolidated.

**NOTE:** If Consolidated is selected in the drop-down list, it indicates that an AFS must be created for each property, as well as an entity level AFS. The packet together is submitted for processing.

3. If applicable, click on the arrow in the second field to view the Threshold for Annual Expenditures drop-down list.

**NOTE:** If your FYE is 12/31/2003 or prior, then the drop-down list will display:

<table>
<thead>
<tr>
<th>Please select a threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $300K annually</td>
</tr>
<tr>
<td>Greater than or equal to $300K annually</td>
</tr>
</tbody>
</table>

If your FYE is 01/01/2004 or later, then the drop-down list will display:

<table>
<thead>
<tr>
<th>Please select a threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $500K annually</td>
</tr>
<tr>
<td>Greater than or equal to $500K annually</td>
</tr>
</tbody>
</table>
4. Select the appropriate federal awards expenditure by clicking on it.

**NOTE:** The Threshold for Annual Expenditures drop-down menu is only available for Non-Profit entities.

5. Click on the **Continue** button. The following message displays:

```
WARNING!
You are about to create the template for a consolidated statement. When multiple HUD projects share a single Tax
Identification Number, owners have the option of submitting a single audited statement for each project, or a
consolidated audited statement covering all projects and the overall ownership entity. The templates for a consolidated
submission require the entry of financial statement data on each HUD project, as well as an entity-level financial
statement covering all financial activities conducted under the owner’s Tax Identification Number.

Once a consolidated statement is created, you cannot go back and change it to a single project statement.

If you select the wrong type now, you will not be able to change it later. Are you sure you want to create a consolidated
statement?
```

When a user selects *Consolidated* from the property drop-down list, the message window shown above displays. The message reminds the user that they have to create and submit an AFS for each project, as well as an entity level statement prior to the AFS submission process. If this is the appropriate selection, click on the OK button.

6. Click on the **OK** button to continue.

The **Verify AFS Submission Criteria** screen displays.

**Combined Submission:**

Cooperative owning entities must submit a combined submission. When *Combined* appears on the **Select a Property** screen, it indicates that the owning entity is a Cooperative Corporation and financial statement data, for a single property, or for multiple properties must be submitted in a single AFS data submission. While all cooperatives are developed under HUD regulations as non-profits, not all cooperatives have 501(c)(3) status with the Internal Revenue Service (IRS). In those cases, the cooperative will file an IG 2000.04 submission as they file a corporate tax return with the IRS. The Mortgagor Type in REMS will indicate “Other” along with the Owner Legal Structure of “Cooperative Corporation”.
1. If the submission is for a non-profit Cooperative Corporation, then the Select Threshold from Drop Down box appears. Click on the arrow in the second field to view the Threshold for Annual Expenditures drop-down list.

   **NOTE:** If your FYE is 12/31/2003 or prior, then the drop-down list will display:

   ![Threshold List 12/31/2003 or Prior]

   If your FYE is 01/01/2004 or later, then the drop-down list will display:

   ![Threshold List 01/01/2004 or Later]

2. Select the appropriate federal awards expenditure by clicking on it.

   **NOTE:** The Threshold for Annual Expenditures drop-down is only available for entities that are Non-Profit.

3. Click on the [Continue] button. The **Verify AFS Submission Criteria** screen displays.
Verifying AFS Submission Criteria

The **Verify AFS Submission Criteria** screen contains the submission profile information: *Organization Name, Tax Identification Number, Mortgagor Type, Legal Structure, Type of Submission, Federal Award Threshold, M2M Indicator, Distribution Allowed Indicator* (when applicable), Demo Indicator (when applicable) and *Property Profile*. This information is a combination of data retrieved from the HEREMS database and based on the user’s selections on the previous screens. For non-profit entities, the user may be required to select Owner Certified or Audited Submission from the drop-down list in the *Type of Submission* field.

The user must verify the submission profile information to continue to the data entry screens. This information is used to create an identification record for the annual financial statement in FASSUB, so it is important that the information is accurate. If any of the submission criteria on this screen is incorrect, the user should discontinue the submission process and contact the appropriate HUD field office representative.

**NOTE:** Verification of the accuracy of this data is extremely important. If a submission record is created with incorrect profile information, the system may prevent successful completion of the submission. Failure to do this may result in an owner being mistakenly identified as overdue in satisfying the electronic submission requirement, because one or more properties have inaccurate information associated with them. This information is maintained in HEREMS by the Office of Housing Project Managers. If information is incorrect or missing, the responsibility lies with the owner to have it corrected PRIOR to continuing with the submission.

The **Distribution Allowed Indicator**, as shown in the example below (Fig.1), relates only to Non-Profits/Non-Coops, and Non-M2M, that are allowed to take a Distribution.

The **Demo Indicator**, also shown in the example below (Fig.2), relates only to M2M that are in the Demo Program.
1. Select the submission type from the *Type of Submission* drop-down list (if applicable).

2. Verify accuracy of the submission criteria, ensuring that the submission type is accurate.
3. Click on the appropriate Yes or No radio buttons for each of the eight questions in the Submission Criteria Verification section. The default setting for the questions is No.

NOTE: The user should not continue to the data entry screens if any information on the Verify AFS Submission Criteria screen is incorrect. If the user answers No to any of the six questions in the Submission Criteria Verification section, an error message displays. Until the user contacts the Office of Housing Project Manager to correct the data and changes the six questions to Yes, they cannot proceed to submit financial data.

4. Click on the Continue to the Statement Selection Screen button. The submission record is created with the successful completion of these steps and the Statement Selection Screen displays.

NOTE: This is an example of a Consolidated Statement.
**Annual Financial Statement**

**Electronic Submission**

U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC)

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### Verify AFS Submission Criteria

<table>
<thead>
<tr>
<th>Organization</th>
<th>United Housing Partnership Bowling Green</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax ID</td>
<td>021093311</td>
</tr>
<tr>
<td>Mortgager Type</td>
<td>Profit Motivated</td>
</tr>
<tr>
<td>Legal Structure</td>
<td>Limited Partnership</td>
</tr>
<tr>
<td>Type of Submission</td>
<td>Audited Submission IAW IG Handbook 2000.04</td>
</tr>
<tr>
<td>Federal Award Threshold</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Property Name</th>
<th>FHA/Contract Number</th>
<th>Demo</th>
<th>Participant Type</th>
<th>Date From</th>
<th>Date To</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOWLING GREEN TOWERS</td>
<td>08335547</td>
<td>Y</td>
<td>Owner</td>
<td>01/01/2006</td>
<td>12/31/2006</td>
</tr>
</tbody>
</table>

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### Submission Criteria Verification

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have you verified that your Type of Submission (i.e. Owner Certified, A-133 or IAW 2000.04) listed or selected above is the type of submission you intend to submit?</td>
<td>☑️</td>
<td>☑️</td>
</tr>
<tr>
<td>Have you verified that the Tax ID listed above is your correct Tax ID?</td>
<td>☑️</td>
<td>☑️</td>
</tr>
<tr>
<td>Have you verified that all of the HUD related properties listed above are correct?</td>
<td>☑️</td>
<td>☑️</td>
</tr>
<tr>
<td>Have you verified that the Federal Award Threshold is correct (if applicable)?</td>
<td>☑️</td>
<td>☑️</td>
</tr>
<tr>
<td>Have you verified that the Mortgager Type listed above is correct?</td>
<td>☑️</td>
<td>☑️</td>
</tr>
<tr>
<td>Have you verified that the Legal Structure listed above is correct?</td>
<td>☑️</td>
<td>☑️</td>
</tr>
<tr>
<td>Have you verified that the Demo Indicator listed for all the HUD related properties above is correct (if applicable)?</td>
<td>☑️</td>
<td>☑️</td>
</tr>
</tbody>
</table>

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**Continue to the Statement Selection Screen**

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**Fig. 2**