

MTW Amendment to the ACC and Financial Reporting FAQ(s)

Updated August 17, 2022

Q&A1: At what point should an Expansion MTW PHA execute its MTW Amendment to the ACC? How does an agency's current fiscal year affect when an Expansion MTW PHA should execute its MTW Amendment to the ACC?

The MTW Amendment to the ACC is not fully executed until it has been completed and signed by the PHA and countersigned by HUD. Thereafter, an MTW Expansion PHA's MTW funding flexibility becomes effective after the first day of the first month that follows after the execution of the MTW ACC Amendment by HUD. MTW Expansion PHAs are not required to immediately utilize MTW funding flexibility. If it is cleaner from a recordkeeping/accounting standpoint to for an Expansion MTW PHA to wait until the start of its next Fiscal year, then it may delay utilizing its MTW funding flexibility; it is at the PHA's discretion to decide when and whether to utilize its MTW funding flexibilities. Accordingly, the ending of an agency's current fiscal year does not affect when the MTW PHA can execute its MTW Amendment to the ACC. Expansion MTW PHAs are encouraged to submit their signed MTW Amendments to the ACC as soon as reasonably possible.

Q&A2: At what point does the executed MTW Amendment to the ACC trigger MTW financial reporting requirements in the Financial Data Schedule (FDS)?

For Financial Data Schedule (FDS) reporting, MTW-specific financial reporting requirements are triggered when the MTW PHA begins to use MTW funding fungibility. That is, the first point at which an Expansion MTW PHA would need to start following MTW-specific reporting guidance around FDS is when the PHA begins to implement funding fungibility in its program.

For example, an Expansion MTW PHA has a Fiscal Year End (FYE) of June 30, 2021. The MTW Amendment to the ACC has been executed by both the PHA and HUD on April 30, 2021. If the agency does not elect to use funding fungibility until after their current fiscal year ends on June 30, 2021, it would not be required to follow the MTW-specific FDS instructions in submitting its unaudited/audited financials until its next fiscal year starts if practical (see below for requesting an additional year extension). This guidance also applies to FDS reporting requirements for CARES Act funds if the agency elects to utilize funding fungibility prior to the end of the agency's current fiscal year. More information about CARES Act reporting requirements for MTW PHAs can be found in *PIH Notice 2020-24: Extension of Period of Availability for CARES Act Supplemental Public Housing and Housing Choice Voucher Funds, Guidance on CARES Act Financial Reporting Requirements (FDS and Quarterly Reporting), and Other CARES Act Provisions*.

For more information about FDS reporting for MTW PHAs, please visit https://www.hud.gov/sites/documents/DOC_11833.PDF.

Q&A3: An MTW Expansion PHA needs additional time to prepare its agency's financial systems for the MTW FDS reporting requirements beyond the time already provided. Is it possible to receive a one-year extension for transitioning to MTW reporting requirements in FDS if my agency needs additional time? Under what circumstances may this extension be granted and what is the process to request an extension?

Expansion PHAs who need additional time to transition to the MTW FDS-specific reporting instructions may request an extension under certain circumstances. Specifically, an Expansion PHA may be granted a one-year extension if the agency delays funding flexibility in the requested extension year. Expansion PHAs that are granted this request must keep in mind that all Expansion PHAs will still be required to submit all FDS data within the normal time frames for submission in the non-MTW reporting instruction format. The normal time frames for unaudited and audited FDS reporting data can be referenced on page 20 of the MTW Operations Notice posted at <https://www.hud.gov/sites/dfiles/PIH/documents/FinalMTWExOpsNoticePartVIWeb.pdf>.

Requests for a one-year extension should be sent to the applicable cohort email inbox for processing with a copy to the PHA's local Field Office (FO) point of contact. For example, requests for an extension in the Landlord Incentives cohort should be sent to MTWLandlordIncentives@hud.gov for processing. The extension request should include the MTW PHA name, their PHA fiscal year end, a brief explanation for why the PHA needs an extension, and a confirmation in writing that it has not implemented MTW funding flexibility in its programs and will not do so in the extension year. HUD will send a written response to Expansion PHAs that request this extension.

Q&A4: How does the MTW Amendment to the ACC execution process impact the Expansion MTW PHA's Voucher Management System (VMS) reporting?

For Voucher Management System (VMS) reporting, the Expansion MTW PHA will need to begin using the MTW-specific fields the month after the MTW Amendment to the ACC is executed, regardless of whether MTW funding fungibility is utilized immediately or not.

Below is an example that spells out this timeline for an expansion PHA as it pertains to VMS reporting:

- Expansion PHA's ACC is fully executed by HUD and PHA in May 2022.
- In June 2022, the PHA is entering May VMS data for May leasing and expenses
 - The PHA would *not* use MTW fields since its funding flexibility has not commenced.
- In July 2022, the PHA would enter June VMS data, and this would technically be the first month where the PHA would be use the MTW fields as June would be the first month following the execution of the ACC Amendment.

For more information about VMS reporting for MTW PHAs, please visit <https://www.hud.gov/sites/documents/QUICKREFERENCE.PDF>.

Q&A5: How does the MTW Amendment to the ACC execution process impact the Expansion MTW PHA's Capital Fund reporting?

Section 5(b) of the MTW Operations Notice states that all MTW agencies shall not use the Transfer to Operations Budget Line (BLI) 1406 since funds for all non-Section 9(d) activities shall be included in the MTW Budget Line (BLI 1492). Consequently, once the MTW PHA's status has commenced, the Expansion PHA must cease using BLI 1406 and begin using BLI 1492 (MTW).

As a reminder, all eligible Capital Fund eligible activities should be budgeted with the appropriate BLI in EPIC. Finally, Expansion MTW PHAs may not expend Section 9 funds (including Capital Funds) on new MTW activities until after their MTW Supplement to the PHA Plan has been approved by HUD.

For more information about Capital Fund reporting requirements for MTW PHAs, please visit the MTW Operations Notice at <https://www.hud.gov/sites/dfiles/PIH/documents/FinalMTWExOpsNoticePartVIWeb.pdf>