



DETAIL-LEVEL FUNCTIONAL REQUIREMENTS DOCUMENT

*HUD Integrated Financial Management Improvement
Project*

U. S. Department of Housing and Urban Development

August 9, 2005



The MIL Corporation

Revision Sheet

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FUNCTIONAL REQUIREMENTS DOCUMENT

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2.0 CURRENT SYSTEM SUMMARY

2.1.1.1.1 Asset Management

2.1.1.1.1.1 Personal Property Acquisition

Personal Property Management is the process by which all purchases of furniture and equipment are identified and tracked throughout HUD. This tracking includes the acquisition (purchase price, transportation, installation and related costs of placing the item into service), disposal, transfer and adjustments of personal property. The Chief, Property and Supply Branch, serve as The Departmental Property Management Officer (DPMO), and produce reports and distribute them to the Office of the Chief Financial Officer (OCFO) for accounting verification and reconciliation. All personal property purchases valued at \$500.00 or more are bar coded and entered into the Furniture and Equipment Management Information System (FEMIS). FEMIS uses two sub-systems, one for furniture and another for equipment. The Office of Procurement and Contracts (OPC) is responsible for assisting-and/or informing the DPMO regarding the procurement of all accountable personal property.

The Department must fulfill all of its personal property needs through the use of HUD owned or government-owned furniture and equipment. Acquisition of new furniture, computer equipment, or office machines is authorized only when staffing levels increase, program efficiency may be impaired, occupancy reduction in office space may be accomplished through downsized furnishings, or the Accountable Property Officer determines that the damaged items are not economically repairable. If property requirements cannot be fulfilled through stock, Headquarters Administrative Officers, Field Office Administrative Resource Division, and/or their designees, determine methods of acquisition in accordance with federal property management regulations and Federal Acquisition Regulations (FAR).

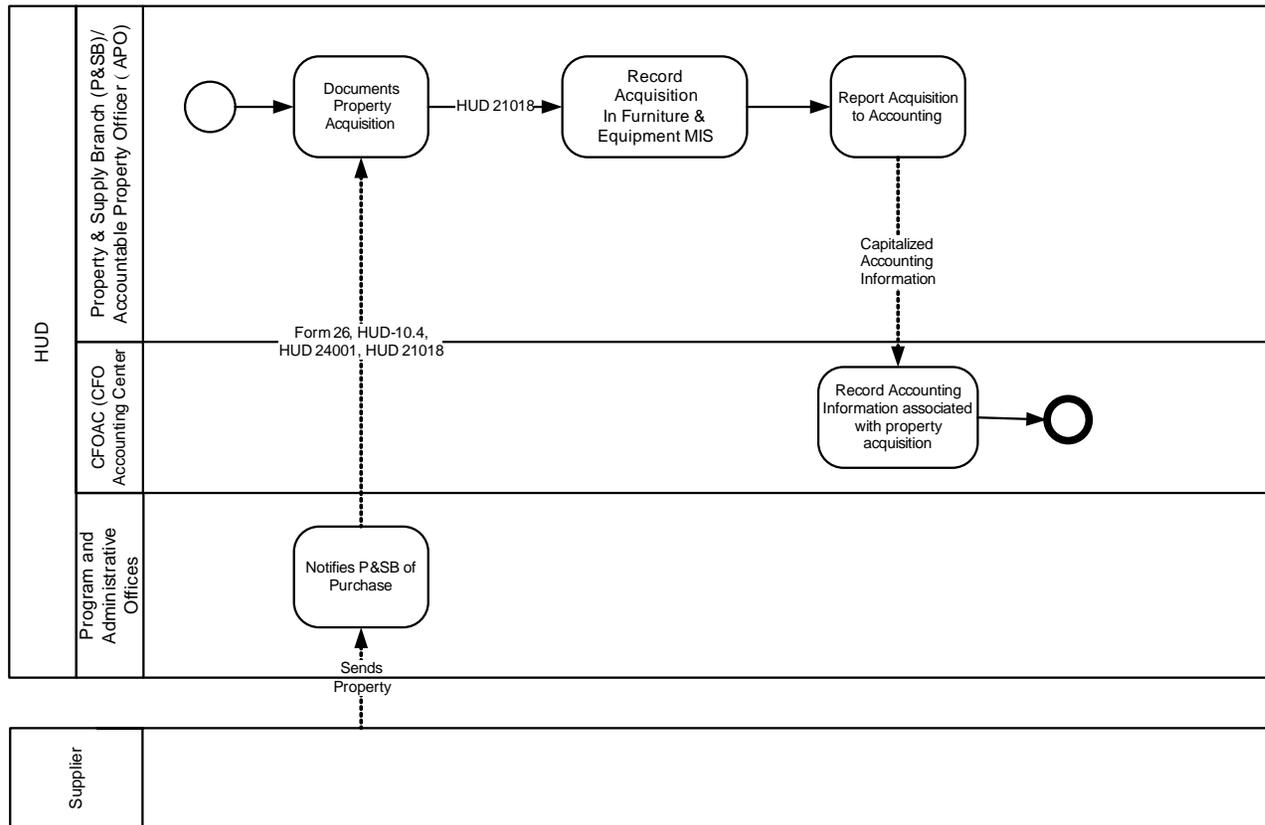
Table Error! No text of specified style in document.-1 Personal Property Acquisition

Trigger	Activity Step No.	Activity Description	Source / Systems	Performed By	Frequency
Purchase personal property	1.	After acquiring personal property send information in the obligating documents (for \$500.00 or more) to the Property and Supply Branch (P&SB).	Form 26, HUD 10.4, HUD 24001	Purchaser or OPC or DPMO	Upon purchase
	2.	In headquarters the Property and Supply Branch (P&SB) prepare documents, HUD 21018, reporting property transactions. In Regional and Field offices Accountable Property Officers (APO) prepare documents, HUD 21018, reporting	HUD 21018	P&SB or APO	As they occur

2.0 Current System Summary

Trigger	Activity Step No.	Activity Description	Source / Systems	Performed By	Frequency
		property transactions.			
Receipt of HUD 21018	3.	Property Officers record transaction data into the Furniture and Equipment Management Information System (FEMIS).	HUD-21018, FEMIS	PS&B	Bi-weekly
Reporting requirements	4.	Reports are generated for inventory control reconciliation.	FEMIS	PS&B	Bi-weekly
	5.	Information is transferred to CFOAC for accounting.	HUDCAPS	CFOAC	Quarterly

Diagram Error! No text of specified style in document.-1 Personal Property Acquisition Process



2.1.1.1.2 Personal Property Disposition

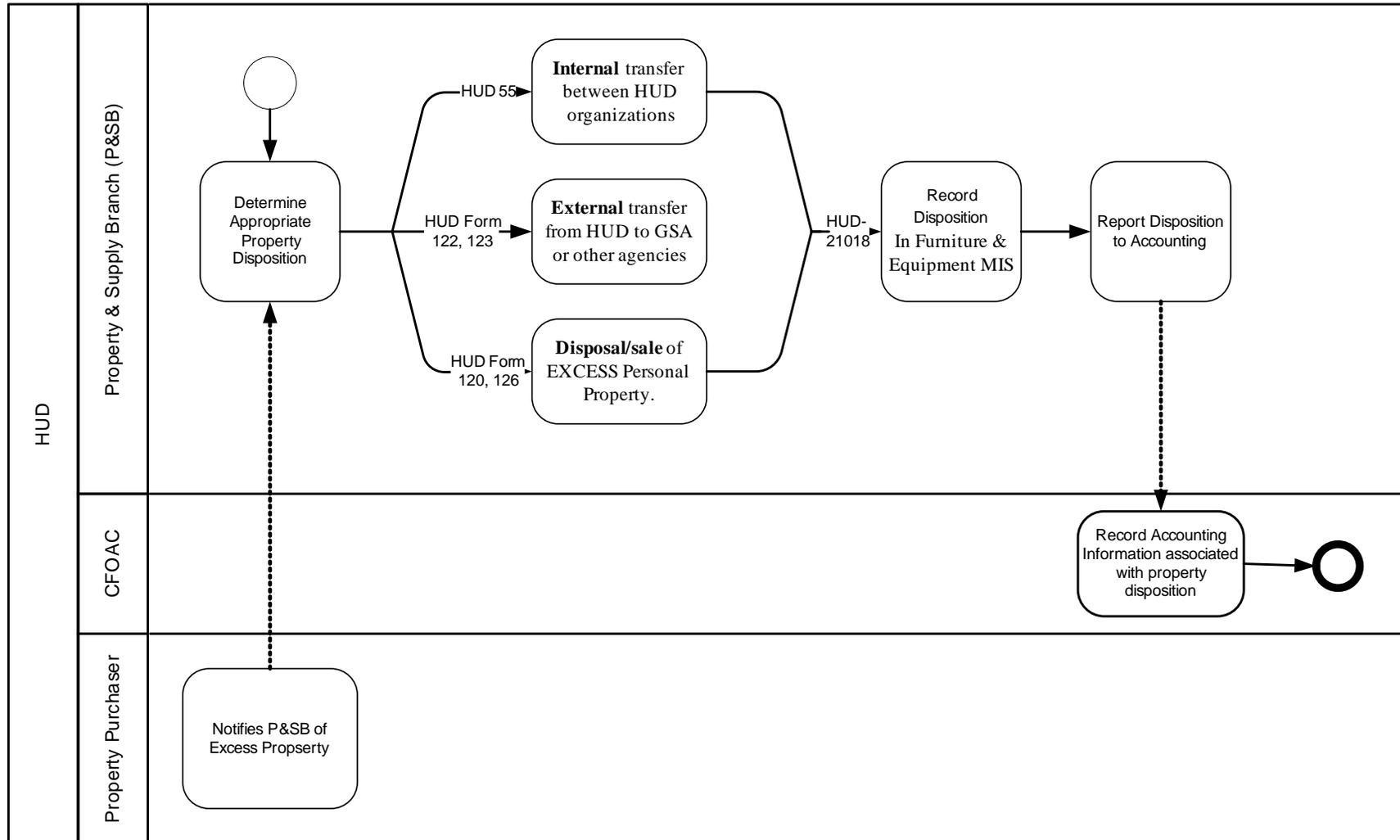
Personal Property Management is the process by which all purchases of furniture and equipment are identified and tracked throughout HUD. This tracking includes the acquisition (purchase price, transportation, installation and related costs of placing the item into service), disposal, transfer and adjustments of personal property. The Chief, Property and Supply Branch, serve as The Departmental Property Management Officer (DPMO), and produce reports and distribute them to the Office of the Chief Financial Officer (OCFO) for accounting verification and reconciliation.

The APO has the Performed By for managing Personal Property either owned or in the possession of HUD. The APO is responsible for identifying property that is either excess or disposable. Disposable or excess properties can be transferred between Headquarters, Field Offices, Government Services Agency (GSA) and other agencies. Once a piece of property has been identified for disposal the supporting documentation is created, entries are recorded in the property management system, FEMIS and then the documentation is forwarded to accounting.

Table Error! No text of specified style in document.-2 Personal Property Disposition

Trigger	Activity Step No.	Activity Description	Source / Systems	Performed By	Frequency
Personal Property identified as excess	1.	Internal transfer of Personal Property between HUD organizations, Headquarters and Regional Offices.	HUD 55 HUD 21018	APO	Personal Property identified as excess
Personal Property identified as excess	2.	External Transfers of Personal Property between HUD Organizations, GSA and other agencies.	Form 122 FORM 123 HUD 21018	APO	Personal Property identified as excess
Personal Property identified as excess	3.	Disposal of Personal Property: Excess to the needs of the Department. Personal Property for sale.	Form 120 Form 126 HUD 21018	APO	Personal Property identified as excess
	4.	Entries are recorded in FEMIS.	FEMIS HUD 21018	APO	
	5.	Information is recorded in HUDCAPS	FEMIS HUDCAPS	APO	

Diagram Error! No text of specified style in document.-2 Personal Property Disposition Process



2.1.1.1.2 Cost Management*2.1.1.1.2.1 Working Capital Fund*

This process describes how the Working Capital Fund provides funding for all HUD Information Technology (IT) or IT-related projects. Costs associated with these IT initiatives are categorized as direct or indirect costs. IT staff working on specific IT projects incur direct costs. Overhead costs (e.g., hardware, software, supplies, travel, payroll, utilities) are indirect costs. All IT costs are assigned to projects.

The Department identifies information technology (IT) projects and prepares budget estimates for resource amounts that will be needed to fund these projects. Funding for the WCF comprises a combination of direct appropriations (multi-year), reimbursable authority from HUD's program appropriations for specific maintenance and new system development tasks, and carryover amounts that are available from prior fiscal years. Funding is also available from revenue collected by way of interagency agreements between HUD and external agencies (e.g., the Departments of Agriculture, Veterans Administration, and Small Business Administration). For instance, HUD provides access to its Credit Alert Interactive Voice Response System (CAIVRS) to other federal agencies to prescreen applicants for loans or loans guaranteed by the federal government to determine credit worthiness. HUD provides access to these agencies for a fee and recognizes revenue through the IPAC billing and collection process.

Once the budget is approved, anticipated resources are recorded and distributed using the SF-132 and Source of Funds report. WCF authority is apportioned (SF-132) and allotted (HUD-158). Salaries and expenses and system maintenance costs are allocated and paid out of the first year of the multi-year appropriation. Research and maintenance activities come out of either current year reimbursable authority or carryover funds.

Immediately following the funds distribution, reimbursable orders (also referred to as customer agreements) are recorded to establish customer orders (with or without an advance). Projects are established in the Project Cost Accounting System (PCAS), a subsystem of HUDCAPS. These projects are set up initially with non-financial information such as project number and the accounting classification data. Next, the customer agreements are associated with the applicable project(s). By creating the project/customer agreement relationship, this facilitates project updates as commitments, obligations, and expenditures are recorded throughout the period. The sub-project number is the key data element that differentiates a typical commitment, obligation, or invoice from a WCF transaction equivalent. Invoices are processed at the CFO Accounting Center. The next steps in the process address month-end activities relating to cost allocation, cost distribution, customer billing, and project monitoring. At year-end, the WCF division recaptures un-liquidated obligations and determines which outstanding obligated balances or un-obligated balances are available for carryover into the next fiscal year.

Maintaining comprehensive accounting entries in a single system is a desirable outcome of the new implementation. Currently, budgetary entries are separate from the PCAS transactions.

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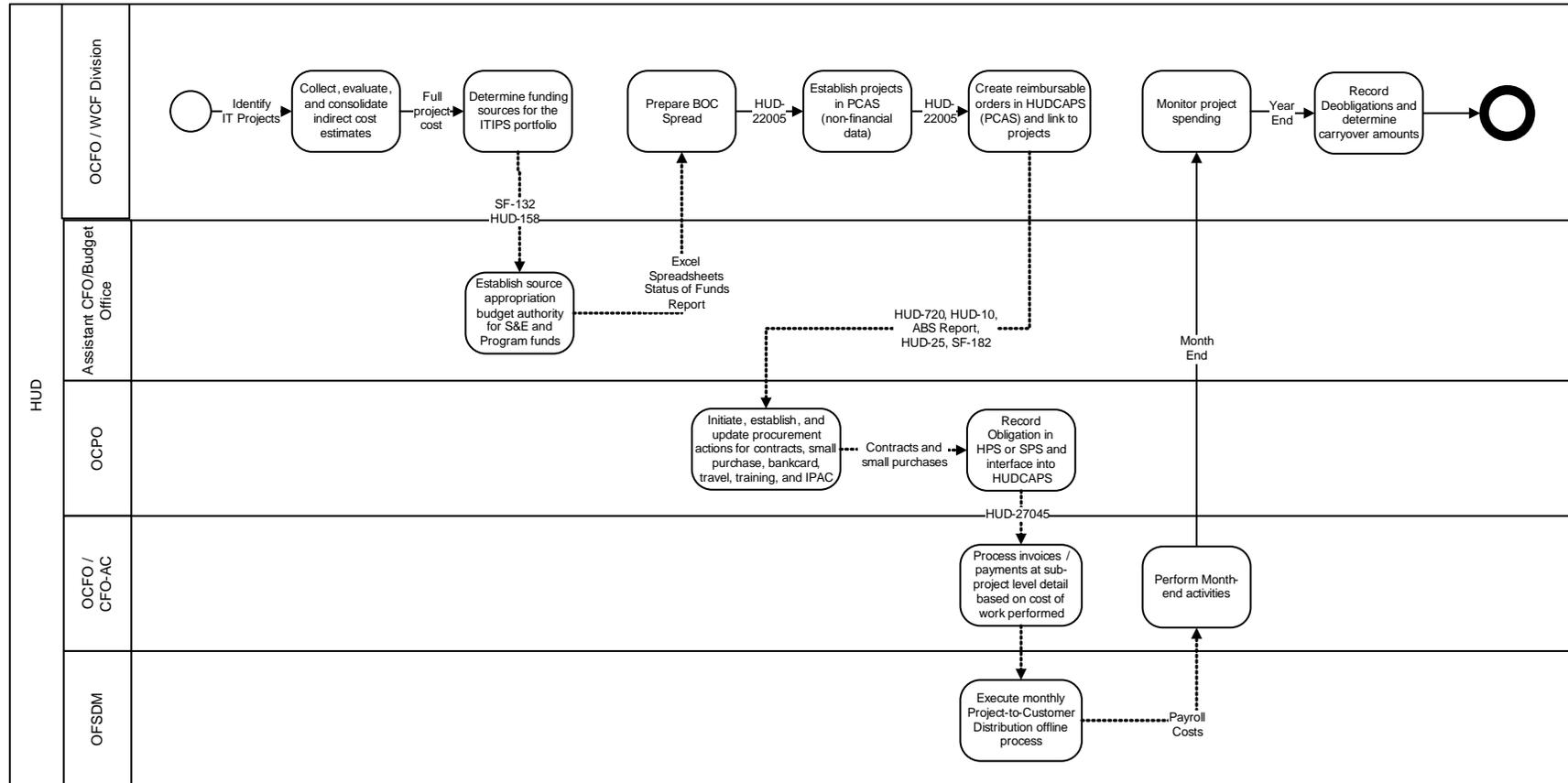
Trigger	Activity Step No.	Activity Description	Source / Systems	Performed By	Frequency
Identify IT Projects	1.	During the budget formulation process, the WCF division collects, evaluates, and consolidates indirect cost estimates. They apply an overhead rate to distribute costs across ITIPS projects. The WCF Division applies indirect costs to direct costs to identify the full project cost.	EZBudget	OCFO / WCF Division	Annually
	2.	Determine potential funding sources for the ITIPS portfolio: <ul style="list-style-type: none"> • Direct appropriations • Reimbursable authority (available from transfers of S&E appropriated funds along with program funds for OIG, PIH, CPD, and FHA support the WCF) • Revenue available from agreements (for example, CAIVRS usage) • Carryover amounts from previous FYs 	Status of Funds Report HUDCAPS	OCFO / WCF Division	Annually (may be revised during the FY)
	3.	Once the budget is approved, anticipated resources are recorded and distributed using the SF-132 and Source of Funds report. WCF authority is apportioned (SF-132) and allotted (HUD-158). Funding is distributed down to the assignment and sub-assignment level (to the objects class level). Create WCF funding transactions by preparing reimbursable orders (RO) in support of approved ITIPS portfolio. Reimbursable orders transfer funding from the S&E and Program appropriations to the WCF. A separate RO (customer agreement) is recorded for each funding source in HUDCAPS. Personal services and system maintenance costs are allocated and paid out of the first year of the multi-	SF-132 HUD-158 HUDCAPS	OCFO / Office of Budget	Annually (may be revised during the FY)

Trigger	Activity Step No.	Activity Description	Source / Systems	Performed By	Frequency
		year appropriation. Research, planning, development and maintenance activities come out of either current year reimbursable authority or carryover funds.			
	4.	The OCFO / WCF Division prepare budget object code spread using Excel spreadsheets and the Status of Funds by Object Class Distribution Report produced from HUDCAPS.	Excel spreadsheets Status of Funds by Object Class Distribution Report HUDCAPS	OCFO / WCF Division	
	5.	Establish project(s) in PCAS to record non-financial information (e.g., project number (job number), and the appropriate accounting classification codes).	HUDCAPS (PCAS)	OCFO / WCF Division	Annually (may be revised during the FY)
	6.	Link projects to customer agreements and record project funding in PCAS. Initially, only two sub-projects are funded: maintenance (I) and development (C). The Maximum Billable Amount (FPCA screen) will be the sum total of current year and carryover funds from all customer agreements that fund a project. If set up correctly, the maximum billable amount (FPCA screen) will equal the project max amount (Actual Billed Amount per project on the PROJ screen)	HUDCAPS (PCAS)	OCFO / WCF Division	Annually (may be revised during the FY)
	7.	Record procurement actions as applicable to contracts, small purchases, bankcard purchases, travel or IPAC transaction. The sub-project number is a key data element that identifies these as WCF transactions.	HUDCAPS HPS HPS/SPS HTMS	OCPO	As needed
	8.	Record obligations in HPS or HPS-SPS and interface to HUDCAPS.	HPS HPS-SPS HUDCAPS	OCPO	
	9.	Process invoices and payments at the sub-project level based on the cost of work performed. As invoices are received, they are stamped with the date the invoice is received (applies to all funding types).	HUD-27045 Invoice Approval for Contract / Purchase Order or Training Requisition	OCFO-Commercial Payments Branch CFO Accounting Center	As needed

Trigger	Activity Step No.	Activity Description	Source / Systems	Performed By	Frequency
			HUDCAPS		
Month End	10.	<p>Cost distribution is carried out monthly in PCAS using the Project-to-Customer Distribution program (offline procedure). Commitments, obligations, and expenditures accumulated during the month are distributed to the source ROs. In addition, the cost allocation is performed monthly in PCAS as identified in the following steps:</p> <ol style="list-style-type: none"> 1. The WCF division is responsible for calculating the payroll percentage for each project. The information is captured on a spreadsheet and manually entered into HUDCAPS (Pool Base Definition Reference (PBDF)). 2. The Cost Allocation System distributes direct payroll expenditures. A cost allocation job executes once a month to distribute WCF payroll costs accrued as of the end of the month to the WCF projects. <p>Currently, HUD manually records capital software acquisition on a quarterly basis. Guidance is available that recommends automating this process (FAS10).</p>	HUDCAPS (PCAS)	Office of Financial Systems Development and Maintenance	Monthly
Month End	11.	<p>The WCF automatically records revenue through the monthly Project Cost Accounting Billing process (PCBILL). This process collects the project costs that have been recorded as expenditures during the month and linked to the proper customer agreement. A report is generated that shows how much is to be billed or how much has been earned. Entries are made automatically for the WCF and the internal customers.</p> <p>To ensure that the WCF is fully reimbursed, funding is normally collected in advance. Collecting in advance began during FY2001 for most customers.</p>	<p>Report on Government Organization Revenues</p> <p>Financial Data Mart</p>	OCFO	Monthly

Trigger	Activity Step No.	Activity Description	Source / Systems	Performed By	Frequency
		As a result, the PCBILL process records revenue and reduces the advanced balance (liability).			
	12.	The WCF Division monitors project spending on a daily and monthly basis. This ensures adherence to legally binding funding authority. There are a variety of system-generated reports and queries that are used to provide up-to-date status of actual commitments, obligations, and expenditures that are compare to authorized funding amounts.	HUDCAPS Financial Data Mart	OCFO / WCF Division	Daily / Monthly
Year End	13.	At year-end, the WCF division identifies unliquidated obligations. They determine which funds may be de-obligated or de-linked from a project. HUD maintains un-liquidated commitments that can be carried over and returned to the same project or made available to other projects in the next FY. Project commitment transactions are automatically carried over into the next FY via a special year-end process. These commitments are also generated automatically in HPS and HPS-SPS.	HUDCAPS (PCAS)	OCFO / WCF Division	Annually

Diagram Error! No text of specified style in document.-3 Working Capital Fund Process



2.1.1.1.3 Core Financial System Management

2.1.1.1.3.1 Account Definition Management

Account Definition. OMB Circular A-127, “Financial Management Systems,” requires implementation of the United States Standard General Ledger (USSGL) at the transaction level. The USSGL is described in a supplement to the Treasury Financial Manual (TFM), which includes the chart of accounts, account descriptions and postings, accounting transactions, suggested data elements/ sub-accounts, and crosswalks to standard external reports. HUD has implemented a chart of accounts in HUDCAPS that is consistent with the USSGL and meets the agency’s information needs. When the acronym USSGL is used in these documents, it refers to the Government-wide standard. The *USSGL Board* is the governing body for changes to the USSGL and HUD has a representative on the Board. The HUD implementation of the USSGL specification in HUDCAPS is termed *Standard General Ledger (SGL)* in these documents.

To support the Account Definition activity, HUDCAPS provides the following capabilities:

- Uses a chart of accounts consistent with the basic numbering structure provided in the SGL. Any expansion to the numbering system rolls up to the posting accounts provided in the SGL.
- Incorporates proprietary, budgetary and memorandum accounts in the system, and maintain the relationships between accounts as described in the SGL.
- Uses account titles and numbers consistent with the account titles and numbers provided in the SGL.
- Provides subsidiary ledger support for SGL accounts. This support is in sufficient detail for asset protection, management information, and fund accounting. HUDCAPS supports reconciliation of SGL control accounts to their respective subsidiary records by accounting period.
- Supports an SGL account structure for multiple appropriations (including receipt accounts) or funds and multiple fiscal years within the appropriations, including annual, multiyear, and no-year appropriations.
- Supports the use of processing of information consistent with the standard transaction identification process rules from SGL.

- Provides the capability to create additional sub-accounts to the SGL for agency specific tracking and control including *attributes*¹ needed for FACTS reporting. These sub-accounts summarize to the SGL accounts.

Control of the Account Definition Process. The Account Definition process is controlled by the USSGL Board which has representatives from most agencies including HUD as voting members. Adding new accounts by the Board is normally in response to the need to recognize new financial imperatives such as the *Credit Reform Act of 1990* or the need for capturing and reporting outlays related to security. Another source of change is a Treasury change in reporting requirements. For example, OMB Bulletin 01-09 supersedes OMB Bulletin No. 97-01, "Form and Content of Agency Financial Statements", dated October 16, 1996. Bulletin 01-09 has significant changes which impact the U.S. SGL accounts and reporting such as:

Budget Integration -- The Statement of Budgetary Resources is revised to improve the linkage between this statement and the Budget of the United States Government.

Integrated Reporting -- Performance and accountability reports will be required for FY 2002 and subsequent years. OMB is undertaking a comprehensive assessment of all agency reporting requirements. Changes resulting from this assessment will be included in future issuances of this Bulletin.

Financial Statement Format -- Labeling and formatting of line items are improved to facilitate an understanding of the flow of information between statements.

Changing Account Definitions in the SGL. The USSGL Board provides a uniform Chart of Accounts and technical guidance to be used in standardizing federal agency accounting. The USSGL Supplement (released annually) is composed of five major sections:

- Chart of Accounts
- Account Descriptions
- Accounting Transactions
- USSGL Attributes
- Report Crosswalks

Many changes or updates to the USSGL are a result of legislative enactment. In order to comply with Governmental guidance set forth by bodies such as the Department of Treasury, Federal Accounting Standards Advisory Board (FASAB), the Office of Management and Budget (OMB), and new systems requirements (i.e. Federal Agencies' Centralized Trial-Balance System - FACTS II), USSGL accounts and transactions are established to reflect new reporting requirements. The changes are documented in the Treasury Financial Manual (TFM) release.

¹ *Attribute* is a term used in relational database systems to denote a data item or data field.

Impact on HUD of Changes to the USSGL. When a change is made by ballot, the HUD representative on the USSGL Board will discuss the change with the HUD Office of the Chief Financial Officer (OCFO) staff responsible for HUDCAPS. After the ballot is approved the HUD USSGL Board representative will then notify the key HUD personnel responsible for implementing changes to HUDCAPS; these are the 3 or so HUDCAPS system administrators and supporting staff (a group of about 3 persons). These individuals will begin analyzing the impact of these changes by determining if the new or revised account code conflicts with existing HUDCAPS sub-accounts. This can occur because HUD has used 4 digit account numbers for sub-accounts that the USSGL Board did not previously use. To prevent this, most new HUD sub-accounts have an alphabetic character as the 4th digit. The analysis is done by reviewing the HUDCAPS Chart of Accounts codes to see if there is a conflict. If so, the next step is to see if there are any actual postings to the accounts. If not, the HUDCAPS account descriptions are revised to prevent future posting under the old account meaning and use. If there are postings, then the administrators will have to derive a new sub-account and arrange to move the old postings to the new HUD-specific sub-account.

The HUDCAPS administrators will make the required changes to the General Ledger Account Codes (GLAC) table and in any necessary supporting reference tables prior to the effective date of the new SGL accounts. Changes are also required to the HUDCAPS *Transaction Posting Model scripts*² which control how transactions are applied to accounts and what transaction accounts can participate. Prior to these actions, the system administrators for PAS, Hyperion and the Financial Data Mart are notified, as these systems have their own reference tables and crosswalks that must be in concert with HUDCAPS account codes. Changes to the HUDCAPS SGL also impact the year-end closing accounts tables (YACT) and the analysis of changes must include YACT accounts.

Table Error! No text of specified style in document.-4 Account Definition Management

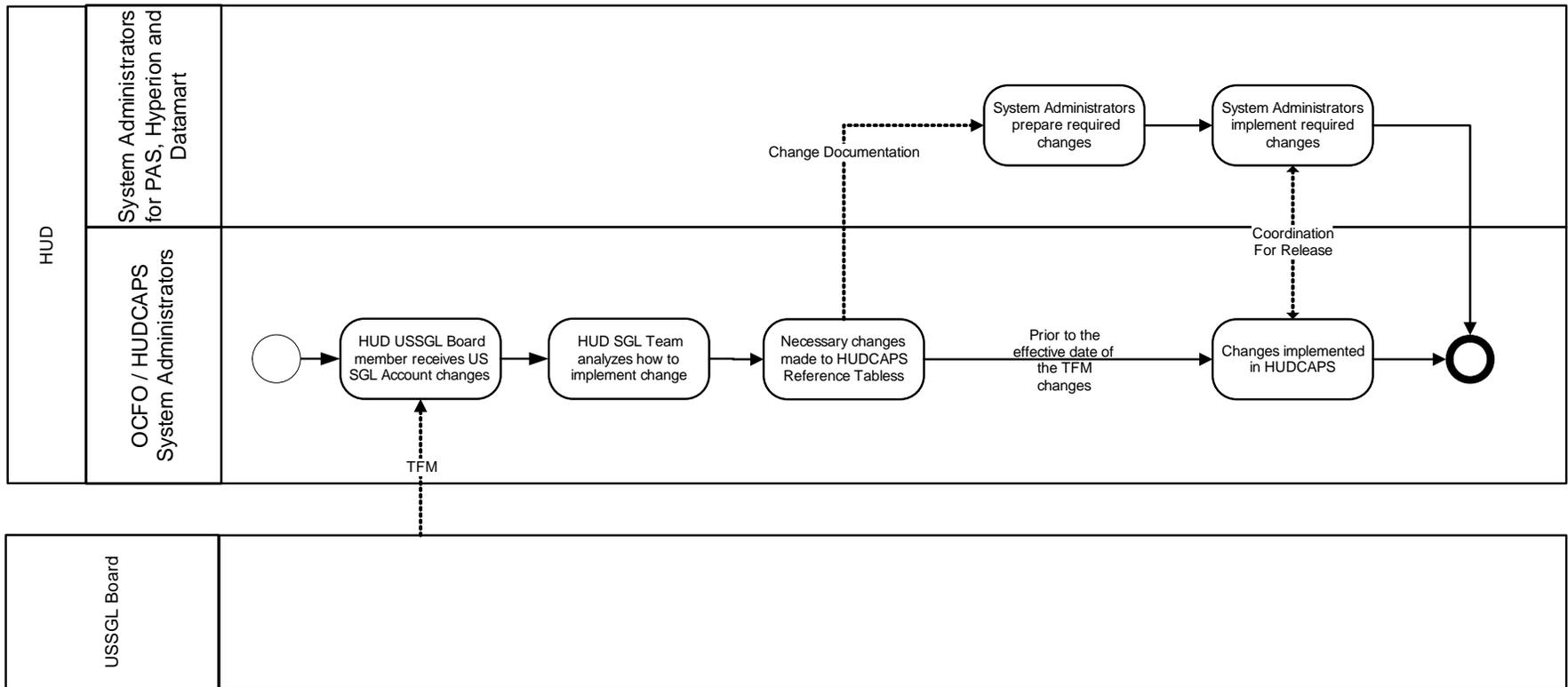
Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
USSGL Board issues TFM account change	1.	HUD member(s) of the USSGL Board report the change to OCFO. The change is specified in a Treasury Financial Manual (TFM) Revision. OCFO receives notification from Treasury of the pending changes.	Proceedings of the USSGL Board and ballot to issue change TFM	HUD Representative to USSGL Board	As required by legislation, Treasury reporting requirements, etc.
OCFO notification of pending change	2.	HUDCAPS SGL Team and supporting staff analyze impacts of pending changes. HUDCAPS Systems Administrators decide on course of action (impact, no impact, etc.)	OCFO notification and USSGL TFM	HUDCAPS Systems Administrators	Each USSGL TFM account change release
Change Decisions	3.	Necessary changes made to HUDCAPS General Ledger reference tables, such as the General Ledger Accounts (GLAC) Tables (account descriptions, posting models, YACT accounts,	Analysis Findings	HUDCAPS Systems Administrators	Each USSGL TFM account change decision

² *Scripts* resemble program steps as in a computer program.

2.0 Current System Summary

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
		etc.) are prepared and tested.			
Changes are prepared	4.	System Administrators for PAS, Hyperion and Financial Data Mart are notified of the pending changes and prepare required changes.	Change documentation and release notes	OCFO AND HUDCAPS Systems Administrators	Each USSGL TFM account change release decision
Prior to the effective date of the USSGL change	5.	Changes are made to HUDCAPS master tables (ACED, ACCT, ACEN, GLAC, and ACEV), which include adding and/or changing account descriptions, account names, and posting model information. YACT changes are also implemented.	Changes prepared for HUDCAPS	OCFO and HUDCAPS System Administrators	Each USSGL TFM account change implementation
Changes made to HUDCAPS	6.	System Administrators for PAS, Hyperion and Financial Data Mart implement prepared changes.	Changes prepared by PAS, Hyperion and Financial Data Mart support	PAS, Hyperion and Financial Data Mart System Administrators	Each USSGL TFM account change implementation in HUDCAPS

Diagram Error! No text of specified style in document.-4 Account Definition Management Process



2.1.1.1.3.2 Transaction Control Management

Introduction to the Transaction Control Process. The Transaction Control Process defines, maintains and executes the posting and editing rules for transactions that are processed in HUDCAPS, the HUD General Ledger core financial system. In addition to recording transactions originally entered into HUDCAPS, HUDCAPS is able to process and record transactions originating in other systems via an interface. This is done in order to provide the basis for central financial control.

The Transaction Control Process is further categorized as Transaction Definition and Processing activities, and Audit Trail activities. The guidance for Transaction Definition and Processing, OMB Circular No. A-127, requires common processes to be used for processing similar kinds of transactions throughout an integrated financial management system to enable transactions to be reported in a consistent manner. It also requires financial events to be recorded by applying the requirements of the U. S. Standard General Ledger (USSGL) at the transaction level. This is accomplished by defining a standard transaction(s) for each accounting event. SGL accounting transactions typically update multiple budgetary and proprietary accounts based on a single accounting event. HUDCAPS ensures that all transactions are handled consistently, regardless of their point of origin. The system also ensures that transactions are controlled properly. These controls provide reasonable assurance that the recording, processing, and reporting of financial data are properly performed and that authorized transactions are complete and accurate.

The HUD Transaction Control Process. Transaction control processing occurs on a daily basis. PAS transaction codes are interfaced to HUDCAPS through a nightly cycle that runs edits on the HUDCAPS General Ledger Crosswalk Table (GLXT). This table cross-references the PAS Transaction Code, Event type, Program Type and the Federal/Non-Federal Codes to a HUDCAPS transaction code and transaction type. GLXT is only used for P2H Interface. In addition to the PAS to HUDCAPS interface (P2H), there is also a HUDCAPS to PAS interface (H2P). H2P interfaces the fund assignments. Both of these interfaces utilize the Accounting Crosswalk Table (ACXT/ACXV) and the PAS Organization Crosswalk Table (PORX, PORV).

Both of these interfaces produce error reports. If a transaction fails data validation routines, then it will populate the appropriate report and require resolution. At the end of each fiscal year, in the HUDCAPS rollover processing, the transaction codes and transaction types are reviewed by the Office of the Chief Financial Officer (OCFO). HUDCAPS transaction codes and transaction type codes are 2 characters each. HUDCAPS must also translate PAS input with 5-digit Transaction Account Codes (TACs – 3-digit TAC and 2-digit TAC modifier) along with a 2-digit event code that are imported into HUDCAPS via the interface into 2 character HUDCAPS codes. In this review, unused or little used transaction codes are eliminated and the HUDCAPS Systems Administrators are notified of the changes.

On occasion, the HUDCAPS System Administrator must create a new transaction because no standard transaction for the data exists. In this case, the System Administrator will execute queries against the existing transactions to see which standard transaction comes closest to what is required, and that transaction is used as a model on which to base the new transaction.

To guide transaction control management, HUD uses a Transaction Posting Model Sheet, comprising well over 1,500 posting models in HUDCAPS and supporting tables Accounting Entries Definition Table (ACED) and Accounting Entries Table (ACEN). Many of these models are temporary and not carried forward to the new fiscal year. There are about 10-50 new transactions created annually. Examples of newly created transactions are:

- New sub-account for FACTS reporting
- One-time adjustments
- SGL Accounts that have been added or changed by the USSGL Board

As requirements dictate, the System Administrators will change sub-account structure, necessitating changes in transaction processing. In HUDCAPS, there is a maximum of five debit/credit pairs.

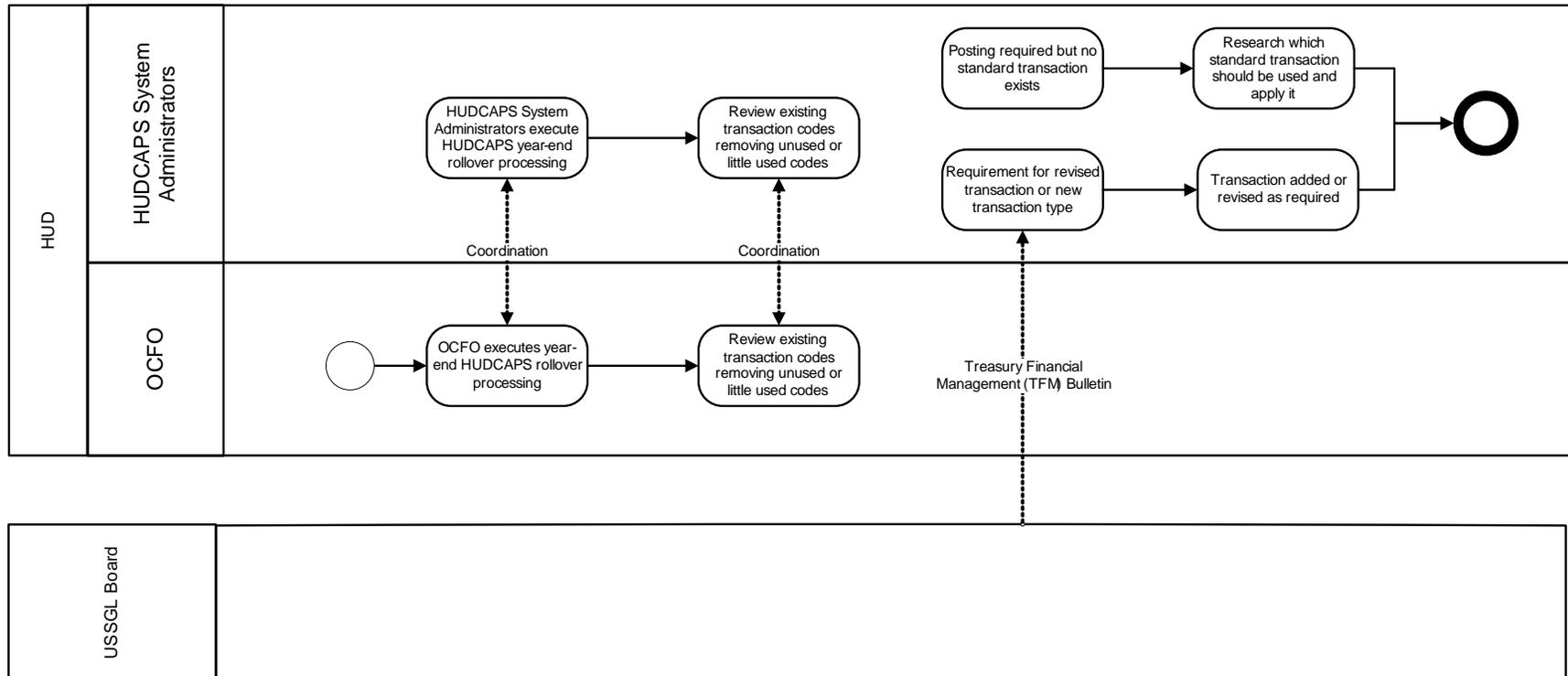
Audit Trails. Adequate audit trails are critical to providing support for transactions and balances maintained by the Core financial system. While audit trails are essential to auditors and system evaluators, they are also necessary for day-to-day operation of the system. For example, they allow for the detection and systematic correction of errors.

Table Error! No text of specified style in document.-5 Transaction Control Management

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
End of Fiscal Year	1.	Execute HUDCAPS rollover processing	HUDCAPS	OCFO, HUDCAPS System Administrators and Contractors	Annually
HUDCAPS Rollover Processing	2.	Review existing transaction codes removing unused or little used codes	HUDCAPS	OCFO, HUDCAPS System Administrators and Contractors	Annually
Posting Required but No Standard Transaction Exists	3.	System Administrators execute queries against the existing transactions to see which standard transaction comes closest to what is required, and that transaction is used as a model for creating a new transaction.	HUDCAPS	HUDCAPS SGL Team and System Administrators	As required
New or Revised	4.	Examples of new or revised transactions are as follows.. <ul style="list-style-type: none"> • New sub-account for FACTS 	HUDCAPS Account Entries	HUDCAPS System Administrators and	As required

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
Transaction Required by SGL		<ul style="list-style-type: none"> • SGL Accounts that have been added or changed by the USSGL Board • One-time adjustments <p>If a transaction is new, it will be set up by the cognizant System Administrator. As requirements dictate, the System Administrators will change sub-account structure, necessitating changes in transaction processing.</p>	Definitions Table (ACED) and Account Entries Table (ACEN)	Contractors	

Diagram Error! No text of specified style in document.-5 Transaction Control Management Process



2.1.1.1.4 General Ledger Management

2.1.1.1.4.1 Accruals

HUD records accrual transactions for Payroll and Salaries and Expenses transfers. These transactions are discussed in detail in the Payroll and Loans section of this document.

2.1.1.1.4.2 Closing

The HUD Program and Administration area completes over 300 detailed steps as part of its comprehensive closing cycle. Closing activities begin as early as the third quarter of the fiscal year. The OCFO office develops and publishes year end closing procedures and timelines to be followed during the closing cycle. Throughout the process, there is much coordination between the program and administrative offices to enter, adjust, maintain, update and report accurate and timely financial information. The FY2003 Annual Close Timeline was used as a basis for discussing year end activities.

Table Error! No text of specified style in document.-6 Year End Closing

Trigger	Activity Step No.	Activity Description	Source / Systems	Performed By	Frequency
Year End Closing Requirements	1.	Execute a preliminary year end close on a daily basis. The preliminary close process generates simulated closing entries that can be reviewed by the OCFO division.		OCFO	Daily
	2.	Publish HUD Annual Closing Procedures documentation.		OCFO	Annually with revisions
	3.	The OCFO Systems division begins extensive process to prepare the system for year end closing. During this activity, the New Year Table Initialization Program (ACNYTI) and job (A75ACNY) perform auto and manual rollover of tables. Some tables are re-rolled over at a later date because of subsequent accounting activity that causes structure changes. Additionally, a DOCLOAD file for zero dollar AA documents is executed in Production to establish a baseline for budget execution transactions in the new fiscal year. The purpose for the	HUDCAPS	OCFO	Annually with revisions

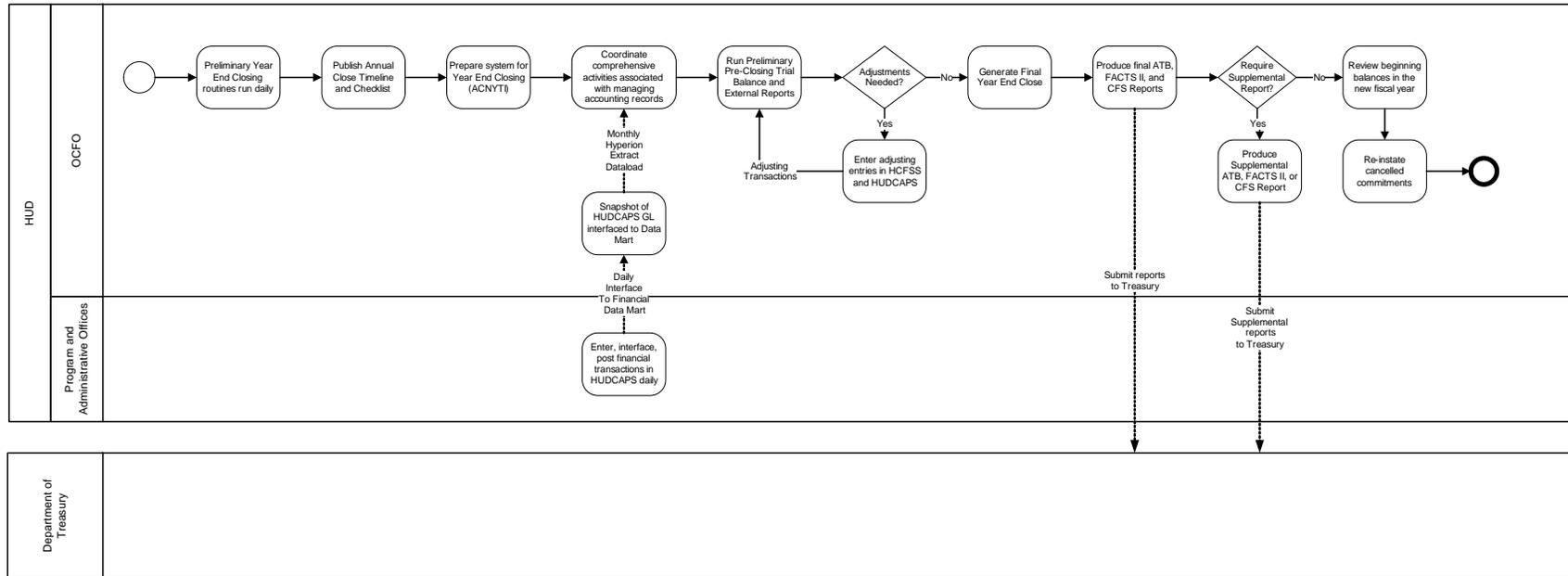
2.0 Current System Summary

Trigger	Activity Step No.	Activity Description	Source / Systems	Performed By	Frequency
		DOCLOAD file for zero dollar AA documents is to establish the APPR record with the correct Transaction Code/Transaction Type. These codes determine the proper recovery posting in future years. OCFO Systems Division manages this function to maintain the control of the APPR record.			
	4.	<p>The OCFO, OCFO Budget Office, and CFOAC coordinate with the Program and Administrative Offices to accomplish a multitude of tasks. This activity aims to ensure that all appropriate transactions have been interfaced into or posted directly into HUDCAPS; including, but not limited to:</p> <ul style="list-style-type: none"> • Ensuring SGL accounts maintain a normal balance • Execute year end closing procedures in other systems • Complete treasury confirmations in the applicable source systems • Reconcile cash • Process recaptures • Clear suspense file transactions • Reconcile source systems to the HUDCAPS GL • Cancel authority • Adjust general ledger for expired funds as appropriate • Zero out anticipated authority • Validate federal vendor data • Deliver September interface data to Hyperion. <p>(Period 12)</p>	HUDCAPS PAS LOCCS HCFSS (Hyperion)	OCFO, OCFO Budget Office, and CFOAC in conjunction with Program and Administrative Offices	Annually with revisions
	5.	Generate preliminary pre-closing trial balance reports and external reports.	Financial Data Mart HCFSS (Hyperion)	OCFO	Annually with revisions
HCFSS Adjusting Entries	6.	Adjusting or correcting entries are recorded and posted in HCFSS and the preliminary reports are re-generated until reconciliation is complete. Appropriate OCFO and CFOAC staff are notified of HCFSS adjusting entries. They post adjusting entries (in the next open accounting period) to HUDCAPS GL. At year end, entries are posted to the beginning balances of the next fiscal year.	HCFSS	OCFO	Annually with revisions
	7.	The OCFO staff begins reconciliation activities in preparation for submitting the FACTS I, FACTS II, and Consolidated Financial Statements to Treasury. Next, they generate and	GFRS FACTS II Pre-closing Trial	OCFO	Annually with revisions

2.0 Current System Summary

Trigger	Activity Step No.	Activity Description	Source / Systems	Performed By	Frequency
		review preliminary GFRS, FACTS II, and Consolidated Financial Statements. The OCFO implements intra-governmental procedures to facilitate meeting external reporting requirements for GFRS and Consolidated Financial Statements. They input GNMA and FHA 'un-audited' and 'audited' financial data into HCFSS.	Balance Report Consolidated Financial Statements HCFSS Financial Data Mart		
	8.	OCFO provides a final pre-closing HUDCAPS extract file (TB) to Reporting and CFO Staff. This file is interfaced to the Financial Data Mart and subsequently interfaced into Hyperion.	HCFSS	OCFO	Annually with revisions
	9.	OCFO generates the ATB, FACTS II, Consolidated Financial Statements, and Performance and Accountability reports	HCFSS	OCFO	Annually with revisions
Reconciling items are resolved	10.	Once reconciling items are resolved, the OCFO staff generates the ATB, FACTS II, and Consolidated Financial Statements in accordance with Treasury submission requirements.	HCFSS	OCFO	Annually with revisions
	11.	The OCFO staff generates supplemental external reports to Treasury on an as needed basis. For instance, an audit may raise issues that require journal entries to adjust account balances in a prior month or prior year. As a result of these changes, the amounts on the reports may change requiring submission of a supplemental report.	HCFSS	OCFO	Annually with revisions
	12.	Review beginning balances brought forward as a result of the annual close process. Make adjustments if necessary.	HUDCAPS HCFSS	OCFO	Annually
	13.	Re-instate cancelled commitments in HUDCAPS.	HUDCAPS	OCFO	Annually

Diagram Error! No text of specified style in document.-6 Year End Closing Process



2.1.1.1.4.3 Closing Analysis and Reconciliation

The cash reconciliation process for the HUD Program and Administrative offices is described in detail in the SF 224 Statement of Transactions section of this document.

2.1.1.1.5 Financial Reporting

The process describes how HUD's Consolidated Financial Statement System (HCFSS) generates the adjusted trial balance (ATB) (previously referred to as FACTS I), FACTS II, Consolidated Financial Statements, and the Treasury Report on Receivables reports. HCFSS is also referred to as Hyperion.

The OCFO generates ATBs using the Hyperion Enterprise System on a monthly basis. In addition, Hyperion is also used to generate the SF-133s and the CFO Consolidated Financial Statements. GFRS is a Treasury Internet Based System, which does not interface with Hyperion. The basis for the GFRS Closing Package Submissions is the adjusted Pre-Closing Hyperion ATBs, SGL crosswalk and Reclassified Financial Statements. The SGL Cross Walks by Financial Statement Line Items and the Reclassified Financial Statements are based on Excel spreadsheets developed by the CFO accounting staff. HUD receives audited financial statement data from Ginnie Mae, FHA, and OFHEO using the OCFO Excel templates. Any adjustments require coordination with representatives from each of the business areas.

FACTS II is generated on a quarterly basis using HypFACTS (a sub-system of Hyperion). HUD receives the Master Account File (MAF) from Treasury, generates the FACTS II trial balance reports, and creates the FACTS II Bulk file for Treasury reporting. HypFACTS employs reference tables within Hyperion to populate applicable reporting attributes required by Treasury. Once the bulk file ready for transmission to Treasury, the appropriate personnel accesses the FACTS II system via Treasury's GOALS website and transmits the bulk file.

The Treasury Report on Receivables (TROR) is manually reported on a quarterly basis. Currently, the total receivable amounts are all that can be validated. Receivable information is compiled from various systems and organizations to prepare and submit this report. In summary, the beginning and ending balances of the receivable accounts are reported along with an aging analysis. The TROR also is the method for reporting on compliance with the Debt Collection Act of 1996 in regards to utilizing Treasury's offset program.

The processes documented in this section support the following:

- Adjusted Trial Balance (ATB) Report
- FACTS II Pre-closing Trial Balance Report (replaces Treasury submission of the SF 133-Report on Budget Execution and Budgetary Resources, FMS 2108 Year End Closing Statement, and the Program and Financing Statements)
- Consolidated Financial Statements including:

- Balance Sheet
- Statement of Net Cost
- Statement of Changes in Net Position
- Statement of Budgetary Resources
- Statement of Financing
- Treasury Report on Receivables

Each of these reports requires certain attributes (required by Treasury or OMB) that provide additional information about the data collected. These attributes are published on the Department of Treasury's website (www.fms.treas.gov). Our analysis indicated that many of these attributes are either assigned during report generation or derived from the Hyperion system tables.

2.1.1.1.5.1 HUD SF 224 Statement of Transactions

SF 224 Statement of Transactions provides Treasury with a monthly statement of disbursements and collections initiated by the Department that affect Treasury funds. The Department of Treasury has assigned a distinct ALC to the OCFO and CFOAC organizations as well as FHA and GNMA. In addition, a separate SF 224 is prepared for each ALC.

The SF 224 is submitted to Treasury by the third business day of the month following the reporting month. Treasury requires submission of a supplemental 224 report if disbursements and collections are not within a \$5 million or \$10 million threshold, respectively. While the HUD Consolidated Financial Statement System produces most external reports, the 224 report generates from HUDCAPS. Disbursement and collection transactions recorded in PAS and LOCCS interfaced into HUDCAPS and transactions entered directly into HUDCAPS are included in this reporting process.

The OFCO and CFOAC organizations work together closely to reconcile 224 differences on a monthly basis. In addition to the Treasury reports (i.e., TFS 66xx series reports, the Agency Confirmation Report, IPAC Transaction Listing, Deposit Ticket and Debit Voucher reports), the OCFO and CFOAC organizations use various reports from the Data Mart to reconcile 224 variances. These reports provide drilldown capability from GL to the transaction source to assist in identifying a reconciling item. Agencies have up to six months to clear variances reported on the TFS 6652 Statement of Differences report. However, the Department is diligent about staying current on cash reconciliation activities. Cash reconciliation takes place the first couple of days of each month. During our analysis, we found that two areas that were noteworthy as related to the reconciliation process. Program expenditures from LOCCS are recorded directly to cash then reconciled against the 224 report. Transactions not accomplished in the accounting period are reversed from the cash account and reclassified to the disbursement-in-transit account. The other area of interest is the reconciliation of payroll expenditures. Payroll expenditures come in from the National Finance Center (NFC) and Bureau of Public Debt (BPD). Working Capital Fund and Salary and Expense accruals come through NFC while accruals for the Office of the Inspector General are processed through BPD. All of these transactions come through on HUD's 224 report as a current year transaction. In fact, there may be prior year amounts that must be charged to the appropriate funding year. In addition, payroll adjustments also complicate the cash reconciliation process.

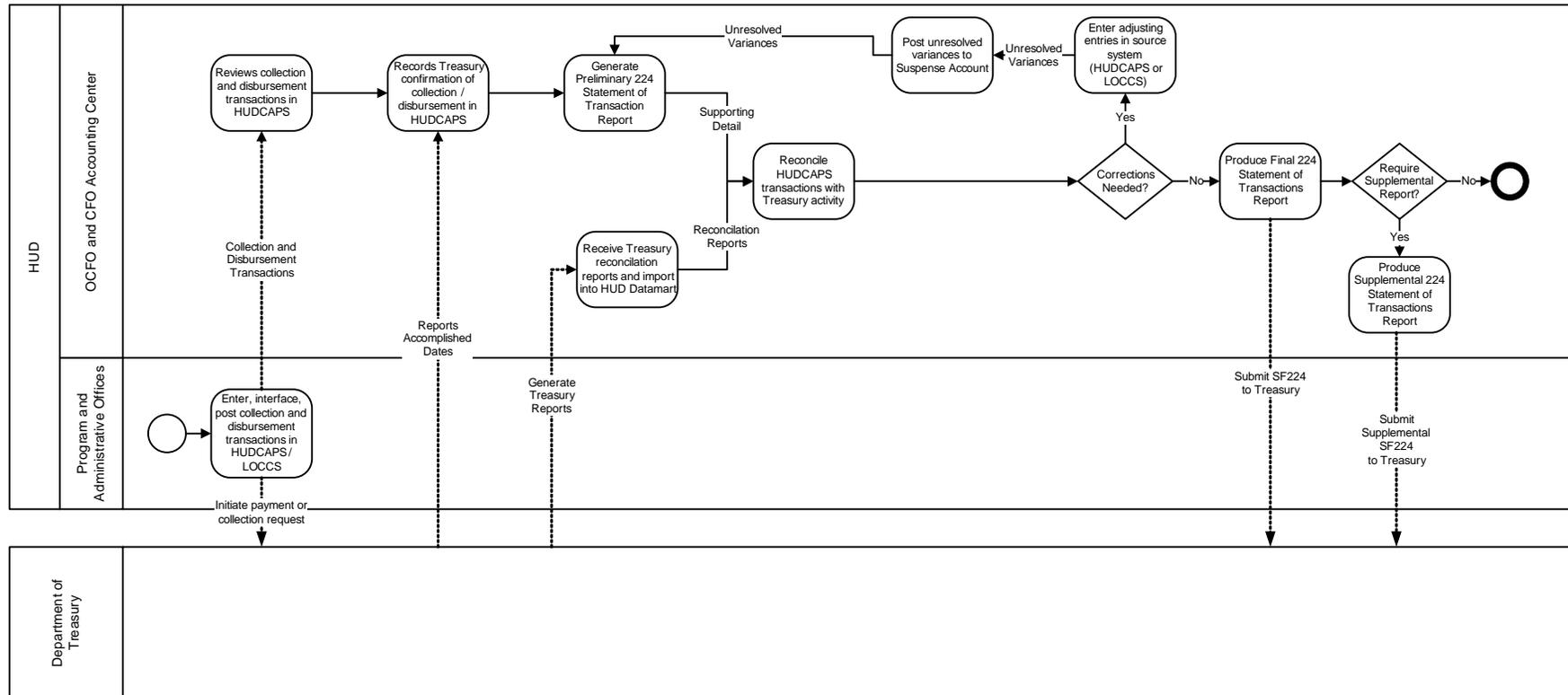
The SF 224 consists of three (3) sections: 1) Classification of Disbursements & Collections by Appropriation, Fund & Receipt amount, 2) Control Total of Disbursement and Collection, 3) Status of Collections. HUD uses general ledger (GL) accounts (and sub-accounts) to differentiate the collection or disbursement type. The use of GL accounts and sub-accounts also determines column placement for the different 224 reporting requirements.

Table Error! No text of specified style in document.-7 HUD SF 224 Statement of Transactions

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
Federal Reporting requirements	1.	Disbursement and collection transactions are entered directly or interfaced into HUDCAPS. These transactions are posted to various Treasury accounts throughout the month.	HUDCAPS	OCFO / CFOAC	Daily
Receive Disbursement and collection requests	2.	Treasury disburses payments on the agency's behalf and/or captures deposit/collection activity on the agency's behalf. Accomplished dates are associated with these transactions and reported back to HUD.	Agency Confirmation Report Deposits GOALS	Treasury	Daily
	3.	OCFO and CFOAC record disbursement and collection confirmations in the applicable application and interface transaction into HUDCAPS.	HUDCAPS	OCFO / CFOAC	Daily
	4.	Throughout the month, the OCFO and CFOAC generate preliminary SF 224 reports.	HUDCAPS	OCFO / CFOAC	Monthly; could be daily or weekly
	5.	OCFO and CFOAC representatives review the source transactions, reconcile HUDCAPS GL amounts, account balances, and source transactions against Treasury reports provided via GOALS. HUD representatives download these reports into Financial Data Mart (FDM) to facilitate reconciliation. The FDM application produces detailed transaction reports that allow drilldown to supporting GL entries.	TFS 6652- Statement of Differences (SODs) for Collections and Disbursements TFS 6653- Undisbursed Appropriation Account TFS 6654-		Monthly

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
			Undisbursed Appropriation Account (Trial Balance) TFS 6655-Receipt Account Trial Balance Ledgers HUDCAPS LOCCS Financial Data Mart (FDM)		
	6.	If corrections are required due to differences between HUD and Treasury reporting, the OCFO and CFOAC record adjusting entries in the appropriate source systems.	HUDCAPS LOCCS		
	7.	Unresolved differences are posted temporarily to a suspense account. Unreconciled variances will carry forward to the next reporting month. Research and analysis continues until the analyst determines a resolution and records the appropriate adjustment. Failure to reconcile differences results in a notification to HUD management of unreconciled amounts by ALC and a request to take corrective action.	HUDCAPS	OCFO / CFOAC	As needed
	8.	OCFO and CFOAC submit a final SF 224 Report after the reconciliation activities are complete. The Department of Treasury requires SF 224 Statement of Transactions Report submission by the 3 rd business day of the month following the reporting period.	HUDCAPS	OCFO / CFOAC	Monthly
	9.	Supplemental reports are generated at Treasury's request only.	HUDCAPS	OCFO / CFOAC	As needed

Diagram Error! No text of specified style in document.-7 SF 224 Statement of Transactions Reporting Process



2.1.1.1.5.2 Adjusted Trial Balance (ATB), FACTS II, Consolidated Financial Statements, and Treasury Report on Receivables Reporting

The process describes how HUD’s Consolidated Financial Statement System (HCFSS) generates the adjusted trial balance (ATB) (previously referred to as FACTS I), FACTS II, Consolidated Financial Statements, and the Treasury Report on Receivables reports. HCFSS is also referred to as Hyperion.

The ATB is generated on a quarterly basis. This report, along with data from various Excel spreadsheets, is used to generate the Consolidated Financial Statements using Treasury's new Government-wide Financial Report System (GFRS). These reports are all SGL-driven. Annually, HUD submits FACTS NOTES report over FMS Intranet at fiscal year end to support the adjusted trial balance (ATB). HUD receives audited financial statement data from Ginnie Mae, FHA, and OFHEO via Excel templates. Any adjustments require coordination with representatives from each of the business areas.

FACTS II is generated on a quarterly basis using HypFACTS (a sub-system of Hyperion). HUD receives the Master Account File (MAF) from Treasury, generates the FACTS II trial balance reports, and creates the FACTS II Bulk file for Treasury reporting. HypFACTS employs reference tables within Hyperion to populate applicable reporting attributes required by Treasury. Once the bulk file ready to be reported to Treasury, the appropriate personnel accesses the Treasury FACTS II system and transmits the bulk file.

The Treasury Report on Receivables is manually reported on a quarterly basis. Currently, the total receivable amounts are all that can be validated. Receivable information is compiled from various systems and organizations to prepare and submit this report. In summary, the beginning and ending balances of the receivable accounts are reported along with an aging analysis.

The processes documented in this section support the following:

- Adjusted Trial Balance (ATB) Report
- FACTS II Pre-closing Trial Balance Report (replaces Treasury submission of the SF 133-Report on Budget Execution and Budgetary Resources, FMS 2108 Year End Closing Statement, and the Program and Financing Statements)
- Consolidated Financial Statements including:
 - Balance Sheet
 - Statement of Net Cost
 - Statement of Changes in Net Position
 - Statement of Budgetary Resources
 - Statement of Financing
- Treasury Report on Receivables (TROR)

Each of these reports requires certain attributes (required by Treasury or OMB) that provide additional information about the data collected. These attributes are published on the Department of Treasury's website (www.fms.treas.gov). Our analysis indicated that many of these attributes are either assigned during report generation or derived from the Hyperion system tables.

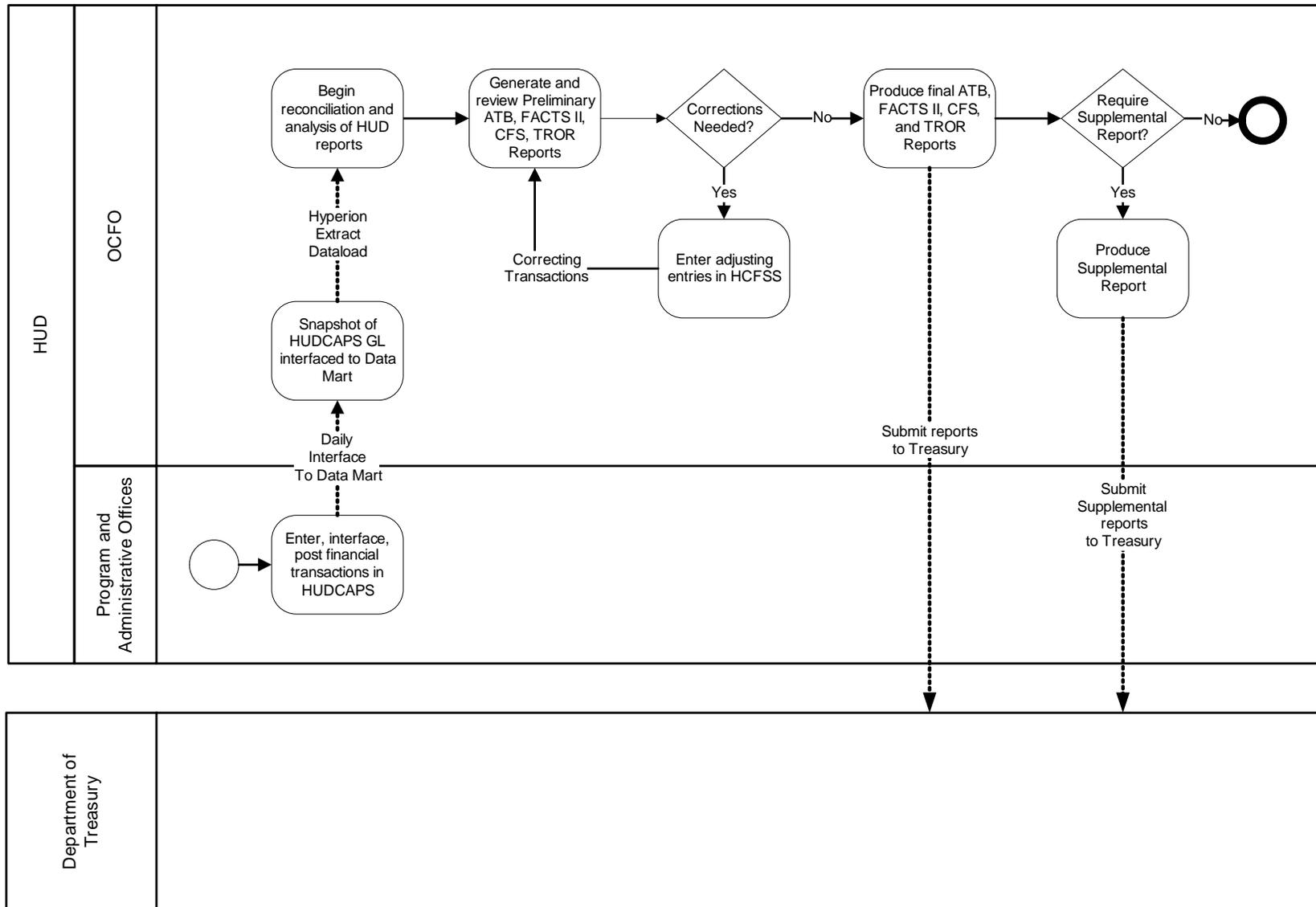
Table Error! No text of specified style in document.-8 ATB, FACTS II, Consolidated Financial Statements, TROR

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
Federal Reporting Requirements	1.	Financial transactions entered directly or interfaced into HUDCAPS throughout the month.	PAS LOCCS HUDCAPS	Program and Administrative Offices	Daily
Daily interface into Data Mart	2.	Snapshot of HUDCAPS GL is taken daily and interfaced into Data Mart. After month end closing activities are complete, the HUD Consolidated Financial System (HCFSS) receives HUDCAPS data via Data Mart	HUDCAPS Data Mart Hyperion Extract Dataload	OCFO	Daily Monthly
	3.	The OCFO staff begins reconciliation activities in preparation for submitting the ATB, FACTS II, Consolidated Financial Statements, and Treasury Report on Receivables to Treasury.	HCFSS Data Mart	OCFO	Monthly Quarterly Annually
	4.	Generate and review preliminary ATB, FACTS II, Consolidated Financial Statements, and Treasury Report on Receivables.	ATB FACTS II Pre-closing Trial Balance Report Consolidated Financial Statements HCFSS	OCFO	Monthly Quarterly Annually
	5.	Adjusting or correcting entries are recorded and posted in HCFSS and the preliminary reports are re-generated until reconciliation is complete.	HCFSS	OCFO	Monthly Quarterly Annually
	6.	Once reconciling items are resolved, the OCFO staff generates the ATB, FACTS II, Consolidated Financial Statements, and Treasury Report on Receivables in accordance with Treasury submission requirements.	HCFSS	OCFO	Quarterly Annually
	7.	The OCFO staff generates supplemental external reports to Treasury on an as needed basis. For instance, an audit may raise issues that require journal entries to adjust account balances in a prior month or prior year. As a result of these changes, the amounts on the reports may change	HCFSS	OCFO	Quarterly Annually

2.0 Current System Summary

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
		requiring submission of a supplemental report.			

Diagram Error! No text of specified style in document.-8 ATB, FACTS II, Consolidated Financial Statements and TROR Reporting Process



2.1.1.1.5.3 Internal and Ad-hoc Reporting

Ad-hoc reports are available to address various requests from both external and internal auditors. In addition, ad-hoc queries and reports are useful during reconciliation activities. The Financial Data Mart is the primary reporting tool that HUD uses to generate both internal and ad-hoc reports and queries. To use the Financial Data Mart, users log on to the system and submit the appropriate report request or generate a user-defined query. The processes illustrated in this section relate to the external reporting activities that HUD executes.

2.1.1.2 Grants/Subsidies Programs

These business processes pertain to the HUD Grants/Subsidies business area.

2.1.1.2.1 Grant Programs using IDIS

This business process documents the life-cycle (budget, allocation, reservation, payment, collection and deobligation) for those CPD (Community Planning and Development) formula grants that use the IDIS (Integrated Disbursement and Information System) feeder system. This includes Community Development Block Grants (CDBG), Emergency Shelter Grants (ESG,) HOME Investment Partnership Program and Housing Opportunities for People with AIDS (HOPWA).

Table Error! No text of specified style in document.-9 Grants Programs using IDIS

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
<u>Preparation of the Presidents Budget</u>	1. – 6.	See Budget Formulation Process		OMB	Annually
<u>Continuing Resolution/Public Law</u>	7.	Prepare apportionment/reapportionment schedule request for the applicable grant funds. This request is submitted to OMB.	SF-132	CFO and CPD Budget staffs	Annually (will be revised during FY)
<u>Receipt of OMB Approved SF-132</u>	8.	Receive Approved OMB SF-132 Note: There is an eternal to core accounting, year round process to determine the formula calculation for these programs.	SF-132	OCFO	Annually (will be revised during FY)
<u>Record Receipt</u>	9.	Upon receipt of OMB approved SF-132, record appropriation enactment for the grant fund in HUDCAPS.	SF-132 HUDCAPS	OCFO	Annually (will be revised during FY)
	10.	Record apportionment line items and record resources in HUDCAPS.		OCFO	
	11.	Prepare/approve allotment of funds (via HUD 158) to CPD and other assistant secretaries.	HUD-158	CFO and CPD Budget staffs	Annually (will be revised during FY)
<u>Approved HUD 158</u>	12.	Record allotment of funds in HUDCAPS.	HUD-158 HUDCAPS	CFO Budget Office	Annually (will be revised during FY)
	13.	Prepare sub allotment using B6 and prepare assignment of funds via HUD 185 or in some cases, prepared electronically and sent to OCFO for transmission to HUDCAPS.	HUD 185 HUDCAPS	CPD Budget and SDED Staff	Annually

2.0 Current System Summary

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
<u>Approved HUD 185</u>	14.	Record HUDCAPS B6 budgetary entry and record the approved assignment of funds via HUD 185	HUD 185 HUDCAPS	CPD Budget Staff	Annually-will be revised during FY
<u>Approved HUD 185</u>	15.	HUDCAPS sends sub assignment level information to PAS as funds available for commitment and obligation (for fund control purposes). This is done via the HUDCAPS to PAS (H2P) interface.	HUDCAPS PAS	System Generated	Annually-will be revised during FY
	16.	Issue electronic reservations for formula grantees on form HUD 718.	HUD 718	CPD/SDED Program staff	As needed
<u>Approved HUD 718</u>	17.	OCFO Systems receive files of approved reservations. OCFO Systems electronically uploads file of reservations into PAS. In some cases, adjustments to reservations may be entered manually by CFO-AC.	PAS	OCFO CFO-AC	Annually and As needed
	18.	Reservations are sent to HUDCAPS by PAS via the P2H interface for posting to general ledger and fund control tables.	HUDCAPS	System Generated	Each business night
<u>Approved HUD 718</u>	19.	Grantees and CPD agree on and sign contract or grant agreement, which represents an obligation to HUD. Note: Grantees must submit consolidated plans for usage of funds that must be approved by CPD prior to signing contract or agreement.	Contract or grant agreement	CPD Program Officials and Grantees	As needed
<u>Signed Grant Agreement</u>	20.	CPD staff sends signed grant agreements to CFO-AC. CFO-AC records all signed grant agreements in PAS. PAS sends agreement/obligation information via interface to LOCCS for use in controlling drawdowns.	LOCCS PAS	CFO-AC	As needed
<u>Signed Grant Agreement</u>	21.	Record vendor information for grantees (if new). This includes banking (ACH) information.	IDIS LOCCS	CFO-AC Grantee	As needed
	22.	LOCCS sends information to IDIS via interface.	LOCCS IDIS	System Generated	Each business night
	23.	PAS sends contract/obligation information via the P2H interface to HUDCAPS for posting to general ledger and fund control tables.	PAS HUDCAPS	System Generated	Each business night
	24.	Grantee submits request for payment through IDIS. Occasionally, manual payment requests can also be initiated in LOCCS by HUD, in which case LOCCS sends payment information to IDIS.	IDIS	Grantee	As needed

2.0 Current System Summary

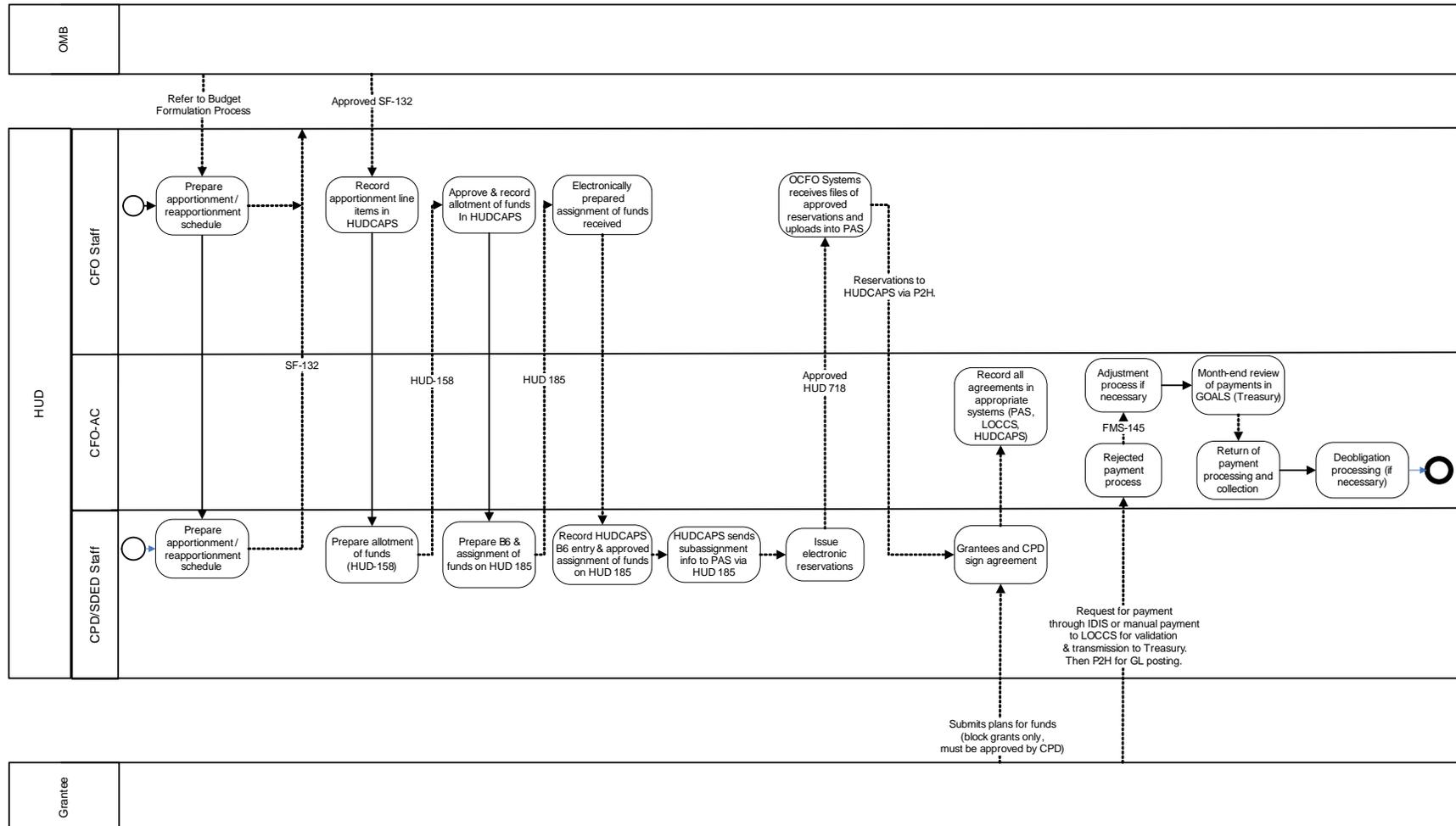
Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
<u>Payment Request</u>	25.	IDIS transmits via interface the approved payment request to LOCCS. This step does not apply for manual payments.	IDIS LOCCS	System generated	Each business night
	26.	LOCCS performs edits and validation checks. That night, LOCCS submits approved payments to Treasury. LOCCS notifies IDIS and PAS via interface of payments sent to Treasury.	PAS IDIS LOCCS	System generated	Each business night
	27.	PAS, in turn, transmits these payments (as confirmed by Treasury) to HUDCAPS via the P2H interface for posting to general ledger and other appropriate (e.g., fund control, SF-224) tables. LOCCS, PAS, and IDIS update project records with the payment information.	PAS IDIS LOCCS HUDCAPS	System generated	Each business night
<u>FMS-145-Schedule of Cancelled EFTs</u>	28.	Occasionally, Treasury will reject a payment and will issue an FMS-145 to HUD. CFO-AC will post the FMS-145, reinstating the unliquidated balance in LOCCS. LOCCS information is transmitted to IDIS and PAS. PAS transmits these rejections to HUDCAPS via the P2H interface for posting to general ledger and other appropriate tables.	LOCCS IDIS PAS HUDCAPS	CFO-AC	As needed
<u>Adjustments</u>	29.	Occasionally, HUD will identify the need for an adjustment. CFO-AC will record the adjustment in LOCCS. LOCCS information is transmitted to IDIS and PAS. PAS transmits these adjustment to HUDCAPS via the P2H interface for posting to general ledger and other appropriate tables	LOCCS IDIS PAS HUDCAPS	CFO-AC	As needed
<u>Month-end</u>	30.	Review payments in GOALS (Treasury system) to ensure that all payments in step above have been confirmed by Treasury in the month sent. If payments have not been confirmed, an “in-transit” entry is posted to HUDCAPS (only). This entry is reversed in the following month.	HUDCAPS	CFO-AC	Monthly
<u>Return of Payment</u>	31.	Occasionally, a return of payment occurs and a refund of the money from the grantee is requested by CPD. This can arise from monitoring, review IDIS data, etc.	IDIS	CPD Program staff	Occasionally (as needed)
	32.	Receivable is recorded in LOCCS. LOCCS notifies PAS and IDIS via interface.	LOCCS PAS IDIS	CFO-AC	Each business night
	33.	PAS, in turn, transmits these receivables to HUDCAPS via the P2H interface for posting to general ledger tables.	HUDCAPS PAS	System Generated	Each business night

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
<u>Collection</u>	34.	Collection is recorded in LOCCS. The collection will increase the unliquidated obligation balance of the grant in IDIS. LOCCS notifies IDIS and PAS via interface of collections. Note: some collections are not returned to the unliquidated obligation balance but are returned to Treasury due to program rules and regulations. The process for these collections are covered in the Miscellaneous funds business process.	LOCCS IDIS PAS	CFO-AC	Each business night
	35.	PAS, in turn, transmits these collections to HUDCAPS via the P2H interface for posting to general ledger and other appropriate (e.g., fund control, SF-224) tables.	PAS HUDCAPS	System Generated	Each business night
	36.	LOCCS, PAS, and IDIS update project records with the information. (In practice, the receivable and collection are often done simultaneously. There are also other receivables (e.g., audit findings) that are handled just like the past 3 steps. We did not spell out all receivables as they are handled the same way.	LOCCS PAS IDIS	System Generated	Each business night
<u>Deobligation</u>	37.	Deobligations are recorded in PAS. CPD program staff determines if deobligation is by: <ul style="list-style-type: none"> • Cancellation (occurs in same FY as original obligation) meaning that available funds remain available for future obligation in the program; Or: • Recapture (obligation occurs in prior fiscal year) meaning funds revert back to apportionment level and are not available until reapportioned. For unexpired appropriations, funding will eventually be made available in the current source year. <p>NOTE – For HOME Programs, IDIS may be manually updated with deobligation to prevent additional grantee drawdown. IDIS records the deobligation information prior to recording the actual deobligation in PAS.</p>	PAS IDIS	CPD program staff	Occasionally (as needed)
	38.	PAS notifies LOCCS via interface of the deobligation. LOCCS then notifies IDIS.	LOCCS, PAS, IDIS	System Generated	Each business night

2.0 Current System Summary

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
	39.	PAS notifies HUDCAPS via the P2H interface for posting to general ledger and fund control tables. HUDCAPS generates a series of system transactions moving funding to current source year for reapportionment.	PAS, HUDCAPS	System Generated	Each business night

Diagram Error! No text of specified style in document.-9 Grant Programs using IDIS Process



2.1.1.2.2 Grant Programs

The Grant Program business process explains the life cycle of both formula and competitive grants that use the Program Accounting System (PAS) and the Line of Credit Control System (LOCCS) and no other feeder systems. This is the life cycle of grants for all offices – Community Planning and Development (CPD), Public and Indian Housing (PIH), Office of Housing (OH), Policy Development and Research (PD&R), Fair Housing and Equal Opportunity (FHCO) and Healthy Homes and Lead Housing Control (HHLHC).

Table Error! No text of specified style in document.-10 Grant Programs

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
Presentation of the Presidents Budget	1. – 6.	Refer to Budget Formulation Process		OMB	Annually (may be revised during FY)
Continuing Resolution/Public Law	7.	Prepare apportionment/reapportionment schedule request for the applicable grant funds. This request is submitted to OMB.	SF-132	CFO and Program Area Budget staffs	Annually (will be revised during FY)
Receipt of OMB Approved SF-132	8.	Receive approved OMB SF-132	SF-132	OCFO	Annually (will be revised during FY)
	9.	Upon receipt of OMB approved SF-132, record appropriation enactment for the grant fund in HUDCAPS.	SF-132 HUDCAPS	OCFO	Annually (will be revised during FY)
	10.	Record apportionment line items and record resources in HUDCAPS.	SF-132 HUDCAPS	OCFO	Annually (will be revised during FY)
	11.	Prepare/approve allotment of funds (via HUD 158) to applicable assistant secretaries.	HUD-158	CFO and Program Area Budget staffs	Annually (will be revised during FY)
Approved HUD 158	12.	Record allotment of funds in HUDCAPS. Note: There is an external to core accounting, grant award process that could involve advertising in the Federal Register to start the competitive process. Other HUD grant programs will vary from this process.	HUD-158 HUDCAPS	CFO Budget Office	Annually (will be revised during FY)
	13.	Prepare suballotment of funds (B6) and prepare assignment of funds via HUD 185 (and as needed subassignment via HUD 185.1) Note: For some programs, this process does not take place until after award process is completed.	HUD 185 (and 185.1 as needed)	Program Area Budget Office	Annually (will be revised during FY)
Approved HUD 185 and (as	14.	Record the suballotment of funds (B6) and record the approved assignment of funds via HUD 185 (and as needed	HUD 185 (and 185.1 as needed)	Program Area Budget Office	Annually (will be revised during FY)

2.0 Current System Summary

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
needed 185.1)		sub-assignment via HUD 185.1)	HUDCAPS		
Approved HUD 185 and (as needed 185.1)	15.	HUDCAPS sends sub-assignment level information to PAS as funds available for commitment and obligation. (for fund control purposes). This is done via the HUDCAPS to PAS (H2P) interface.	HUDCAPS PAS	System Generated	Annually (will be revised during FY)
Selection of grantees-competitive process	16a.	Complete the selection of grantee process which is external to core accounting. Issue reservation to selected grantees on form HUD 718. Some HUD grant programs will vary from this process. Technical Assistance programs awarded through contracts will be processed in HPS.	Various HUD systems – e.g. SNAPS, HOPE3 and in some cases, manual processes	Program Area staff	Annually (as funding permits may be second round during FY)
Procurement	16b.	For some funds awarded through contracts, select a winning contract through the normal procurement process and process through HPS.	HPS	Program Area Staff	As needed
Approved HUD 718	17.	Record all reservations in PAS. For certain HUD programs, an electronic file is provided to OCFO and is uploaded to PAS.	PAS	CFO-AC OCFO	As needed
	18.	Reservations are sent to HUDCAPS by PAS via the P2H interface for posting to general ledger and fund control tables.	HUDCAPS PAS	System Generated	Each business night
Obligating document	19.	Winning grantees and HUD agree on and sign contract or grant agreement which represents an obligation to HUD.		Program Area Officials and Grantees	As needed
Obligating document	20.	Record vendor information for new winning grantees. This includes banking (ACH) information.	LOCCS	CFO-AC	As needed
Signed contract	21.	Record signed contracts in HPS. Record all signed contracts in PAS. PAS sends contract/obligation information via interface to LOCCS for use in controlling drawdowns.	PAS LOCCS HPS	CFO-AC System Generated	Each business night
	22.	PAS also sends contract/obligation information via the P2H interface to HUDCAPS for posting to general ledger and fund control tables.	PAS HUDCAPS	System generated	Each business night

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
Payment request	23.	Grantee submits request for payment through LOCCS. NOTE: Some requests require a GTR or program approval. For some programs, HUD may initiate a payment schedule and will record it in LOCCS. The payment schedule automatically generates appropriate (monthly, quarterly, semi-annually) payments to grantees. Occasionally, HUD may initiate manual payments in LOCCS.	LOCCS	Grantee	As needed
	24.	For certain programs, Housing authorities must report monthly obligations and expenditure information. The grantee will enter this information into LOCCS via eLOCCS. If the information is not entered by the monthly deadline, LOCCS will prevent grantee from obtaining funds. This is in accordance with program rules and regulations.	LOCCS eLOCCS	Grantee	Monthly
	25.	LOCCS performs edits and validation checks. LOCCS submits approved payments to Treasury in accordance with program rules. LOCCS notifies PAS via interface of payments sent to Treasury.	LOCCS PAS	System generated	As needed
FMS-145- Schedule of Cancelled EFTs	26.	PAS, in turn, transmits these payments (as confirmed by Treasury) to HUDCAPS via the P2H interface for posting to general ledger and other appropriate (e.g., fund control, SF-224) tables. LOCCS and PAS update project records with the payment information.	PAS HUDCAPS LOCCS	System Generated	As needed
	27.	Occasionally, Treasury rejects a payment and will issue an FMS 145 to HUD rejecting the payment. CFO-AC will post the FMS 145 reinstating the unliquidated obligation balance in LOCCS. LOCCS information is transmitted to PAS and PAS transmits these rejections via the P2H interface to HUDCAPS for posting to general ledger and other appropriate tables.	LOCCS PAS HUDCAPS	CFO-AC	As needed
Month-end	28.	Review payments in GOALS (Treasury system) to ensure that all payments in step above have been confirmed by Treasury in the month sent. If payments have not been confirmed, an “in-transit” entry is posted to HUDCAPS (only). This entry is reversed in the following month.	HUDCAPS	CFO-AC	Monthly

2.0 Current System Summary

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
Return of payment	29.	Occasionally, a return of payment occurs and a refund of the money from the grantee is requested by HUD. This can arise from monitoring, review LOCCS data, etc.		Program Area staff	Occasionally (as needed)
	30.	Receivable is recorded in LOCCS. LOCCS notifies PAS via interface.	LOCCS PAS	CFO-AC	Each business night
	31.	PAS, in turn, transmits these receivables to HUDCAPS via the P2H interface for posting to general ledger tables.	HUDCAPS PAS	System generated	Each business night
Collection	32.	Return of payment collection is recorded in LOCCS. LOCCS notifies PAS via interface of collections.	LOCCS PAS	CFO-AC	Each business night
	33.	PAS, in turn, transmits these collections to HUDCAPS via the P2H interface for posting to general ledger and other appropriate (e.g., fund control, SF-224) tables.	PAS HUDCAPS	System generated	Each business night
	34.	LOCCS, PAS update project records with the information. Note: (In practice, the receivable and collection are often done simultaneously. There are also other receivables (e.g., audit findings) that are handled just like the past 3 steps.	LOCCS PAS	System generated	Each business night
End of Contract/ Agreement	35.	At the end of a contract/grant agreement, HUD program staff will review LOCCS records and determine if all funds have been expended. If not, a deobligation will be processed. In some cases, there are audits, specific contract requirements or grant closeout procedures that must be followed.	LOCCS	Program Area staff	Occasionally (as needed)
Deobligation	36.	Deobligations are recorded in PAS. Program area staff determines if deobligation is a: <ul style="list-style-type: none"> • Cancellation (occurs in same FY as original obligation) - meaning that available funds remain available for future obligation in the program. Or • Recapture- (obligation occurs in prior fiscal years) - meaning funds revert back to apportionment level and are not available until reapportioned. For unexpired appropriations, funding will eventually be made available in the current source year. 	PAS	Program area staff	Occasionally (as needed)
	37.	LOCCS notifies PAS via interface of the deobligation.	LOCCS	System generated	Each business night

2.0 Current System Summary

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
	38.	PAS notifies HUDCAPS via the P2H interface for posting to general ledger and fund control tables. HUDCAPS generates a series of system transactions moving funding to current source year for reappropriation.	PAS HUDCAPS	System generated	Each business night

2.1.1.2.3 Housing Subsidies using TRACS

This process describes subsidy programs in the Office of Housing (OH) that provide low income tenants with affordable housing through subsidized rents. Determination of tenant eligibility and calculation of the subsidy amounts is processed in Tenant Rental Assistance Certification System (TRACS).

Table Error! No text of specified style in document.-11 Housing Subsidies using TRACS

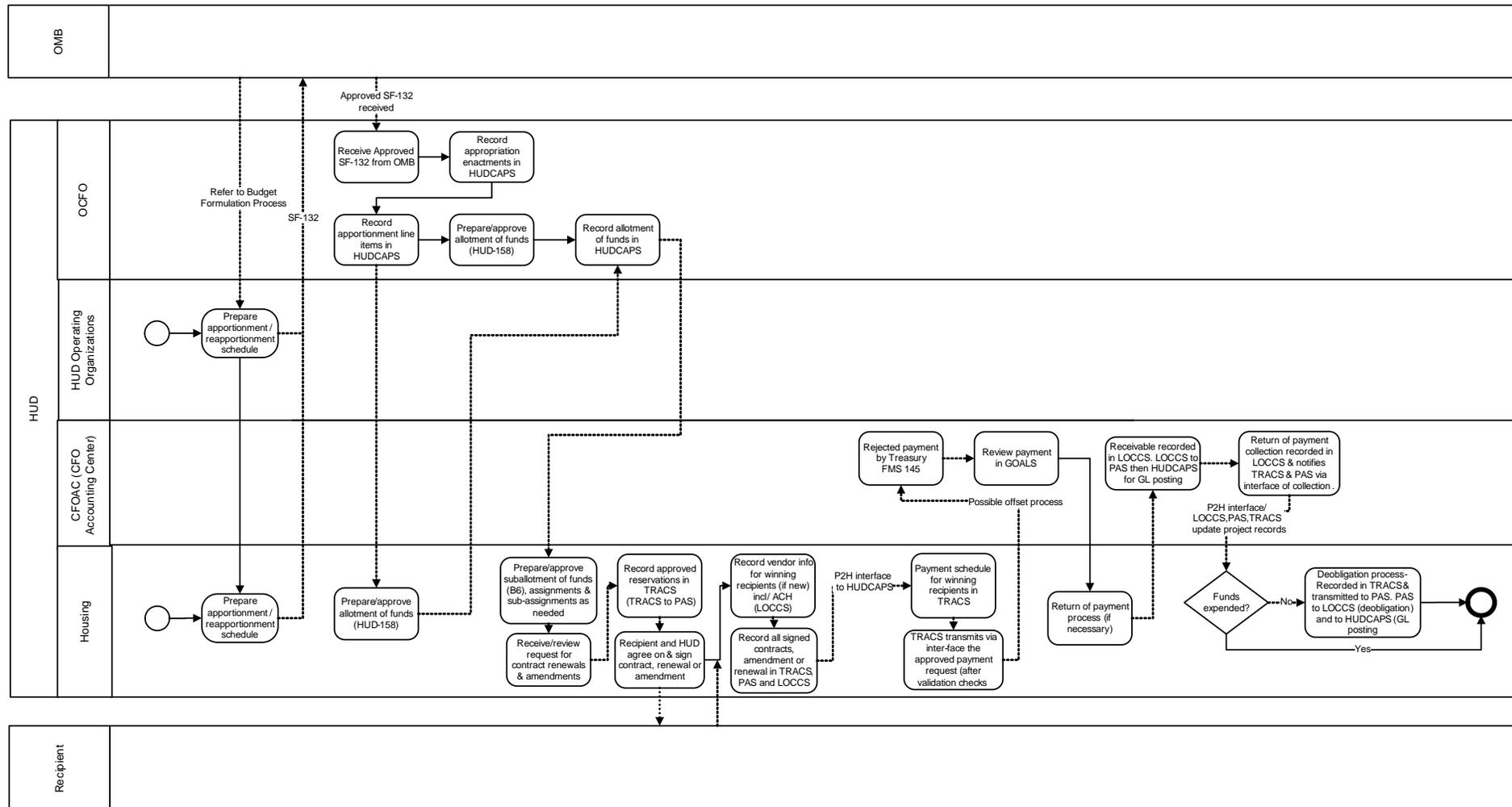
Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
Presentation of the Presidents Budget	1. – 6.	Refer to Budget Formulation process		OMB	Annually (may be revised during FY)
<u>Continuing Resolution/Public Law</u>	7.	Prepare apportionment/reapportionment schedule request for the applicable subsidy funds. This request is submitted to OMB.	SF-132	CFO and Housing Budget staffs	Annually (may be revised during FY)
<u>Receipt of OMB Approved SF-132</u>	8.	Receive Approved OMB SF-132	SF-132	OCFO	Annually (may be revised during FY)
	9.	Upon receipt of OMB approved SF-132, record appropriation enactment for the subsidy fund in HUDCAPS.	SF-132 HUDCAPS	OCFO	Annually (may be revised during FY)
	10.	Record apportionment line items and record resources in HUDCAPS.	SF-132 HUDCAPS		
	11.	Prepare/approve allotment of funds (via HUD 158) to Housing and other applicable secretaries.	HUD-158	CFO and Housing Budget Staffs	Annually (may be revised during FY)
<u>Approved HUD 158</u>	12.	Record allotment of funds in HUDCAPS.	HUD-158 HUDCAPS	CFO Budget Office	Annually (may be revised during FY)
	13.	Prepare suballotment of funds (B6) and prepare assignment of funds via HUD 185 (and as needed subassignment via HUD 185.1)	HUD 185 and 185.1	Housing Budget Office	As needed; will be at least once a year but likely several times.
<u>Approved HUD 185 and (as needed 185.1)</u>	14.	Record the suballotment of funds in HUDCAPS and record the approved assignment of funds via HUD 185 (and as needed subassignment via HUD 185.1)	HUD 185 and 185.1 HUDCAPS	Housing Budget Office	As needed; will be at least once a year but likely several times.

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
<u>Approved HUD 185 and (as needed 185.1) interface to PAS from HUDCAPS</u>	15.	HUDCAPS sends subassignment level information to PAS as funds available for commitment and obligation. (for fund control purposes). This is done via the HUDCAPS to PAS (H2P) interface.	HUDCAPS PAS	System Generated	Nightly
<u>Contract renewal/ amendments</u>	16.	Receive and review, according to program rules, requests for contracts renewals and amendments.	TRACS	Housing Program Area Staff	As needed
<u>Approved reservation</u>	17.	Record all approved reservations in TRACS. TRACS transmits the approved reservation which will be recorded in PAS.	TRACS PAS	Housing Program Area Staff	Nightly
	18.	Reservations are sent to HUDCAPS by PAS via the P2H interface for posting to general ledger and fund control tables.	HUDCAPS PAS	System Generated	Nightly
	19.	Recipients and HUD agree on and sign contract, renewal or amendment.		Housing Program Officials and Recipients	As needed
<u>Approved contract, amendment or renewal</u>	20.	Record vendor information for winning recipients (if new). This includes banking (ACH) information.	LOCCS TRACS	Housing	As needed
<u>Signed contract, amendment or renewal</u>	21.	Record all signed contracts in TRACS. TRACS sends contract/obligation information via interface to PAS and LOCCS for use in controlling drawdowns.	PAS LOCCS TRACS	Housing Program Area Staff System Generated	Nightly
	22.	PAS also sends contract/obligation information via the P2H interface to HUDCAPS for posting to general ledger and fund control tables.	PAS HUDCAPS	System Generated	Nightly
	23.	Payment schedule for winning recipients established in TRACS.	TRACS	Housing Program Area Staff	As needed
<u>Monthly payment schedule</u>	24.	TRACS transmits via interface the approved payment request for the month. LOCCS performs edits and validation checks.	PAS, TRACS, LOCCS	System generated	Monthly (semi-monthly if adjustments made)
	25.	LOCCS compares payments to list of projects for Section 202/Section 8 offset. If payments are on offset list, it is flagged for offset instead of payment by Treasury. (Note – If payment amount is larger than offset amount, it will be both). LOCCS notifies LAS of offset payments. LOCCS notifies TRACS and PAS via interface of offset payments.	LOCCS LAS PAS TRACS	System generated	Monthly

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
	26.	LOCCS submits approved payments to Treasury in accordance with program rules. LOCCS notifies TRACS and PAS via interface of payments sent to Treasury.	LOCCS PAS TRACS	System generated	Monthly
<u>Monthly payment schedule</u>	27.	PAS, in turn, transmits offsets and Treasury payments (as confirmed by Treasury) to HUDCAPS via the P2H interface for posting to general ledger and other appropriate (e.g., fund control, SF-224) tables. LOCCS, PAS and TRACS update project records with the payment information.	LOCCS PAS TRACS HUDCAPS	System generated	Monthly
<u>FMS-145-Schedule of cancelled EFTs</u>	28.	Occasionally, Treasury will reject a payment and will issue an FMS-145 to HUD. CFO-AC will post the FMS-145, reinstating the unliquidated balance in LOCCS. LOCCS information is transmitted to TRACS and PAS. PAS transmits these rejections to HUDCAPS via the P2H interface for posting to general ledger and other appropriate tables.	LOCCS PAS TRACS HUDCAPS	CFO-AC	As needed
<u>Month-end</u>	29.	Review payments in GOALS (Treasury system) to ensure that all payments in step above have been confirmed by Treasury in the month sent. If payments have not been confirmed, an “in-transit” entry is posted to HUDCAPS (only). This entry is reversed in the following month.	HUDCAPS	CFO-AC	Monthly
<u>Return of payment</u>	30.	Occasionally, return of payment occurs and a refund of the money from the recipient is requested by Housing Program Staff. This can arise from owner notification, monitoring, review TRACS data, etc. Housing Program Staff defines repayment with owner.	TRACS	Housing Program Area Staff	Occasionally (as needed)
	31.	Refund receivable is recorded in LOCCS by CFO-AC (with copy to original field office staff). LOCCS notifies PAS via interface. PAS, in turn, transmits these receivables to HUDCAPS via the P2H interface for posting to general ledger tables.	LOCCS PAS HUDCAPS	CFO-AC	Occasionally (as needed)
<u>Collection</u>	32.	Receivable collection is recorded in LOCCS. LOCCS notifies TRACS and PAS via interface of collections.	LOCCS PAS TRACS	CFO-AC	Occasionally (as needed)
	33.	PAS, in turn, transmits these collections to HUDCAPS via the P2H interface for posting to general ledger and other appropriate (e.g., fund control, SF-224) tables.	PAS HUDCAPS	System generated	Occasionally (as needed)

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
	34.	LOCCS, PAS, and TRACS update project records with the information. Note: In practice, the receivable and collection are often done simultaneously. There are also other receivables (e.g., audit findings) that are handled just like the past 3 steps.	LOCCS PAS TRACS	System generated	Occasionally (as needed)
<u>End of contract</u>	35.	At the end of the contract, Housing program staff will review LOCCS and TRACS records and determine if all funds have been expended. If not, a deobligation will be processed.	TRACS LOCCS	Housing Program Area Staff	Occasionally (as needed)
<u>Deobligation</u>	36.	Deobligations are recorded in TRACS and transmitted to PAS. Housing program staff determines if deobligation is a: <ul style="list-style-type: none"> • Cancellation (occurs in same FY as original obligation) - meaning that available funds remain available for future obligation in the program. Or • Recapture – (obligation occurs in prior fiscal year) - meaning funds revert back to apportionment level and are not available until reapportioned. For unexpired appropriations, funding will eventually be made available in the current source year. 	PAS, TRACS	Housing Program Staff	Occasionally (as needed)
	37.	PAS notifies LOCCS via interface of the deobligation.	LOCCS PAS	System generated	Nightly
	38.	PAS notifies HUDCAPS via the P2H interface for posting to general ledger and fund control tables. HUDCAPS generates a series of system transactions moving funding to current source year for reapportionment.	PAS HUDCAPS	System generated	Nightly

Diagram Error! No text of specified style in document.-11 Housing Subsidies using TRACS Process



2.1.1.2.4 Section 235 and 236 Subsidy Programs

Section 235, Section 236 Rental Assistance Program (RAP), and 236 Interest Reduction Program (IRP) in the Office of Housing are subsidy programs designed to increase affordable housing ownership for low income persons by subsidizing mortgage payments. These programs currently receive no new funding; however, they do receive an SF-132 each year.

Table Error! No text of specified style in document.-12 Section 235 and 236 Subsidy Programs

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
<u>Preparation of the Presidents Budget</u>	1. – 6.	See Budget Formulation Process		OMB	Annually
<u>Continuing Resolution/Public Law</u>	7.	Prepare apportionment/reapportionment schedule request for the applicable subsidy funds. This request is submitted to OMB.	SF-132	CFO, Housing and Budget staffs	Annually (may be revised during FY)
<u>Receipt of OMB Approved SF-132</u>	8.	Receive Approved OMB SF-132	SF-132	OCFO	Annually (may be revised during FY)
	9.	Upon receipt of OMB approved SF-132, record apportionment line items and record resources in HUDCAPS.	SF-132 HUDCAPS-GL Only	OCFO	Annually (may be revised during FY)
	10.	Prepare/approve allotment of funds (via HUD 158) to Housing, and applicable assistant secretaries.	HUD-158	CFO, Housing and Budget staffs	Annually (may be revised during FY)
<u>Approved HUD 158</u>	11.	Record allotment of funds in HUDCAPS.	HUD-158 HUDCAPS-GL Only	OCFO	Annually (may be revised during FY)
	12.	Recipients submit request for payment to HUD.		Recipients	As needed
<u>Section 235 Payment Request</u>	13.	If request is for Section 235, OCFO enters the payment request into SAVE.	SAVE	OCFO	As needed
	14.	SAVE performs limited edit checks. SAVE transmits via interface approved payment request to LOCCS. SAVE adds banking information.	SAVE LOCCS	System generated	As needed

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
	15.	LOCCS submits approved payments to Treasury in accordance with program rules. Note: A few Section 235 properties are held by FHA. In these cases, OCFO issues an IPAC instead of requesting payment from Treasury.	LOCCS	System generated	As needed
	16.	After Treasury confirmation, OCFO records payment in HUDCAPS for posting to general ledger and other appropriate tables.	HUDCAPS	System generated	As needed
<u>Section 236 IRP Payment Request</u>	17.	If request is for Section 236 IRP, OCFO manually reviews payment request. If request is valid, OCFO issues a manual SF-1166 requesting payment by Treasury. Note: A few Section 236 IRP properties are held by FHA. In these cases, OCFO issues an IPAC instead of requesting payment from Treasury.		OCFO	As needed
	18.	After Treasury confirmation, OCFO records payment in HUDCAPS for posting to general ledger and other appropriate tables.	HUDCAPS	OCFO	As needed
<u>Section 236 RAP Payments</u>	19.	Section 236 RAP payments are process in TRACS on a monthly schedule. TRACS transmits via monthly interface the approved Section 236 RAP payment requests to LOCCS	TRACS LOCCS	System generated	Monthly
	20.	LOCCS performs edits/validation checks. LOCCS submits approved payments to Treasury in accordance with program rules. LOCCS notifies TRACS and PAS via interface of payments sent to Treasury.	LOCCS PAS TRACS	System generated	Monthly
	21.	PAS transmits these payments (as confirmed by Treasury) to HUDCAPS via the P2H interface for posting to general ledger and other appropriate (e.g. SF-224) tables. LOCCS, PAS and TRACS update project records with the payment information.	PAS HUDCAPS LOCCS TRACS	System generated	Monthly
<u>FMS-145-Schedule of cancelled EFTs</u>	22.	Occasionally, Treasury will reject a payment and will issue an FMS-145 to HUD. OCFO will post the FMS-145, reinstating the unliquidated balance in LOCCS. LOCCS information is transmitted to PAS. PAS transmits these rejections to HUDCAPS via the P2H interface for posting to general ledger and other appropriate tables. This applies to Section 235 only.	LOCCS PAS HUDCAPS	OCFO	As needed

Trigger	Activity Step No.	Activity Description	Source/ Systems	Performed By	Frequency
<u>Month-end</u>	23.	Review payments in GOALS (Treasury system) to ensure that all payments in step above have been confirmed by Treasury in the month sent. If payments have not been confirmed, an “in-transit” entry is posted to HUDCAPS (only). This entry is reversed in the following month.	HUDCAPS-GL Only	OCFO	Monthly
<u>Return of payment</u>	24.	Occasionally, a return of payment occurs and a refund of the money from the recipient is requested by HUD. This can arise from monitoring, review of LOCCS data, tenant ineligibility, etc.	LOCCS	Housing Program Area staff	As needed
	25.	Receivable is recorded in LOCCS. LOCCS notifies PAS via interface of receivables. PAS, in turn, transmits these receivables to HUDCAPS via the P2H interface for posting to general ledger tables.	LOCCS PAS HUDCAPS-GL Only	OCFO	As needed
<u>Collection</u>	26.	Collection of receivable is recorded in LOCCS. LOCCS notifies PAS via interface of collections. PAS, in turn, transmits these collections to HUDCAPS via the P2H interface for posting to general ledger and other appropriate (e.g. SF-224) tables. LOCCS and PAS update the project records with the information.	LOCCS PAS HUDCAPS	OCFO	As needed
<u>Termination of Subsidy</u>	27.	After the subsidy is terminated, Housing program staff will review LOCCS records and determine if all funds have been expended. If not, a deobligation will be processed. Note: A subsidy can terminate at the end of a contract, agreement, at the end of a mortgage or the sale of the associated property.	LOCCS	Housing Program Area staff	As needed
<u>Deobligation</u>	28.	Deobligations (recaptures) are recorded in HUDCAPS which then posts it to general ledger.	HUDCAPS-GL Only	OCFO	As needed
<u>Annual review of obligated balance- Section 235</u>	29.	Once per year, review general ledger obligated and expended balances and compare with FHA 235 Active Report. If unliquidated obligation balance appears to be in excess of the estimated amount required for the run-out period, withdraw the excess. Record general ledger adjustments in HUDCAPS.	HUDCAPS-GL Only	OCFO	Annually

