CARES Act Reporting
Answers to Frequently Asked Questions (FAQs) for Public Housing Agencies (PHAs)

Office of Public and Indian Housing, Real Estate Assessment Center (PIH-REAC)
Version 2
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1.0 Introduction

HUD issued PIH Notice 2020-24 on September 14, 2020. This notice provides guidance on CARES Act quarterly reporting and PHA year-end Financial Data Schedule (FDS) reporting for PHAs, including reporting for Moving to Work (MTW) PHAs and PHAs with a Central Office Cost Center (COCC). The notice also provides information on other topics related to the implementation of CARES Act supplemental funds for PHAs.

HUD initially held two webinars for PHAs to discuss the notice – September 15, 2020 and October 1, 2020. From these two webinars, HUD provided responses to participant questions and issued a response to the questions on October 23, 2020. On December 10, 2020 HUD held another webinar on CARES Act reporting. A number of participant questions were generated from this webinar also. The frequently asked questions (FAQs) provided in this document are from the questions provided by participants from all three webinars. New question and responses in this version are marked as “(New)”.

HUD will periodically update this document to respond to additional questions on CARES Act quarterly and FDS reporting that has been submitted to FASS-PH, the HUD field offices, or online or via a call to REAC’s Technical Assistance Center (https://www.hud.gov/program_offices/public_indian_housing/reac/support/tac).

Note: This document provides responses to questions on CARES Act quarterly and FDS reporting. There is a separate FAQ document (COVID-19 related FAQs for PHAs) that is available on PIH’s COVID-19 Resources website at https://www.hud.gov/program_offices/public_indian_housing/covid_19_resources.
2.0 Financial Data Schedule (FDS) and Quarterly Reporting
The questions and responses below pertains to both FDS and Quarterly Reporting of CARES Act funds and non-CARES Act funds used for COVID-19 activities.

2.1 COVID-19 Activities (CV)

CV1. Can we just report under “Responding to COVID-19” and not distinguish between the three categories – Prevent, Prepare for, and Respond to COVID-19 because the distinction is unclear?

Answer: For HUD reporting (both for FDS and Quarterly reporting), HUD does not ask for any type of break or distinction between the three categories. Stated differently, PHAs are only required to report the aggregate amount spent on responding to, preparing for, and prevention of COVID-19.

CV2. The example provided in HUD’s webinar shows a breakdown of 'normal' vs. ‘increased’ costs. Will PHAs be required to separately report ‘normal’ and ‘increased’ costs in the FDS?

Answer: For HUD reporting (both for FDS and Quarterly reporting), HUD is not asking for any break or distinction between 'normal' vs. 'increased' costs. The example was to show that a PHA may capture ‘normal’ and ‘increased’ costs separately in their accounting system. However, for HUD reporting, normal and increased costs would be added together and reported as one amount in the appropriate FDS line item.
3.0 Financial Data Schedule (FDS) Reporting
The questions and responses below only relate to FDS reporting of CARES Act funds and non-CARES Act funds used for COVID-19 activities.

3.1 General (GF)

GF1. The income statement example in Appendix 2: Example FDS Reporting of 14.HCC of PIH Notice 2020-24 refers to Note 1.

<table>
<thead>
<tr>
<th>INCOME STATEMENT</th>
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<tbody>
<tr>
<td>HUD Operating Grants - Admin, Fees</td>
</tr>
<tr>
<td>HUD Operating Grants - HAP Funding</td>
</tr>
<tr>
<td>HUD Operating Grants</td>
</tr>
<tr>
<td>HCV Program 14.871</td>
</tr>
<tr>
<td>HCV CARES Act Funding 14.HCC</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

The note states that “Due to system limitations and unlike the HCV program column on the FDS, 14.HCC will not have detail FDS line items that separates HUD funding available for administrative fees versus HAP”. However, when I go to enter my HUD funding in the HCV CARES Act Funding column, the system shows the normal detail link for the HCV program. **Should I enter the detailed HAP and administrative fee revenue?**

**Answer:** The detail link to FDS Line 70600 “HUD Operating Grants” has been added to both the HCV and Mainstream CARES Act columns (14.HCC and 14.MSC). Initially, HUD thought that a system code release is required to add the detail links. However, FASS-PH is now able to provide the links without a system release.

The screen shot below shows the detail link. For CARES Act reporting, line items 70600-030 through 70600-060 are not applicable. Same as normal reporting, PHAs will need to submit a short comment in 70600-070, such as “See PIH Notices”, etc.

<table>
<thead>
<tr>
<th>Line Item 70600 Details</th>
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<tbody>
<tr>
<td>Line Item #</td>
</tr>
<tr>
<td>*70600-010</td>
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<tr>
<td>*70600-020</td>
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<td>*70600-060</td>
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<td>70600-070</td>
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Total Amount $0
The language in Section 9 of PIH Notice 2020-24 as well as the table 9.1 shows that the fee revenue FDS lines will be available in the CARES Act COCC column (14.CCC). However, these FDS line items are not available to me when I add the CARES Act COCC column. How do I generate the fee revenue lines?

**Answer:** FASS-PH’s initial assessment indicated that FDS line 70710, 70720 and 70730 would be available in CARES Act COCC Column. However, it was determined that a system code release would be necessary to make these line items available in the 14.CCC column. Since the fee revenue line items will not be available, for FDS reporting purposes PHAs are instructed to report their CARES Act “COCC Fees In Excess of the Safe Harbor Amounts” in FDS line 71500 “Other Revenue” in the FDS 14.CCC column.

The fee expense lines (FDS lines 91300, 91310, and 92000) will still be available in the CARES Act award columns, such as 14.HCC and 14.PHC, and should be used to report fee expenses as described in PIH Notice 2020-24. The fee expenses (FDS line 91300, 91310, and 92000) and the fee revenue reported in 71500 “Other Revenue” should be eliminated at the entity-wide level.

**GF3. Will the FDS have separate lines for to Prevent, Prepare for, and Respond to COVID-19?**

**Answer:** No, for FDS reporting all costs related to COVID-19 are reported together in the 92100 to 92500 FDS line items with no distinction between the three categories.

**GF4. HUD showed that normal wage expenses would be reported under the 14.PHC column. Should only the excess expenses (i.e., overtime & hazard pay) incurred due to COVID-19 be reported in the 14.PHC column?**

**Answer:** No, PHAs are allowed to use their CARES Act Operating Funds to pay for normal operating cost (i.e., costs that did not increase due to COVID-19) so all wages (i.e., regular wages, overtime, and hazard pay) would be reported under 14.PHC if paid from CARES Act Operating Funds.

With respect to the eligible uses of CARES Act Operating Funds, a PHA can think of these funds as typical operating subsidy a PHA would have received in any non-COVID year but the funds also have expanded eligible uses. That is, CARES Act Operating Funds can be used for: 1) to prevent, prepare for, and respond to COVID-19, and 2) any Capital Fund eligible purpose).
Similarly, CARES Act HCV and Mainstream administrative fees can be used for COVID-19 activities and those eligible activities funded with non-CARES Act HCV and Mainstream administrative fees.

**GF5. The examples assume that only CARES Act funds were used for "COVID-19" expenses. It is possible to have a net loss in the CARES Act - FDS COVID columns if non-CARES Act funds were used, correct?**

**Answer:** From an accounting standpoint, the PHA would have an operating loss, when COVID related costs were paid from the non-CARES Act funds, as the COVID cost is required to be reported in the CARES Act column. However, if the PHA uses non-CARES Act funds, the PHA is required to transfer the non-CARES Act funds into the CARES Act column, which ultimately offsets the net operating loss.

**GF6. For future years we will continue to have balances on the balance sheet. Will those always remain under the new CARES Act columns ?**

**Answer:** There should be very limited balance sheet activity in the CARES Act columns as any capital asset purchased with CARES Act funds are required to be transferred to the non-CARES program, such as the project or the HCV program.

Also, the accounting for CARES Act funds is the same accounting as that for a reimbursable grant, which will result in zero net position / equity. Finally, any unused CARES Act will need to be returned to HUD if not spent by 12/31/2021.

Therefore, there should be no balance sheet activity reported once the PHAs spends all their CARES Act funds or after 12/31/2021.

**GF7. What FDS line item would be used to report COVID-19 grants received from the State or other Federal agencies?**

**Answer:** The COVID-19 grants is recorded in FDS line 70600, 70610 or 780000 depending on the type of grant and the grantor. Funds received from the state would be reported under the State and Local column on FDS. Funds received from other Federal agencies would be reported under the CFDA number. PHAs should include a comment indicating the COVID-19 grant name and amount for the FASS-PH reviewer.

**GF8. If we use the CARES Act Operating Funds to pay for "normal" operations, do we use the FDS equity transfer accounts to transfer the CARES Act funds to the project columns on the FDS?**

**Answer:** With the exception of the purchase of capital assets, all expenses paid from CARES Act Operating Funds are reported in the 14.PHC column and not transferred / comingled with project reporting. PHA will recognize the additional Operating Funds as revenue when an eligible cost is incurred.
GF9. In the presentation HUD stated that all COVID-19 related expenses should be reported on 92000 Tenant Services but in HUD’s example, a maintenance contract was reported under the maintenance contract line. How do we know which COVID expenses to report on those lines? Maintenance contracts are separate so what about PPE supplies that are purchased?

**Answer:** In PIH Notice 2020-07 and 2020-18, HUD provides examples and a list of eligible COVID-19 related costs, which should be reported in FDS line 92100 thru 92500. If the PHA has spent funds on these items /activities, then the PHA should report the costs as a COVID-19 cost. For example, a PPE purchase for maintenance staff is reported as a COVID-19 cost (in the tenant services lines of the FDS). However, if the purchase was for plumbing services, the PHA would report the cost as a maintenance contract.

GF10. Are all COVID-19 related costs reported in 92100 (Tenant Services – Salaries) thru 92500 (Total Tenant Services) and all other uses of the CARES Act funds reported in their regular FDS account lines? Is that correct?

**Answer:** Yes, that is correct. The 92100 thru 92500 lines should account for COVID-19 related costs. Any non-COVID-19 related expenses are reported in their regular FDS lines.

Note: All capital expenses are reported as an equity transfer out.

GF11. I thought salaries paid from CARES Act funds were reported in the 92400 Tenant Services Salaries lines instead of as administrative salaries. Can you please clarify?

**Answer:** All COVID-19 related costs should be reported in the 92100 (Tenant Services – Salaries) thru 92500 (Total Tenant Services). PIH Notice 2020-18, Section 4 under the CARES Act specifies eligible activities for preparing, preventing, and responding to COVID-19 and provides a list of COVID-19 related costs.

GF12. For HCV CARES Act administrative fee funding, PIH Notice 2020-24 shows that all expenses should be reported under 92500 sub-categories, but the Notice also says PHAs should use expense lines 91100 to 97800. These two statements contradict each other. Should we use normal reporting lines or tenant services lines only?

**Answer:** PIH Notice 2020-18, Section 4 under the CARES Act provides that supplemental administrative fee funding may be use for two purposes: (1) any current eligible Housing Choice Vouchers (including Mainstream vouchers) administrative costs during the period the program is impacted by COVID-19 and (2) new COVID-19 related activities.

Only the new COVID-19 related activities will be reported in the 92500 sub-categories. Any non-COVID-19 related expenses (i.e., current eligible HCV administrative costs) are reported in their regular FDS lines within the CARES Act column (i.e., 14.HCC).

Note: All capital expenses are reported as an equity transfer out.
GF13. Our PHA thought that both notices state that CARES Act funds for Public Housing and HCV Administrative Fees could be used for any normal operating expense. Has HUD reversed course on this position? (New)

Answer: No, HUD’s position continues to be that CARES Act Public Housing and HCV funds can be used for normal operating expenses. To be clear, PIH Notice 2020-07 (Public Housing) and PIH Notice 2020-18 (HCV Administrative Fees) permit CARES Act funds to be used for COVID-19 expenses and normal operating expenses. PIH Notice 2020-24 provides information on how PHAs should report CARES Act funds used for COVID-19 expenses and normal operating expenses on the PHA’s year-end FDS reporting.

GF14. Are CARES Act funds used for operations considered a COVID cost? (New)

Answer: CARES Act funds can be used to pay for operations and to prepare for, prevent and respond to COVID-19. Per PIH Notice 2020-07 and 2020-18, when CARES Act funds are used for operations; these costs should not be reported as a COVID cost. COVID costs are the cost the PHA incurred to specifically prepare for, prevent and respond to COVID-19 and PHAs are required to report COVID costs funded with CARES Act funds and non-CARES Act funds separately from their operational costs. In other words, HUD is trying to understand and report on how much of the PHA’s CARES Act funds were used to prepare for, prevent and respond to COVID-19 and how much was used to support operations.

GF15. Once our PHA has expended all our CARES funds should we continue to track COVID expenses? For example, we are still purchasing PPE supplies and sanitizing services even though we have spent all our funds. (New)

Answer: Yes, the PHA should continue to track COVID expenses paid from non-CARES Act funds. PIH Notice 2020-24, Section 18 references the OMB regulation at 2 CFR 200.333 which provides general record retention requirements. OMB requires that records pertinent to a Federal award be retained for a period of at least three years from the date of submission of the final expenditure report. In addition, PIH notice 2020-24 requires the reporting of COVID expenses from non-CARES Act funds and not all funds that a PHA may have available to them allow for COVID expenses to be charged against those funding sources.

GF16. My PHA is a 9/30/2020 FYE. We do not see a separate column for CARES Act reporting. Where should I report CARES Act funds? (New)

Answer: Six new columns were added to the Financial Data Schedule (FDS) to account for the CARES Act funds that were made available to PHAs. Table 5.1 on pages 5-6 of PIH Notice 2020-24 lists the six new columns that were established. Appendix 1 (page 29) of PIH Notice 2020-24 provides PHAs with instructions on how to add a new FDS column to the FDS.

GF17. If all CARES Act funds are expensed for regular operating expenses and all funds are used by 12/31/2020, would there only be entries into the respective 91100 thru 97800 FDS line items and then 70600? Also, what if you spent additional funds for COVID-19 expenses, would you then report that in 92100 thru 92500? Would there be a transfer in/out then? (New)
**Answer:** Yes, a PHA would report regular operating expense in the respective CARES Act column which were paid from CARES Act funds (FDS line 91100 thru 97800). All COVID-19 expenses will be reported in FDS line 92100 thru 92500, regardless of the funding source. If your PHA spent additional (i.e., non-CARES Act funds) on COVID-19 costs, the expense would still be reported in FDS line 92100 thru 92500 under the respective CARES Act column and the PHA would report a matching transfer in.

**GF18.** Our PHA used all our PH CARES fund long before we had any actual CARES expenses. We had to have two contamination cleanings after the funds were expended. How should our PHA report the expenses associated with the two contamination cleanings? Do we need to report those expenses differently than we normally would? *(New)*

**Answer:** See response to question GF17 in this section.

### 3.2 Central Office Cost Center (CC)

**CC1.** Can fees above the safe harbor rates paid to the COCC from the Capital Fund program be used to pay for day-to-day operations of the COCC?

**Answer:** Yes, but remember that when using the safe harbor fees provision to pay for day-to-day operations of the COCC (i.e., normal operating costs that have not increased), regardless of the funding source (e.g., CFP, PH CARES Act, etc.), the PHA must show that the use of this provision is a result of a reduction of COCC fees income due to COVID-19. *(See PIH Notice 2020-24, Section 8).*

**CC2.** Can you explain the safe harbor amounts and how we discover what those amounts are?

If a PHA administers their programs under HUD’s asset management model with a Central Office Cost Center (COCC), the PHA funds its overhead costs by charging its project and programs different fees allowed by HUD. Under this model, the PHA will not allocate their overhead costs.

Under the COCC concept, HUD provides the maximum fee rate that can be charged by the PHA and how the fee is earned. This information is published on HUD’s website in the Public Housing Management Fee Schedules and in Chapter 7 of the Supplement to HUD Handbook, 7451.1 Rev, CHG-1, Financial Management Handbook (April 15, 2007). The handbook can be accessed at the following link:


The term “safe harbor” means that as long the PHA uses a fee rate at or below the maximum that HUD has allowed, the fee rate charged is considered reasonable and eligible.
CC3. I was confused by the "Safe Harbor" and COCC portion of the presentation. Our Agency uses an approved indirect cost rate. Does "Safe Harbor" and COCC apply to us, as well or was that portion of the presentation only for organizations that have a COCC?

**Answer:** COCC is an abbreviation for “Central Office Cost Center.” PHAs that meet specific requirements must administer the public housing program using HUD’s asset management model with a COCC. The “Safe Harbor and COCC” portion of the presentation only applies to PHAs that are using HUD’s asset management model with a COCC.

CC4. Table 9.1 (FDS Reporting for COCC Funds in Excess of Safe Harbor Amount) in PIH Notice 2020-24 does not show the offsets to balance the equation. Would HUD please provide?

**Answer:** PIH Notice 2020-24 Table 9.1, page 14 illustrates FDS Reporting for fee revenue and expense for COCC funds above the safe harbor amount. Fees (management fee, bookkeeping fee, or asset management fee) above the safe harbor amounts transferred to the COCC are reported as an expense in the CARES Act supplemental funding columns. The COCC CARES Act column reports the amounts as fee income. The fee expenses and fee income are eliminated at the entity-wide FDS level. The COCC column would report expenses equal to fee revenue (not shown in table 9.1), which would balance the equation.

CC5. Can HUD clarify the FDS line that should be used to report the Management Fee Revenue for the COCC CARES Act? Should we report using FDS Line 70750 – Other Fees or FDS Line 70710 – Management Fee? (New)

**Answer:** PHAs should report Management Fee revenue for the COCC paid from CARES Act funds in column 14.CCC (COCC CARES Act). Due to system limitations, typical fee revenue lines, such as 70710 – Management Fees or 70750 – Other Fees are not available under 14.CCC. Therefore, PHAs are instructed to report all fee revenue paid from CARES Act funds under FDS line 71500 – Other Revenue in 14.CCC. The fee expense and fee revenue would need to be eliminated.

CC6. Can HUD clarify if the COCC can record the incremental safe harbor fees for asset management fees if a project has no prior year excess cash? (New)

**Answer:** Section 4 of PIH Notice 2020-07 states that “During the Period of Performance, HUD is waiving the requirement in 24 CFR 990.280(b)(5) to have excess cash before charging an asset management fee to the projects in the PHA fiscal year that is current as of the date of this Notice”. This language allows a PHA project that has no excess cash to be charged an asset management fee.

Fees in excess of safe harbor amounts transferred to the COCC should be reported as a management fee, bookkeeping fee and/or asset management fee expense from the CARES Act supplemental funding columns such as 14.PHC – Public Housing CARES Act Funding and into 14.CCC – COCC CARES Act Funding.
3.3 Public Housing (PH)

PH1. For equity transfers in the Public Housing program, should the memorandum accounts reflect the purchase of capital assets from CARES Act funds?

Answer: When reporting the transfer of the capital asset to the public housing project on the FDS, the PHA should also report the amount in the capital asset memorandum accounts of the low rent column (FDS line 11610 – 11660).

PH2. For FDS reporting, how should equipment paid from CARES Act Operating Funds that will depreciate be reported? (New)

Answer: Supplemental Operating Funds used for capital activity will be reported as an equity transfer out of 14.PHC to the project(s) who retains ownership of the capital asset. Once the asset is placed into service, the PHA should transfer the asset to the project and record any related depreciation expense within the project and not in 14.PHC – Public Housing CARES Act Funding.

PH3. How do we report the CFP additional 5% CFP administrative expenses/COCC revenue allowed under CARES act? (New)

Answer: Capital Fund Program management fees in excess of the safe harbor transferred to the COCC should be reported as a capital fund management fee in the Capital Fund column of the “Other Project”. The receipt of the Capital Fund management fees on FDS line 71500 – Other Revenue would be reported in the COCC COVID-19 column (14.CCC) and would be eliminated at the entity wide level as normal.

3.4 Housing Choice Voucher (HCV) Program

HCV1. PIH notices state that CARES funding cannot be used to increase a PHA’s unrestricted net position. But in the PIH notices, HUD also states CARES Act funding can be used for regular operating expenses. If a PHA uses CARES Act funds to cover its HCV payroll, the PHA would be increasing the revenue in the program from Non-CARES Act funds which increases the net income and therefore increases a PHA’s net position. Is this allowed?

Answer: The PIH Notices is making a distinction between CARES Act and Non-CARES Act funds and a PHA’s unrestricted net position. The PIH Notices states that CARES Act funds cannot be used to increase a PHA’s Public Housing program’s reserves or a HCV program’s administrative fee reserves (i.e., unrestricted net position).

For Public Housing, the CARES Act funds are held by HUD until the PHA has an eligible use for the funds. The PHA is then permitted to draw down the CARES Act funds which the PHA must use to liquidate the liability immediately. When used in this manner, CARES Act funds would not increase public housing reserves. Similarly, HCV CARES Act administrative fees
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remain unearned, until the PHA has an eligible cost which the PHA will liquidate using CARES Act funds.

However, as presented in the example, HUD does permit CARES Act funds to be used for payroll. Non-CARES Act funds that are now available (because the funds are not used to cover HCV payroll), would increase a PHA’s administrative fees reserves.

**HCV2. Can HUD elaborate on the reporting requirements for CARES Act Administrative Fee funding? (New)**

**Answer:** PIH Notice 2020-18 states that CARES Act supplemental administrative fee funds may be used to maintain normal operations (i.e., any current eligible HCV (including Mainstream vouchers) administrative cost during the program remains impacted by COVID-19 and to prevent, prepare for, and respond to COVID-19. The new COVID-19 related activities will be reported in the 92500 sub-categories within the CARES Act column (i.e. 14HCC). Any non-COVID-19 related expenses (i.e. HCV administrative costs) are reported in their normal; FDS lines within the CARES Act column (i.e. 14HCC).

**HCV3. Is the CFDA number for CARES Act Administrative Fees the same as the CFDA number (14.871) used for regular HCV Administrative Fees funding? (New)**

**Answer:** HUD did not establish new CFDA numbers for CARES Act funds. However, six new columns were added to the FDS to account for CARES Act funds. For CARES Act Administrative Fees, PHAs will need to report using the new FDS column, 14.HCC. As a reminder, both CARES Act Administrative Fee and HAP funds are reported in 14.HCC. Similarly, CARES Act Mainstream funding (both HAP and Administrative Fee) should be reported using the new FDS column, 14.MSC. Table 5.1 on pages 5-6 of PIH Notice 2020-24 lists the six new columns that were established for CARES Act FDS reporting. Reporting guidance as it relates to OMB’s Schedule of Expenditure of Federal Awards is available in PIH Notice 2020-24, Section 12.

**HCV4. Is the CFDA number for CARES Act HCV HAP funds the same as the CFDA number (14.871) used for regular HCV HAP funding? (New)**

**Answer:** See response to Question HCV3 in this section.

### 3.5 FDS Submission Due Dates (DD)

**DD1. The FDS changes provided in PIH Notice 2020-24 was issued on September 14, 2020. For June 30 year-end PHAs, is the FDS still due on 10/30/2020?**

**Answer:** Yes, the due date for June 30, 2020 unaudited submissions remain October 30, 2020. PHAs are expected to report their CARES Act funds as described in PIH Notice 2020-24.
DD2. Has HUD extended the unaudited FDS submission due date for PHAs with a 9/30/2020 FYE by 6 months, to 03/31/2021?

**Answer:** PIH Notice 2020-16 did not provide a six-month extension of the unaudited submission due date for PHAs with a 9/30/2020 FYE. PHAs with a 9/30/2020 FYE are required to submit their unaudited submission within two months of their FYE, by November 30, 2020. If the PHA’s unaudited submission is received after December 15, 2020, late penalties may be assessed. (New)

DD3. Our PHA is a 3/31/2020 FYE, it is our understanding that the Audited FDS submission is due 6/30/2021. However, our auditor is concerned because the Federal Clearinghouse still shows that the audited submission is due to the Clearinghouse by 12/31/2020. Will the Federal Clearinghouse also provide a similar 6-month extension of the audited submission due date to 6/30/2021. (New)

**Answer:** HUD recognizes that there currently is a disconnect between the HUD-provided extension for the audited submission due date for PHAs with a 3/31/2020 FYE and the Federal Clearinghouse due date. However, HUD does not have the statutory authority to waive or extend the Federal Audit Clearinghouse reporting requirements.

DD4. The due date for the 6/30/2020 FYE submission was extended by 60 days. Is the submission due date for the 9/30/2020 FYE PHAs also similarly extended by 60 days? (New)

**Answer:** See response to Question DD2 in this section.
4.0 Quarterly Reporting
The questions and responses below only relate to FDS reporting of CARES Act funds and non-CARES Act funds used for COVID-19 activities.

4.1 General (GQ)

GQ1. Are PHAs required to resubmit 1st Quarter expenses that have already been submitted using the new FDS designations for COCC, etc.?

Answer: Quarterly reporting requirements are separate from FDS reporting requirements. Once the quarterly reporting portal is available, HUD will provide PHAs with training on how to report in the portal and reporting for prior quarters.

GQ2. How were component unit funds determined? We did not receive funds for our component units. Is it too late to apply for funds?

Answer: The CARES Act requires quarterly reporting where the PHA has received more than $150,000 in CARES Act funds. The slide from the presentation illustrated that for quarterly reporting purposes, a PHA should exclude from the $150,000 reporting threshold, any CARES Act funds that are provided to a PHA’s component units (blended or discrete).

The slide was not meant to imply that a PHA’s component unit could apply for or would receive CARES Act funds.

GQ3. What is the status of the quarterly reporting requirements? The last update indicated that the quarterly reporting was due October 10th but there has been no system established for PHAs to report the information. (New)

Answer: HUD will still be providing PHAs with a web-based reporting portal for CARES Act funding for PHAs and HUD to meet quarterly reporting requirements. Testing of the portal is in the initial phases and HUD expects that the portal first will be available for PHAs to report in March / April 2021.

GQ4. How does a PHA get access to the Quarter Reporting portal? (New)

Answer: At this time, the CARES Act Quarterly Reporting portal is not available and therefore PHAs cannot access the site. HUD will provide instructions to PHAs on how to access and use the portal once the portal is ready to be released.

GQ5. Regarding the quarterly reporting, will all PHAs have to report or only those receiving $150,000 or more in CARES Act funding? (New)

Answer: As discussed in section 17 of PIH Notice 2020-24, CARES Act quarterly reporting is only required for PHAs that were awarded over $150,000 in CARES Act funds from all sources.
GQ6. If a PHA received two CARES Act awards and each was less than $150,000, but the aggregate is greater than $150,000, will the PHA need to provide the Quarterly Reporting? (New)

**Answer:** Yes, the PHA will need to report. For PHAs, HUD has defined the $150,000 threshold to be calculated at the entity-wide level. That is, the PHA should include all HUD (i.e., HUD - PIH and HUD non-PIH CARES Act awards) and non-HUD (i.e., other federal agencies) CARES Act awards, if any, in this determination. Once the aggregate of individual CARES Act supplemental funding awarded to a PHA is over $150,000, the PHA is required to provide quarterly reporting on each CARES Act grant, regardless of the individual award amount and amount spent. (Also refer to PIH Notice 2020-24, section 17).

GQ7. Will PHAs be required to report past quarters, prior to April, in the Quarterly Reporting portal? (New)

**Answer:** PHAs will need to report on past quarters once the Quarterly Reporting portal is implemented. HUD is still determining how and when past quarters will be reported by PHAs. This topic will be fully addressed in HUD’s forthcoming training and reporting guidance on the portal.

GQ8. If my PHA’s fiscal year end is June 30, could we wait until then to report my PHA’s CARES Act costs that happened between July 1, 2020 and June 30, 2021? Or should my PHA report as soon as the portal is available for those prior periods? (New)

**Answer:** See response to Question GQ7 of this section.


**Answer:** “COVID-19 Supp” means costs incurred for the preparing for, preventing and responding to COVID-19 that were paid from CARES Act funds. “COVID-19 Non-Supp” refers to costs incurred for preparing for, preventing and responding to COVID-19 that were paid from non-CARES Act funds.

For example, assume a PHA incurred costs of $5,000 for personal protective equipment for the public housing program that was paid from operating reserves and then the PHA incurred additional costs of $7,000 for personal protective equipment that was paid from CARES Act Operating Funds. For quarterly reporting, the PHA would report $5,000 as COVID-19 Non-Supp and $7,000 as COVID-19 Supp.

GQ10. Do PHAs have to report CARES Act/COVID HAP in the portal? (New)

**Answer:** Yes, if the PHA received $150,000 or more in CARES Act funds from all sources, the PHA will need to report in the Quarterly Reporting portal, including the reporting on the use of any CARES Act HAP funds awarded.
GQ11. Initial guidance has indicated that in addition to the amount expended, the PHA would need to report out on the amount obligated, the name of the project or activity, description of project or activity, benefits, and number of jobs created. In the example on the Quarterly Reporting Portal, we only saw a dropdown for “Activity Purpose”. Where would other information such as “jobs created” be reported? (New)

Answer: HUD is trying to limit the amount of reporting PHAs will be required to complete. Where HUD has the data already in its system of records, HUD’s goal is to use the available data to meet the requirements on behalf of the PHA. For example, HUD knows how much of HUD CARES Act funds were obligated to a PHA for its programs. With respect to benefits and number of jobs created, HUD is checking whether this information may be available from the U.S. Department of Labor. Depending on how the data elements are defined, HUD may be able to capture this data in the Quarterly Reporting portal without PHAs having to submit this data to HUD. Forthcoming training and guidance on quarterly reporting will provide more information on the data that PHAs will be required to provide.
5.0 Housing Choice Voucher (HCV) and Voucher Management System (VMS) Reporting

The questions and responses below pertain to both financial management of CARES Act funds for the HCV and Mainstream program and VMS Reporting.

5.1 Housing Choice Voucher – Housing Assistance Payment Funds (HH)

HH1. Did all voucher programs receive CARES Act HAP? (New)

Answer: No. Only PHAs that applied for CARES Act Supplemental HAP per the guidance established in PIH Notice 2020-17 CARES Act - Housing Choice Voucher (HCV) Program Housing Assistance Payments (HAP) Supplemental Funding issued on July 31, 2020 and were subsequently approved for supplemental CARES Act HAP funding received the CARES Act HAP.

HH2. Will there be another round of CARES Act HAP allocation? (New)

Answer: All $400 million of the CARES Act Supplemental HAP has been awarded per the requirements of PIH Notice 2020-17. PHAs were notified of the closing of the application period on January 7, 2021.

HH3. I do not see that we received CARES HAP funds. I am assuming you do not get the additional funds unless you use it, correct? (New)

Answer: Your PHA would have only received supplemental CARES Act HAP funding if it applied for and determined eligible for the funding per the requirements of PIH Notice 2020-17.

HH4. When should we have received these HAP funds? Would they come separate from the regular funds? (New)

Answer: If your PHA applied for and was awarded supplemental CARES Act HAP per PIH Notice 2020-17, PIH would have informed your PHA of the award in writing. Awards were made on a rolling basis and funds were disbursed separately from your PHA’s typical monthly HAP disbursement.

HH5. Will CARES HAP funds reduce my PHA’s CY2021 HCV renewal funding? (New)

Answer: PIH will follow the congressional requirements for determining PHA renewal funding awards and will publish the requirements for these awards as established by Congress in the Annual HCV Program Implementation Notice.
HH6. You stated we should use the November HAP money received and use it for the December HAP. Then how do we handle the December HAP funds? Will HUD adjust future disbursements and reserve amounts? (New)

Answer: CARES Act Supplemental HAP funds have a defined period of availability, HUD advises PHAs to expend these supplemental HAP funds prior to non-CARES Act HAP funds to prevent having to return funds at the end of the period availability. As usual, the PHA will report any unspent HAP reported as of December 31, 2020 as RNP in their books, and HUD will transition such funds to the PHA’s HUD-held reserves.

HH7. If we receive the additional CARES HAP in December, can we retro-actively apply/use it for prior months' HAP, for example, April - November when HAP cost increased? (New)

Answer: Yes, supplemental CARES Act HAP can be used for prior months' increased HAP expenditures.

HH8. We received CARES Act HAP for 8 additional Mainstream Non-Elderly Disabled (MNED) vouchers. None of the new MNED vouchers have been issued because our initial increment is being filled first. We believe that we cannot spend the CARES Act HAP we received for the additional 8 MNED vouchers for regular vouchers, correct? (New)

Answer: That is correct, CARES Act authorized additional Mainstream vouchers NED awards. Mainstream HAP funds awarded for these vouchers must be used only for the issuance of those vouchers and cannot be use for regular vouchers HAP.

5.2 Voucher Management System Reporting (V)

V1. For CARES HAP, do we have to know each participant the HAP was spent towards, or just by VMS month? (New)

Answer: For CARES Act supplemental HAP awarded to the PHA, the PHA is required to report any of those funds spent in its normal monthly VMS reporting using the appropriate HAP expenditure field. Per PIH Notice 2020-24, PHAs will also need to report HAP expenditures quarterly in the CARES Act Reporting portal being developed by HUD's Chief Financial Officer and report on these expenses on its annual Financial Data Schedule (FDS) consistent with reporting guidance provided by PIH. See guidance at:

V2. Can you clarify the impact to restricted net position (RNP) in terms of VMS reporting? My understanding is that COVID funds has no impact on RNP, but I thought I heard you say earlier that the COVID HAP funds would increase RNP. (New)

Answer: Although additional supplemental CARES Act HAP is accounted for in the PHA's RNP, supplemental CARES Act HAP has a zero-net effect on HAP equity. CARES Act HAP is
not reported in RNP as any unspent CARES Act HAP is offset by a liability (unearned revenue).

**V3. Can HUD elaborate a little more on the reporting requirements for HAP and Admin fee CARES Act Funding is VMS?** *(New)*

**Answer:** Per PIH guidance, the PHA is required to report supplemental CARES Act HAP funds spent in its normal monthly VMS reporting using the appropriate HAP expenditure fields. PHAs do not report CARES Act Administrative Fee expenses in VMS. PHAs will be required to report CARES Act Administrative Fee expenses in the CARES Act Reporting portal being established by HUD’s Office of Chief Financial Officer when it becomes available. HUD will issue additional guidance to PHAs when the portal is ready to accept quarterly CARES Act expenditure submissions. Guidance at: [https://www.hud.gov/sites/dfiles/PIH/documents/CARESAct_Reporting_Training_v12.10.20.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/CARESAct_Reporting_Training_v12.10.20.pdf)

**V4. Do we have to report our COVID HAP in VMS?** *(New)*

**Answer:** Per PIH guidance, the PHA is required to report supplemental CARES Act HAP funds spent in its normal monthly VMS reporting using the appropriate HAP expenditure fields. Guidance at: [https://www.hud.gov/sites/dfiles/PIH/documents/CARESAct_Reporting_Training_v12.10.20.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/CARESAct_Reporting_Training_v12.10.20.pdf)
6.0 Public Housing Program
The questions and responses below pertain to financial management of CARES Act and Non-CARES Act funds for the public housing program.

6.1 Capital Fund Program (CF)

CF1. I have a question about CFP 1406. Are we allowed to pull more than 25% for operations from Capital fund grants through Dec 2020? (New)

Answer: Yes, PHAs can allocate up to 100 percent of their 2020 and previous year’s open Capital Fund grants to BLI 1406 through December 31, 2021.

PIH Notice 2020-24 states as follows: "PHAs may use any available Public Housing Capital and Operating Funds appropriated for Fiscal Years 2020 and prior for any eligible Capital or Operating Fund expense, and for other expanded COVID-19 expenses as included in Notice 2020-07, through December 31, 2021."
7.0 Miscellaneous Topics (M)
The questions and responses below are miscellaneous topics related to CARES Act funds and reporting.

M1. Has HUD extended the period of availability of CARES Act funds?

**Answer:** As fully discussed in Section 4 of PIH Notice 2020-24, the period of availability for the CARES Act Operating Funds, CARES Act HCV and Mainstream Administrative Fees, and CARES Act HAP funds for the HCV, Mainstream, and Moderate Rehabilitation program are extended through December 31, 2021.

Also, the provision allowing full fungibility between the Operating and Capital Funds for FY 2020 and prior year appropriations also has been extended through December 31, 2021.

Finally, PHAs are reminded that Shortfall funds are only available through December 31, 2020.

M2. Does a PHA need to have separate checking accounts for CARES Funds?

**Answer:** PHAs are not required to have separate checking account for CARES Act funding. However, PHAs must maintain accounting records that fully support the receipt and disbursement of all CARES Act funds.