
Use of a Public Housing Schedule of Management Fees When Made Available After the Close of a PHA's Fiscal Year End

HUD publishes a public housing schedule of management fees by year. At times, these schedules have been made available after the PHA's fiscal year has closed, which has resulted in cases where a PHA was not able to charge the higher management fee in the appropriate fiscal year due to timing. The following provides guidance to PHAs on the use of a new schedule of management fees when made available after the close of the PHA's fiscal year. This guidance is not applicable to schedules of management fees that were available to the PHA prior to the close of their fiscal year end.

This document will use the term "catch-up fee" to reflect the amount of additional management fee that a PHA could charge as a result of a higher fee rate being established by HUD after the PHA's fiscal year is closed.

Charging of Public Housing Management Fees After Fiscal Year End Close. As it relates to the public housing management fee, HUD will allow a PHA's central office costs center (COCC) to charge its projects in the current fiscal year the difference between HUD's allowed management fee for the respective year and the actual management fee charged in a previous PHA's fiscal year when:

1. The management fee table for the fiscal year in question was not made available (i.e. posted to HUD's website) until after the PHA's fiscal year end; and
2. The PHA was charging the maximum fee based on the latest fee schedule available during the respective year.

If a fee schedule pertaining to the PHA's fiscal year is posted within the PHA's fiscal year, the PHA may charge the project's the catch-up fee for the previous months any time prior to the close of the PHA's fiscal year. The PHA is not allowed to charge the catch-up fee in the next fiscal year.

A PHA may not charge catch-up fee, if the PHA elected to charge a lower than the maximum fee in the year in question. For example, if the latest available fee schedule in the year in question allowed a management fee of \$50.00 per unit month, but the PHA elected to charge the project only \$40.00 per unit month, the PHA will not be able to charge the catch-up fee as the PHA elected to charge a lower fee in the year in question.

The charging of these catch-up fees are optional. Illustrative examples are provided at the end of this document to help clarify the charging of catch-up fees.

Impact on Excess Cash. These additional management fees, while relating to a previous year's fee schedule does not impact the calculation of excess cash in those previous years. However, the project's excess cash will be lower in the year the catch-up fees are charged simply because the project would have incurred more costs than if the catch-up fees were not charged. Therefore, the charging of the catch-up fees may limit the amount of the asset management fees or funds available to be transferred to other projects in the following year.

Financial Data Schedule (FDS) Reporting. For FASS-PH reporting catch-up be reported as follows:

- The COCC should reflect this revenue on FDS line: 70750-010 "Other Fees: From PHA Administered Programs".
- The project(s) should reflect this expense on FDS line: 91900 "Other", which is an FDS line in the administrative expense category.
- This transaction would then be eliminated using the FDS elimination column.
- PHA's should provide a comment in their FASS-PH submission explaining this transaction.

To avoid possible confusion, a PHA should **not** report these additional management fees in the COCC revenue in FDS line 70710 "Management Fee: To PHA Administered Program (i.e., COCC)" and should **not** report these additional management fee expense in the project in FDS line 91300-010 "Management Fee: To PHA Administered Program (i.e., COCC)". The use of these two line items for these catch-up management fees could indicate to some parties that the PHA charged the project a management fee over the amount allowed by the current year fee schedule, which would not be correct.

Illustrative Examples

