

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



MTW

Local
Innovative
Solutions

Today's Agenda

01

VMS System
Changes

02

Commitments and
Obligations
Reporting in VMS

Case Study

03

Q&A
Resources
Wrap Up

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 simplify reporting of these expenses.

Non-HAP Expense Fields

VMS Field Name	Definition
MTW-Public Housing Operating Subsidy Eligible Expenses	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.
MTW-Capital Fund Program Eligible Expenses	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.
MTW- Local, Non-Traditional (LNT) Program	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.

Non-HAP Expense Fields (Continued)

VMS Field Name	Definition
MTW-HCV Administrative Fee Expenses	This field is used to capture HCV Administrative Fees expended to directly or indirectly administer the HCV program.
MTW-HCV Administrative Expenses Using HAP	This field is used to capture HAP funds expended by the MTW PHA to directly or indirectly administer the HCV program.
MTW-Other Expense	HCVP HAP funding expended by the PHA for an activity that does not fit in any other category.
MTW- Other Comments	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.

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

HCV Utilization Methodology Overview

- 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)

HCV Utilization Methodology

- 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

Timing and Implementation for Reporting Commitments and Obligations in VMS

- 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

Calendar Year Quarter End Date	VMS Reporting Month for Status of Commitments/Obligations
March 31	By April 22
June 30	By July 22
September 30	By October 22
December 31	By January 22

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?



Case Study

- 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)

Resources (Continued)

Homes & Communities
U.S. Department of Housing and Urban Development

Voucher Management System

Home Page

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(If you are not FIRST - M00300 LAST - uiv , please log out by going to [this link](#) immediately and call the TAC at 888-245-4860.)

Message of the Day
VMS - Form HUD-52681-B Utilization and Administrative Fee and Expense Reporting

Voucher for Payment of Annual Contributions and Operating Statement
Housing Assistance Payments Program

Supplemental Reporting Form
OMB Approval No.2577-0169

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