Moving to Work (MTW) Training Series

Presenters:
Marianne Nazzaro, Director
John Concannon, Deputy Director
Phillip Pless, Financial Analyst
Joe Russell, Housing Innovations Specialist
Samantha Faught, Financial Analyst, HCV Financial Management Center

Voucher Management System Release Training
August 3, 2022
Today’s Agenda

01 VMS System Changes

02 Commitments and Obligations Reporting in VMS

03 Q&A Resources Wrap Up

Case Study
Today’s Learning Objectives

1. Learn about new VMS system changes and how to report these changes
2. Inform MTW PHAs on the Department’s HCV Utilization Methodology for MTW PHAs
3. Instruct MTW PHAs on how to report commitments and obligations in VMS
4. Apply what you have learned in an interactive case study
5. Review key resources to assist you in applying today’s training
Participation Ground Rules

- All participants will be muted upon entry into the webinar
- To ask a question, please submit it into the chat in the dropdown and ensure that it’s sent to all participants
- To ask a question, please use the raise your hands feature and the Event Producer will unmute you and direct you to ask your question
VMS System Changes Overview

- HUD released a new version of the VMS in March 2022
- MTW PHAs have been reporting in the new VMS since April 2022
- Most significant change: the VMS fields that are used by MTW PHAs for non-HAP expenses have changed
  - Non-HAP expense fields refer to VMS fields that are used by MTW PHAs for expenses incurred for activities not normally covered by HAP funds
    - Example: HCV HAP funds used by a MTW PHA to administer a local, non-traditional activity
  - Non-HAP expense fields have been grouped, consolidated, and simplified in order to simply reporting of these expenses.
## Non-HAP Expense Fields

<table>
<thead>
<tr>
<th>VMS Field Name</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTW-Public Housing Operating Subsidy Eligible Expenses</td>
<td>This field is used to capture HAP funds expended by the PHA on Operating Fund eligible expenses. For example, HAP funds expended on the cost of security services in an MTW PHA’s public housing facilities.</td>
</tr>
<tr>
<td>MTW-Capital Fund Program Eligible Expenses</td>
<td>This field is used to capture HAP funds expended by the PHA on Capital Fund eligible expenses. For example, HAP funds expended on demolition costs associated with modernization of an MTW PHA’s public housing facilities.</td>
</tr>
<tr>
<td>MTW- Local, Non-Traditional (LNT) Program</td>
<td>This field is used to capture HAP funds expended by the PHA in pursuit of local, non-traditional program expenses. This includes HAP funds used for housing development programs, homeownership programs, rental subsidy programs, and service provision programs per PIH Notice 2011-45 or successor notice.</td>
</tr>
</tbody>
</table>
### Non-HAP Expense Fields (Continued)

<table>
<thead>
<tr>
<th>VMS Field Name</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTW-HCV Administrative Fee Expenses</td>
<td>This field is used to capture HCV Administrative Fees expended to directly or indirectly administer the HCV program.</td>
</tr>
<tr>
<td>MTW-HCV Administrative Expenses Using HAP</td>
<td>This field is used to capture HAP funds expended by the MTW PHA to directly or indirectly administer the HCV program.</td>
</tr>
<tr>
<td>MTW-Other Expense</td>
<td>HCVP HAP funding expended by the PHA for an activity that does not fit in any other category.</td>
</tr>
<tr>
<td>MTW- Other Comments</td>
<td>Description of the expenses incurred which do not fit in any other category, in sufficient detail for HUD to ensure expenses are eligible and identifiable.</td>
</tr>
</tbody>
</table>
Other VMS Changes

- Other VMS fields are changing in name, but these changes are minimal.
- New additional fields have been added to reflect new Special Purpose Voucher programs authorized by Congress:
  - For example, SPV fields have been added for the Foster Youth to Independence (FYI) program and the Community Choice Demonstration (formerly Mobility Demonstration) program.
- VMS User Manual and VMS Quick Reference Guide have been updated to reflect the MTW Changes.
Q&A

- Questions?
Reporting Commitments and Obligations Overview

- Informs HUD on MTW PHAs’ planned uses of HCV reserves
- Provides transparency to community regarding the use of HCV reserve funds in their community
- HUD will publish this information on the external HCV Dashboard
- Reporting of obligations in VMS are a part of the HCV Utilization methodology for MTW PHAs
As part of PIH’s overarching goal to increase HCV utilization nationwide, MTW PHAs have different flexibilities and funding considerations, so an alternative methodology to determine MTW PHAs’ HCV utilization is required.

- Methodology developed in order to better reflect the flexibility of MTW PHAs and to increase data transparency.
- Methodology created in partnership with all stakeholders (MTW Collaborative, HUD, and other partners).
Final MTW HCV Utilization is:
- Housing Assistance Payment (HAP) + non-HAP MTW Expenses
- Budget Authority+ (HCV Reserves – Obligated Balances (from VMS)- Minimum Reserves)

Reminder: non-HAP expenses refer to the use of HAP funds for expenses that are not normally eligible under HAP

- Use of HAP funds to administer a public housing or local, non-traditional service provision activity

Methodology accounts for minimum reserve levels of obligations of funds that MTW PHAs have set aside for development and other eligible MTW purposes

MTW PHAs are encouraged to report on commitments and obligations in VMS as it is a part of the HCV utilization methodology

Utilization goals for FY 23 and onward have not been set yet and will be based on VMS data that HUD receives from MTW PHAs
MTW PHAs will be able to begin reporting on commitments and obligations in VMS starting in October 2022.

HUD realizes that not all MTW PHAs will have:
- A large balance of HCV reserves
- Discrete plans for HCV reserves

Reporting in VMS on commitments and obligation in VMS is optional.

VMS reporting of MTW obligations will be factored into the calculation for MTW HCV utilization.
## Commitments and Obligations Calendar Year Reporting

<table>
<thead>
<tr>
<th>Calendar Year Quarter End Date</th>
<th>VMS Reporting Month for Status of Commitments/Obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31</td>
<td>By April 22</td>
</tr>
<tr>
<td>June 30</td>
<td>By July 22</td>
</tr>
<tr>
<td>September 30</td>
<td>By October 22</td>
</tr>
<tr>
<td>December 31</td>
<td>By January 22</td>
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</tbody>
</table>
Q/A

- Questions?
Updated Definitions for Commitments and Obligations

- **Funds Committed**: The total amount of HCV funds from the Unspent Fund Source that the PHA is setting aside or earmarking in anticipation of a dedication or obligation for eligible MTW activities in the future. This amount should be changed in subsequent reporting if the level of commitment changes but should not be reduced as the commitment moves to obligation.

- **Type of Commitment**: The specific action that commits the funds to the activity, such as a Board Resolution, 5-Year Capital Plan, MTW Annual Plan, PHA Annual Plan/MTW Supplement.

- **Funds Obligated**: The total amount from the commitment that the PHA dedicates an outlay of expenditure of funds, immediately or in the future, for a specific eligible MTW activity. This amount should be changed in subsequent reporting if the level of obligation changes but should not be reduced as the obligated funds are expended.

- **Type of Obligation**: The binding agreement that obligates the funds to the activity, such as an executed contract or purchase/service order. However, in cases of PHA performed MTW eligible activities, and a contract is not necessary, a Board Resolution is the obligating document.
VMS Reporting Example: Unspent Fund Source Fields for Development Reserve Account

- **Unspent Fund Source** - Housing Choice Voucher Program (HCVP)
- **Type of Account** - Development Reserve
- **Activity** - Redevelopment of 20 PH units at XYZ site
- **Funds Committed** - $20,000,000
- **Type of Commitment** - Board Resolution Number
- **Date of Commitment** - 4/10/2021
- **Funds Obligated** - $20,000,000
- **Type of Obligation** - Approved Development Proposal
- **Date of Obligation** - 10/01/2021
- **Funds Expended from Commitment/Obligation** - $2,000,000
- **Projected Date of Full Expenditure** - 12/31/2026
VMS Reporting Example: Unspent Fund Source Fields for Landlord Incentive Program

- **Unspent Fund Source** - HCVP
- **Type of Account** - HUD-Held Reserves (HHR)
- **Activity** - Landlord Incentive Program
- **Funds Committed** - $3,000,000
- **Type of Commitment** - Board Resolution Number
- **Date of Commitment** - 10/01/2021
- **Funds Obligated** - $3,000,000
- **Type of Obligation** - Board Resolution Number
- **Date of Obligation** - 10/01/2021
- **Funds Expended from Commitment/Obligation** - $1,000,000
- **Projected Date of Full Expenditure** - 10/01/2024
VMS Reporting Example: Unspent Fund Source Fields for LNT Activity

- **Unspent Fund Source** - HCVP
- **Type of Account** - HHR
- **Activity** - Rapid Rehousing Program – Rent and Move-in Assistance
- **Funds Committed** - $3,000,000
- **Type of Commitment** - MTW Plan/PHA Plan/MTW Supplement (as applicable)
- **Date of Commitment** - 10/01/2021
- **Funds Obligated** - $3,000,000
- **Type of Obligation** - Memorandum of Understanding (MOU) with non-profit agency
- **Date of Obligation** - 02/01/2022
- **Funds Expended from Commitment/Obligation** - $500,000
- **Projected Date of Full Expenditure** - 04/01/2028
VMS Reporting Example: Unspent Fund Source Fields for Land Acquisition

- **Unspent Fund Source** - HCVP
- **Type of Account** - HHR
- **Activity** - Land Acquisition for Development
- **Funds Committed** - $2,000,000
- **Type of Commitment** - MTW Annual Plan/MTW Supplement/PHA Plan (as applicable)
- **Date of Commitment** - 10/01/2021
- **Funds Obligated** - $2,000,000
- **Type of Obligation** - Multi-year ground lease
- **Date of Obligation** - 02/15/2022
- **Funds Expended from Commitment/Obligation** - $2,000,000
- **Projected Date of Full Expenditure** - 03/01/2022
Q&A

- Questions?
We will now convene into breakout rooms to discuss the distributed case study. You will be assigned randomly to the breakout room with a HUD staff member acting as a facilitator. Your facilitator will read the case study out loud to you and ask a series of questions. You may answer the question verbally or you can type your answer into the breakout room chat. Today’s facilitators are:

- Phillip Pless, Financial Analyst, MTW Team
- Joseph Russell, Housing Innovations Specialist, MTW Team
- John Concannon, Deputy Director, MTW Team
- Samantha Faught, Financial Analyst, HCV Financial Management Center
Q&A

- Questions?
Resources

- MTW Operations Notice
- VMS Manual
- VMS Quick Reference Guide
- VMS Commitments and Obligations FAQs (to be posted soon)
Thank You for Attending