

Questions and Answers Regarding Updated VMS Fields for MTW PHAs

September 8, 2022

Background: This document contains a list of questions and answers regarding how Moving to Work (MTW) Public Housing Agencies should report the planned uses of their Housing Choice Voucher Program (HCVP) funds and HUD-held reserves for purposes other than leasing and administering vouchers. HUD will publish the commitments and obligations data reported into the Voucher Management System (VMS) on the public [HCV Data Dashboard](#) as part of the Department's efforts to increase data transparency.

The contents of this document will be updated periodically as questions arise that can be addressed by HUD.

General

1. Where should MTW PHAs report their planned uses for HCV funds or HUD-held reserves?

Tab 2 of the Voucher Management System (VMS) under the section titled "Other – Unspent Funds" are 12 separate fields related to the commitments and obligations established for future expenditures of unspent HCVP funds. Please refer to the [VMS User Manual Quick Reference Guide](#) for current definitions of each of the specific fields.

2. What is the "Unspent Fund Source" field in VMS?

This field is for MTW PHA reporting of commitments and obligations that have been made for future expenditures of currently unspent Housing Choice Voucher Program funds. The source of funds is "HCVP" as VMS must reflect the amount of HCV Program funds spent and not from other sources, such as Public Housing Capital Fund or Operating Subsidy.

3. Where can we find the percentage of minimum reserves that are used in the calculation for MTW HCV utilization?

The methodology used to arrive at the minimum reserve amount is displayed on the HCV Data Dashboard. The methodology is based on the latest funding notice (PIH Notice 2022-14 and any successor notice) that HUD has published for the respective Calendar Year. One of the protected categories described in the notice is a portion of CY 2022 Renewal Eligibility (based on units under CACC). Below is the breakdown based on unit size total:

- 4% - 500 and above units
- 6% - 250 to 499 units
- 12% - Less than 250

4. What if an MTW PHA has more than 11 commitments and obligations occurring at the same time?

At this time, VMS cannot accommodate more than 11 commitments and obligations concurrently. If an MTW PHA has more than 11 commitments and obligations, it is

recommended that the agency try to group similar commitments and obligations (i.e., development proposals, resident self-sufficiency activities, etc.) if possible. If not possible, please send the pertinent information regarding the commitments and obligations to mtwunspentfunds@hud.gov.

MTW Non-HAP HAP Related Expenses and MTW Other Expense Category

1. How should an MTW PHA report HCV funds used for capital improvements in a Public Housing development?

HCV funds expended for Capital Fund Program eligible expenses must be reported in VMS field “MTW – Capital Fund Eligible Expenses.”

2. How should an MTW PHA report HCV funds used for a Local, Non-Traditional (LNT) program activity approved in MTW Annual Plan?

HCV funds expended for eligible local, non-traditional (LNT) program expenses must be reported in VMS field “MTW – Local, Non-Traditional Program.” HCV funds for all approved LNT programs, such as housing development, homeownership, rental subsidy, and services are reported in this field.

3. Should HAP funds be reported in both the Unspent Fund Source section and as a monthly expense in the appropriate VMS reporting field?

Yes. Funds reported as expended from a commitment and obligation must also be reported in the appropriate MTW only non-HAP expense field or MTW other expense category field in VMS.

4. Where should MTW PHAs report HCV expenditures for landlord signing bonuses and/or related landlord incentives in VMS?

MTW PHAs should report HCV funds expended on landlord incentives as administrative expenses in VMS. Specifically, if the MTW PHA is using HAP funds to pay for HCV Administrative eligible costs related to landlord incentives, the agency should report these in MTW- HCV Admin Expenses Using HAP field. If the agency is expending HCV Administrative Fees, the agency should report the expenditures for landlord incentives in the MTW- HCV Admin Fee Expenses field in VMS.

Commitments

1. What is a commitment?

A commitment is the total cost known at the time that the MTW PHA plans to dedicate funds to an eligible MTW activity in the future. Examples are HCV funds dedicated for development plans in which a development proposal is submitted, acquisition of land for a future development, monetary incentive programs, targeted supportive services programs, or time-

limited financial assistance programs. The cost for these activities should be reported in the “Funds Committed” field in VMS.

2. What is a Type of Commitment?

A Type of Commitment is the action taken or the document used by the MTW PHA to commit the funds to the MTW eligible activity and documented in a Board Resolution, Annual MTW Plan, or PHA Annual Plan/MTW Supplement.

3. Should a commitment change once reported in VMS?

Typically, the amount reported as a commitment will not change after being reported in VMS; however, there are instances when the amount reported should be revised due to changes with the amount of funds dedicated to the total development cost of a project, for example.

As an example, a PHA initially commits \$20 million for a project and enters that amount in the Funds Committed field. As the development process progresses, the PHA is successful in leveraging those funds to secure more partner funding than initially expected. When this occurs the PHA can now use some of the \$20 million to commit to another MTW activity. The result for VMS reporting purposes is the PHA will lower the \$20 million in VMS accordingly for the subsequent reporting month. Once the commitment amount is firm, the amount committed is not reduced as funds are obligated.

5. Does the MTW eligible activity need to be approved in the MTW Annual Plan or PHA Annual Plan/Supplement and have a board resolution before entering the funds as a commitment?

Not necessarily. The acceptance of a board resolution as a Type of Commitment is to allow for instances in between plan approvals. It isn't necessary to pass a separate board resolution for an MTW eligible activity if it is already included in an approval annual plan.

Obligations

1. What is an obligation?

An obligation is the total amount from the commitment that the MTW PHA dedicates to an outlay of expenditure of funds, immediately or in the future, for a specific eligible MTW activity.

2. What is a Type of Obligation?

The Type of Obligation is 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, pursuant to the MTW Agreement or MTW Operations Notice, as applicable, and a contract is not necessary, a Board Resolution is the obligating document.

3. What is an obligating document?

Typically, an obligating document is a binding agreement such as a contract, purchase order, Memorandum of Understanding (MOU), ground lease for land acquisition, or a Development Proposal (Form HUD-50157) approved by HUD's Office of Urban Revitalization Division. Also, there are instances when the PHA will perform an MTW eligible activity, and a contract is not executed. In those instances, a Board Resolution is the obligating document.

4. What if a HUD-50157 form is not required for a development involving Local, Non-Traditional funds?

In addition to the acceptable obligating documents in Question 3, a fully committed irrevocable loan commitment from, but not limited to, a commercial bank or financial institution may be an obligating document for such proposals.

5. Do MTW PHAs need to submit their obligating documents to HUD?

Only upon request from HUD. MTW PHAs must keep their obligating documents on file at the PHA and be able to provide them if requested.

6. Can commitments and obligations have the same date in VMS?

Yes. When the MTW PHA proposes to perform an MTW eligible activity in-house, the commitment and obligation is realized concurrently when the Board Resolution is approved by the Board of Commissioners.

7. Should an obligation change once reported in VMS?

The amount reported in VMS should only change if the level of obligation changes, but once final, the amount obligated is not reduced as funds are expended.

8. Can an obligation exceed the amount reported in the "Funds Committed" field in VMS?

No. The amount obligated should never exceed the final amount reported as committed.

Funds Expended

1. What is the "Funds Expended from Commitment/Obligation" field in VMS?

This field represents the total amount of the obligation that has been expended on the activity.

2. Can the amount expended exceed the amount reported in the "Funds Obligated" field in VMS?

No. The amount expended should never exceed the final amount reported as obligated.

5. How should MTW PHAs report in VMS after the commitment and obligation funds are entirely expended?

The VMS entries for each Fund Source should be removed the following reporting month after all the funds are fully expended. For example, if all the funds are expended for Fund Source 1

as of February, then the VMS entries for that Fund Source should be removed in the March report (submitted in April).

Timing

1. When should MTW PHAs report their commitments and obligations information in VMS? Do MTW PHAs still need to complete their monthly expense reporting in VMS?

HUD recommends MTW PHAs should report the status of their commitment and obligation activities as of the end of the final month for each calendar year quarter. Although it's possible to report the status monthly, at this time HUD will download the data on a quarterly basis, following the timeline shown below. Please note, funds expended from commitments and obligations must also be reported in the appropriate MTW only non-HAP expense field or MTW other expense category field. Additionally, MTW PHAs must complete all normal and routine HAP and non-HAP expense reporting in VMS monthly.

Calendar Year Quarter End Date	VMS Reporting Due Date for Reporting of Commitments and Obligations
March 31	By April 22 nd
June 30	By July 22 nd
September 30	By October 22 nd
December 31	By January 22 nd

2. Are there any required or expected deadlines for obligations and expenditures (as there are with the Public Housing Capital Fund?)

No. The reporting of committed funds, obligated funds, and expenses from obligations is encouraged to promote data transparency for MTW agencies who may have earmarked funds for future use. This data will also be used for monitoring purposes to track an MTW agency's budget utilization. The reported information will not be used for requisitioning or disbursing funds, so there is no explicit timeline for expenditures. However, as part of HUD's monitoring, HUD may reach out to MTW agencies to follow-up on reported timeframe goals that may not have been met.

3. Do you report funds expended quarterly or only once the funds are fully expended?

Funds expended from commitments and obligations should be reported on a quarterly basis until fully expended.

4. We are a new MTW PHA but have not submitted our MTW Supplement yet. Can we report committed and obligated funds in VMS yet?

Yes. Once the MTW PHA receives its MTW designation through the execution of the MTW ACC Amendment, the flexible use of HCV funding does not require prior HUD approval, so an MTW PHA may begin to report on committed and obligated funds for allowable Section 8 and 9 uses (example: committing HCV funds to support a Public Housing Development). However, if the committed and obligated funds are earmarked to support an MTW activity that requires HUD approval (example: committing funds to support a self-sufficiency program that is part of an MTW Waiver), then the PHA may only report on those funds once its MTW Supplement has been approved.