Subject: Financial Reporting Requirements for the Housing Choice Voucher and Mainstream Voucher Program Submitted through the Financial Assessment Subsystem for Public Housing (FASS-PH) and the Voucher Management System (VMS).

1. Purpose.

The Uniform Financial Reporting Standards (UFRS), at 24 C.F.R. § 5.801, require Public Housing Agencies (PHAs), as defined under 24 C.F.R. § 982.4 that administer the Housing Choice Voucher (HCV) Program, including the Mainstream Vouchers, to submit financial information to the Department of Housing and Urban Development (HUD) electronically. PHAs, are required by regulation to submit their fiscal year end (FYE) financial information to HUD through the Financial Assessment Subsystem for Public Housing (FASS-PH), and to submit certain leasing and cost data through the Voucher Management System (VMS).

This notice clarifies the financial reporting requirements including CARES Act funding and expands on the FASS-PH submission deadlines incorporating consistent administrative actions for noncompliance circumstances for those PHAs that administer the HCV and the HCV-related programs listed in Section 10 of this Notice.

2. Background.

Under UFRS, PHAs are required to submit their financial data electronically in a manner prescribed by HUD. PHAs administering the HCV Program must submit their Annual Financial Statements through FASS-PH and their monthly voucher leasing and cost data through VMS. Failure to do so by the deadlines required by HUD may result in penalties and administrative sanctions, including a reduction to a PHA’s monthly administrative fees in accordance with 24 CFR § 982.152, as per Section 11 of this Notice.
3. **Program and “Entity-wide” Reporting Requirements.**

Pursuant to the Code of Federal Regulations (CFR), Title 2, Subtitle A, Chapter II, Part 200, Subpart F; *Audit Requirements*, non-Federal entities that expend $750,000 or more during the non-Federal entity’s fiscal year in Federal awards must have a single or program-specific audit conducted for that year. Reporting is done in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB)\(^1\). All PHAs report the results of their audits electronically through HUD’s FASS-PH system.

FASS-PH system user guidance and Financial Data Schedule (FDS) reporting guidance can be found at: https://www.hud.gov/program_offices/public_indian_housing/reac/products/prodpha

The FASS-PH system was developed under an “entity-wide” concept; that is, PHAs report all the programs and activities that are administered by the PHA\(^2\). Under this concept, HUD is generally able to obtain a higher level of assurance on the accuracy of the financial data as the financial data is directly comparable to the audit required under Code of Federal Regulations (CFR), Title 2, Subtitle A, Chapter II, Part 200, Subpart F; *Audit Requirements*.

However, for a number of PHAs, referred heretofore as Section 8-Only PHAs, which only administer HCV Programs, but not Public Housing-Low-Rent Programs, the current “entity-wide” reporting requirement is not practical and does not provide HUD the usual level of assurance. Therefore, alternate procedures for reporting into FASS-PH will be used for these PHAs. Regardless of the information submitted to HUD under UFRS for this monitoring purpose, Section 8-Only PHAs remain subject to the audit and filing requirements under the Code of Federal Regulations (CFR), Title 2, Subtitle A, Chapter II, Part 200, Subpart F; *Audit Requirements*, where applicable.

FASS-PH reporting requirements under UFRS for Section 8-Only PHAs

- **Section 8-Only PHAs that are a Stand-Alone Reporting Entity (Primary Government):** For those Section 8-Only PHAs that are defined by GASB-14 as a primary government, component unit or nonprofit agency that will have its own financial audit, the PHA will report all of its financial activities (entity-wide).

- **Section 8-Only PHAs that are part of a Nonprofit Agency or Non-General-purpose Government:** For Section 8-Only PHAs that are organized as part of a nonprofit agency that is mostly non-housing related or part of a larger non-general-purpose governmental agency (such as a state housing finance agency or state development authority), the PHA must report only the HCV and HCV-related programs as listed in Section 10 of this notice and other UFRS required programs. **This only applies to non-profits or non-general-purpose governmental agencies** whose HCV and related activities (including housing assistance payments) constitute less than 50% of that entity’s activities. Activity is defined for this purpose as total operational expense and capitalized costs incurred during the current reporting period.

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\(^1\) Some PHAs will report using GAAP as promulgated by the Financial Accounting Standards Board (FASB) (e.g., non-profits). While the remainder of this notice will reference GAAP as prescribed by GASB, for those PHAs that report under FASB, these PHAs must continue to report using the appropriate FASB standards.

\(^2\) This includes other federal (non-HUD), state, local and private non-federal activities recorded in a PHA’s financial statements.

\(^3\) Reporting is completed electronically through HUD’s Financial Assessment Subsystem for Public Housing (FASS-PH).
- **Section 8-Only PHAs that are part of a Larger General-Purpose Government:**
  For those Section 8-Only PHAs that are part of a larger general-purpose (e.g., program, division, or department within a municipality or state), the PHA will report only the HCV, and HCV-related programs. HCV-related programs are more fully detailed in Section 10 of this notice. If the general-purpose government (GPG) declares the HCV-related programs a major “enterprise” fund, then full accrual accounting is used. Full accrual accounting provides more data than if the GPG reports the program under modified accrual where long term assets and liabilities are not reported. Further, the auditor must provide a separate opinion on that fund, providing HUD a higher level of assurance that the amounts are correct. Therefore, HUD recommends that GPGs declare the HCV and HCV-related program as a major “enterprise” fund.

  For those HCV-related programs that are accounted for as part of a general-purpose government’s General or Special Revenue fund(s), the entity may submit to FASS--PH using modified accrual.

4. **Financial and Compliance Procedures.**

For those general-purpose governments that have not declared their HCV related programs as a major fund for financial statement purposes or as a major enterprise fund under Code of Federal Regulations (CFR), Title 2, Subtitle A, Chapter II, Part 200, Subpart F; Audit Requirements, the audit obtained may not be sufficient for HUD to properly monitor its financial and compliance interest in these entities.

Therefore, for HUD to obtain an acceptable level of assurance, these PHAs may be directed to procure Independent Public Accountant (IPA) services for financial and compliance procedures as specified by the Department under A-133 Compliance Supplement. This additional work is normally completed as part of the audit and is specifically known as “Auditor Agreed Upon Procedures”. Annually, these PHAs must contact the PIH Office of Housing Voucher Programs (OHVP), Financial Management Division (FMD) at PIH.Financial.Management.Division@hud.gov in order to confirm whether the PHA must procure an IPA service. If the PIH OHVP, FMD determines that IPA services must be performed, the Department will provide set-aside funding, if available, to reimburse the agency for any additional audit costs unless sufficient Unrestricted Net Position (UNP) exists, in which case these funds may be used for the special purpose audit cost.

5. **Financial Data Schedule (FDS) as Supplementary Information.**

HUD requires that the FDS be issued as supplementary information to the financial statements, including assets, liabilities and net position, revenue, expenses, and other financing sources, which is normally presented as part of the entity’s annual financial report, but may be issued separately, and reported on by the auditor, regardless of whether the FDS is entity-wide. The FDS operates as a trial period balance of the financial statements, currently arranged by program and Assistance Listings. If the supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, the auditor would express no “in relation to” opinion on this schedule; notwithstanding, the report and FDS must still be issued as supplementary information. However, HUD may reject the FDS submission if the FDS was not subject to auditing procedures.

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4 GAAP requires that activities reported under the General Fund or a Special Revenue Fund must be reported using the modified accrual basis of accounting. Modified accrual accounting is an accounting method that differs from full accrual accounting but is the required method under GAAP when PHAs report the HCV activity as part of the General Fund or a Special Revenue Fund. This only clarifies and reiterates HUD’s position that a PHA must report using GAAP

5 See Statement on Auditing Standards (SAS) No. 119, Supplementary Information in Relation to the Financial Statements as a Whole.
6. **Fiscal Year End Reporting.**

PHAs are required to submit financial statements to FASS-PH based on their FYE date as recorded in the Public and Indian Housing Information Center (PIC). The FYE date in PIC should match the FYE date in FASS-PH.

However, some Section 8-Only PHAs that are part of a larger government or non-profit have FYE dates that are different from their PIC FYE date. Therefore, these PHAs must report to FASS-PH based on the larger government’s or non-profit’s FYE date rather than the date recorded in PIC. Those PHAs that report to FASS-PH based on the larger governments or non-profit’s FYE date rather than the date recorded in PIC must take the following steps to correct the disparity:

A. **Updates to Match PHA and Government/Non-Profit FYEs.** Immediately request an update to its HCV FYE in PIC to coincide with that of the primary government or nonprofit agency. If the PHA does not request such an update, HUD may update PIC on its own schedule. The PHA must contact the Real Estate Assessment Center (REAC) at REACSection8Assessment@hud.gov to notify FASS-PH of its intent to update its FYE and then follow the instructions in PIH Notice 2002-18 that provides the steps necessary to complete a FYE update in PIC or to notify FASS-PH of its intent to complete the additional financial and compliance procedures as outlined by the Department.

B. **Timing of Unaudited and Audited Financials.** Until the update in PIC is complete, the PHA shall file its unaudited submission based on its current PIC FYE. To fulfill the audited submission as required under UFRS, the PHA may request a waiver for additional time to coincide its audit submission with that of the primary government, or the PHA will need to procure IPA services for financial and compliance procedures as outlined by the Department (auditor agreed upon procedures) if the PHA’s HCV-related programs are over the Code of Federal Regulations (CFR), Title 2, Subtitle A, Chapter II, Part 200, Subpart F; Audit Requirements thresholds. PHAs must first contact the FMD at PIH.Financial.Management.Division@hud.gov to determine the appropriate reporting mechanism. If the need to procure IPA services is approved, the Department will reimburse the agency for this additional cost subject to funding availability.

C. **Alternatives to Updating FYEs.** In lieu of updating their FYEs, PHAs may elect to procure IPA services to conduct and complete financial and compliance procedures, as specified by the Department, on their HCV-related programs, based on their current recorded FYEs in PIC and FASS PH. PHAs that elect this method, do not need to contact HUD but are required to submit their information based on their FYE as reported in PIC and FASS PH. The additional cost will not be reimbursed by the Department.

**Exception:** If the FYE of the primary government does not end on a quarter, the PHA must not change its FYE and may need to procure IPA services for financial and compliance procedures.

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6 This notice is an indefinite notice that has no expiration date.
compliance procedures as outlined by the Department (auditor agreed upon procedures). PHAs must first contact the FMD at PIH.Financial.Management.Division@hud.gov in order to receive confirmation this work is required. If the need to procure IPA services is required, the Department may reimburse the agency for this additional cost subject to funding availability.

7. **FDS Submission Deadlines.**

For completeness, FDS submission deadlines are discussed for Section 8-Only PHAs, as well as combined and Low-Rent only PHAs. The following guidance is in the Interim PHAS rule (24 CFR Parts 901, 902 and 907) and the UFRS Rule, 24 CFR Part 5 et al.

Unaudited submissions are due no later than 2 months after the PHA’s FYE; for those entities required to have or elect to have an audit, the audited submissions are due 9 months after the PHA’s FYE. PHAs are required to submit their financial information through the FASS-PH system.

The table below illustrates the PHA FYEs and associated dates that the annual unaudited and audited submissions are due unless an extension or waiver request is approved.

<table>
<thead>
<tr>
<th>Fiscal Year End</th>
<th>12/31</th>
<th>3/31</th>
<th>6/30</th>
<th>9/30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unaudited Submission</td>
<td>2/2</td>
<td>5/31</td>
<td>8/31</td>
<td>11/30</td>
</tr>
<tr>
<td>Audited Submission</td>
<td>9/30</td>
<td>12/31</td>
<td>3/31</td>
<td>6/30</td>
</tr>
</tbody>
</table>

A. **Public Housing Program and Public Housing Assessment System (PHAS).**

PHAs that manage the public housing program in addition to the HCV Program receive an assessment under PHAS and a late financial submission will result in late penalty points assessed on the unaudited submission. Unless an extension or waiver request is approved, if either the unaudited or audited submissions are not received by HUD according to the schedule provided below, the PHA will eventually receive a late presumptive failure (LPF). (See Section 8: FASS Extension and Waiver Requests of this Notice).

- For the unaudited submission, HUD will deduct 1 point from a PHA’s FASS score for every 15 days the submission is late with a maximum late penalty deduction of 5 points. The first point would be deducted on the 16th day after the submission is due. If the unaudited submission is not received within 3 months after the PHA’s submission due date (i.e. otherwise stated, 5 months after the PHA’s FYE with no extension granted) the PHA will receive a Late Presumptive Failure (LPF) and a FASS score of zero.

  *Note:* If an unaudited submission was submitted and subsequently rejected after the due date, the PHA has 15 days from the date of rejection to resubmit the unaudited submission without penalty.

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1 In leap years the submission due date is 02/29
For the audited submission, the submission is considered late if the submission is not received within 9 months after the PHA’s FYE (assuming no waiver was granted) and the PHA will receive a Late Presumptive Failure (LPF) and a FASS score of zero.

**Note:** If the PHA submits the audited submission before the 9 months due date and if the submission is rejected, the PHA has 15 days from the rejection date to re-submit the information without receiving an LPF.

A PHA that receives an LPF is still required to submit the unaudited and if applicable, the audited financial information to HUD.

B. **Housing Choice Voucher (HCV) Program.** Similar unaudited and audited submission (if applicable) deadlines apply to PHAs that manage the HCV Program (either as a Section 8-Only PHA or a Combined PHA that manages both the Public Housing-Low Rent and HCV Programs), according to the schedule provided below unless an extension or waiver request is approved.

- The unaudited submission is considered late if the submission is not received within 3 months after the PHA’s submission due date.

- The audited submission is considered late if the submission is not received within 9 months after the PHA’s FYE.

A PHA with a late unaudited and/or audited submission, including any approved extension or waiver requests, may be subjected to the administrative sanctions described in **Section 11: Non-Compliance and Administrative Sanctions**, of this Notice. Furthermore, Section 8-Only PHAs that submit their unaudited and/or audited submission late, will also receive a Failure to Submit (FTS) indicator in the FASS system.

A PHA that receives an FTS designation is still required to submit the unaudited and if applicable, the audited financial information to HUD.

8. **FASS Waiver and Extension Requests.**

The following guidance can be found in the Interim PHAS rule (24 CFR Parts 901, 902 and 907). This guidance also applies to Section 8-Only PHAs.

PHAs that need extra time to make their submissions may request an extension or waiver from HUD. Requests for both extensions and waivers must be made prior to the respective due dates. Approval of either the extension or waiver defers the normal due date of the financial submission.

The PHA’s justification to request an extension or waiver request must be objectively verifiable as to why the PHA cannot submit by the submission due date. For example, the PHA may need to provide insurance claim documentation which showed that the PHA experienced significant destruction to the PHA’s central office, computer systems and accounting records, thereby impeding the PHA’s ability to
submit data on time.

If an extension or waiver is not granted and the unaudited and/or audited submission is considered late, HUD may take such actions as described in Section 11 of this Notice.

A. **Extension Requests.** An extension request is used by a PHA to request additional time to submit the PHA’s unaudited submission. The unaudited submission is due to HUD within 2 months after the PHA’s FYE and any extension request must be received by HUD 15 days prior to the submission due date. For example, a PHA with a June 30 year end must submit to HUD an extension request no later than August 16 because the unaudited submission is due to HUD by August 31.

The PHA request, as well as HUD’s decision to grant an extension, is performed electronically on-line through a link in the Integrated Assessment Subsystem (NASS) system. Paper, fax, or phone requests will not be accepted.

To request an extension, PHAs should log into the Integrated Assessment Subsystem (NASS) at least 15-days prior to the reporting deadline. The PHA will select the “Administrative” link, then select extension request. The PHA will then enter the PHA code and the FYE. The PHA must then provide the information requested, including the number of days requested for the extension, and the explanation of the circumstances surrounding the need for an extension.

PIH’s REAC is responsible for processing, approving and/or denying all extension requests. HUD’s disposition of the request and the length of the extension will be reflected in the system once HUD has made its determination. The PHA may also periodically check the link to find the status of its request.

B. **Waiver Requests.** A waiver request to the Financial Reporting Requirements Notice is used to request additional time to submit the PHA’s audited submission. The audited submission is due to HUD no later than 9 months after the PHA’s FYE. A waiver request must be received by the HUD local field office at least 30 days prior to the submission due date (i.e., within 9 months after a PHA’s FYE). For example, a PHA with a June 30th year end must submit to HUD a waiver request no later than March 1st because the audited submission is due to HUD by March 31st. However, it is highly recommended that PHAs mail their requests for waiver 60 days prior to the audited submission due date.

The PHA must submit a hard copy of the request to HUD that conforms to the requirements outlined below. **Note:** The waiver procedures described below do not apply to PHAs in Presidentially declared disaster areas during a HUD-stipulated time frame for regulatory relief as described in Notice PIH 2018-16 Regulatory Waivers.

- There must be a written request (i.e., letter) to HUD to waive the audited
submission date, along with an explanation of the circumstances surrounding the need for additional time.

- Documentation that supports the circumstances surrounding the waiver request must be included. If the PHA is requesting additional time to submit the audited submission because of an Independent Public Accountant’s (IPA) inability to complete the audit on time, the PHA must submit a copy of the engagement letter documenting when the auditor was hired and the scheduled completion time of the audit.

- The request and supporting documentation must be mailed to the PHA’s assigned Field Office Public Housing representative.

The Field Office enters the request into SharePoint, adds a recommendation and forwards the request to HUD headquarters. Based on a review of the request, PIH REAC will provide a recommendation to the Assistant Secretary of PIH on whether to approve or deny a waiver request and is responsible for the processing of all waiver requests. However, the Assistant Secretary of PIH will make the determination on whether to approve or deny the waiver request.

A waiver of the due date for the PHA’s audited submission to HUD does not relieve the PHA of its responsibility to submit its audited information to the Federal Audit Clearinghouse no later than 9 months after the PHA’s FYE.

9. **Voucher Management System (VMS) Submissions.**

PHAs are required to transmit certain leasing and cost data electronically through VMS. The Department uses VMS data for budget formulation, cash management, monitoring, determining renewal funding levels, and funding-related factors under the Section Eight Management Assessment Program (SEMAP). Therefore, it is imperative that PHAs comply with reporting requirements and timelines for reporting through VMS, ensuring that the information submitted is both timely and accurate. The data submitted in VMS is subject to verification and review by the Financial Management Center (FMC) Financial Analysts, and the Housing Voucher Quality Assurance Division (QAD).

PHAs are required to submit leasing and cost data in VMS on a monthly basis; each month’s data is submitted during the subsequent month. VMS is available for regular submissions from the 4th through the 22nd of each month. Adjustments to a previously reported month’s VMS data may be entered at any time by utilizing the Prior Month Correction (PMC) module. Additional information may be found in the VMS User’s Manual, https://www.hud.gov/sites/documents/INSTRUCTIONS.PDF, including use of the system, prior month corrections, viewing data and generating reports.

VMS data reporting is time sensitive, and requests to extend submission deadlines will not be considered. However, PHAs that are not able to meet reporting deadlines due to circumstances beyond their control must notify the PIH Office of Housing Voucher Programs, FMC at Financial.Management.Center@hud.gov. PHAs that do not submit
the required data by the reporting deadline may be subject to a withholding or offset of administrative fees as described in Section 11 of this Notice.

10. **Programs to be Reported on the FDS**

As noted in Section 3 of this Notice, PHAs that are stand-alone reporting entities will report all their financial activity to HUD. For those entities not required to provide entity-wide financial information, the following table provides the HCV and HCV-related programs that must be reported as a separate column on the FDS, if the PHA administers the program.

<table>
<thead>
<tr>
<th>#</th>
<th>Program Name</th>
<th>Assistance Listings Number (for FDS Reporting)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Housing Choice Voucher Program</td>
<td>14.871</td>
</tr>
<tr>
<td></td>
<td><strong>Other HUD Programs</strong></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Shelter Plus Care</td>
<td>14.238</td>
</tr>
<tr>
<td>3</td>
<td>Section 8 Moderate Rehabilitation Single Room Occupancy</td>
<td>14.249</td>
</tr>
<tr>
<td>4</td>
<td>Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation</td>
<td>14.856</td>
</tr>
<tr>
<td>5</td>
<td>Mainstream Vouchers</td>
<td>14.879</td>
</tr>
<tr>
<td>6</td>
<td>Moving-to-Work Program</td>
<td>14.881</td>
</tr>
<tr>
<td>7</td>
<td>FSS Program Coordinator Grant Program</td>
<td>14.896</td>
</tr>
<tr>
<td>8</td>
<td>Central Office Cost Center</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td><strong>Disaster Programs</strong></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Disaster Housing Assistance Program (DHAP)</td>
<td>97.109</td>
</tr>
<tr>
<td>10</td>
<td>Disaster Housing Assistance Program – Sandy (DHAP-Sandy)</td>
<td>97.109</td>
</tr>
<tr>
<td>11</td>
<td>Disaster Housing Assistance Program – Ike (DHAP-Ike)</td>
<td>14.IKE</td>
</tr>
</tbody>
</table>

The list of Disaster Housing Assistance programs is as of the date of this notice, however, PHAs are required to provide financial information on their FDS for all such programs (i.e., future disaster HAP programs). CARES Act funding associated with Housing Choice Voucher Program (14.871), Lower Income Housing Assistance Program Section 8 Moderate Rehabilitation (14.856), Mainstream Vouchers (14.879), the Moving-to-Work Program(14.881) and the Central Office Cost Center should also be reported on the FDS under 14.HCC, 14.MSC, 14.MRC, and 14.CMT and 14.CCC as per in PIH Notice 2020-24.

11. **Non-Compliance and Administrative Fee Sanctions.**

A PHA that fails to meet the financial reporting requirements for their unaudited and/or audited submissions and receives a Late Presumptive Failure (LPF) or Failure to Submit (FTS) designation in accordance with Sections 7 and 8 of this Notice, will have their Section 8 Management Assessment Program (SEMAP) designation reduced by one level per Title 24 C.F.R. § 5.801(d) and 2 C.F.R § 200.338(f). In addition, PHAs that remain delinquent in submitting their unaudited or audited submissions after initial notification of non-compliance may also be subject to other sanctions, including but not limited to a permanent reduction or offset of administrative fees in an amount to be determined by HUD.
Title 24 C.F.R. § 982.152(d) provides that HUD may reduce or offset any administrative fee to the PHA, in the amount determined by HUD, if the PHA fails to perform PHA administrative responsibilities correctly or adequately under the program (for example, reporting noncompliance and/or VMS non-submission). Administrative fee sanctions are considered permanent, meaning once a reduction of ongoing administrative fees earned has been imposed, the amount of fees withheld while the sanction is in place, will not be restored to the PHA at a later date. However, upon lifting this sanction, the PHA will again be entitled to receive actual administrative fees earned (subject to pro-ration) from that point forward.

A. Initial Notification. If a PHA fails to submit the unaudited submission within 5 months after the PHA’s FYE, or the audited submission within 9 months after the PHA’s FYE, the PHA may receive a letter, “Notification of Non-Compliance - Failure to Meet Financial Reporting Requirements”. This initial notification letter (“Notification of Non-Compliance - Failure to Meet Financial Reporting Requirements”) informs the PHA that the PHA’s SEMAP designation will be reduced by one level and the PHA has 30 calendar days from notification to submit the required financial statements otherwise HUD will take further action to permanently reduce or offset the PHA’s administrative fees.

B. Note: This initial notification letter is separate from the Late Presumptive Failure (LPF) or Failure to Submit (FTS) letter issued by REAC that is described in Section 7 of this Notice. That is, PHAs that receive an LPF based on the PHA’s unaudited and/or audited submission would continue to receive a FASS score of zero even if the PHA submits its financial information. Similarly, a Section 8 only PHA’s designation of FTS in the FASS system would not be changed even if the PHA subsequently submits its financial information.

C. Final Notification. If the PHA fails to submit the unaudited or audited submission within 30 days of initial notification of a PHA’s Failure to Meet Financial Reporting Requirements, HUD will send a second, final letter stating that HUD will begin to impose the SEMAP penalty and administrative sanctions provided in the initial notification letter.

D. Appeal of SEMAP Penalty and/or Administrative Sanctions. A PHA has 15 calendar days from receipt of the initial notification to appeal the imposition of the SEMAP penalty and administrative sanctions before final notification. If an appeal is denied, HUD may begin to impose administrative fee sanctions after 30 Calendar Days of Initial Notification of the PHA’s failure to submit, unless the PHA successfully appeals, or applies for a waiver or extension within such time. If an appeal is denied, the administrative fee sanction will be effective the first day of the following month for which administrative fees have not yet been disbursed.

Additional Administrative Sanctions. PHAs that remain delinquent in submitting their unaudited or audited submissions may also be subject to a wide array of other sanctions authorized by law, subject to the discretion of the Secretary, including a determination of default of the PHA’s Annual Contributions Contract (ACC).
12. **Paperwork Reduction Act.**

The information collection requirements contained in this Notice have been approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. §§ 3501-3520) and have been assigned the following OMB control numbers - Voucher Management System: 2577-0169; Financial Assessment Subsystem: 2535-0107. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.

Should you have any questions regarding this notice or the FASS and/or VMS Reporting requirements, please contact your REAC or FMC Financial Analysts, or you can also email the FMD at PIH.Financial.Management.Division@hud.gov

/s/
R. Hunter Kurtz
Assistant Secretary for Public and Indian Housing