Summary of Changes

Accounting Brief No. 26

Accounting Brief No. 26: Financial Reporting for the Family Self-Sufficiency (FSS) Program was issued in July 2022 and updates the accounting guidance to implement changes to FSS escrow forfeitures discussed in Section 306 of the Economic Growth, Regulatory Relief, and Consumer Protection Act, the FSS Program Final Rule published in May 2022, and PIH Notice 2022-20. Changes to the permitted use and reporting of FSS escrow forfeitures start with the effective date of the new FSS Program Final Rule. Major changes incorporated in Accounting Brief No. 26 from the previous Accounting Brief No. 23 are as follows:

1. **Section: Family Self-Sufficiency (FSS) Escrow Activity Reporting (page 4)**. Modified language to state that with the effective date of the final FSS program rule, forfeitures of an FSS escrow account do not revert to the program that provided the funds. Rather, FSS escrow forfeitures must be used for the benefit of FSS participants in good standing, per PHA policies established pursuant to 24 CFR 984.305(f)(2).

2. **Section: Journal Entry 4: Recording FSS Escrow Forfeitures (page 10)**. Modified language to state that PHAs are required to create a separate FSS escrow forfeiture account into which the PHA will deposit all FSS escrow forfeitures on or after when the new rule is effective, regardless of the funding source used to fund the escrow. For FDS reporting, the FSS Escrow Forfeiture will be associated with 14.EFA.