A. TERMINATION AFTER RESERVATION

1. Termination Definition. This is defined as a recapture or cancellation of units and funds after a project or funding increment has been reserved. It is an action which terminates the total units, contract authority, and unliquidated balances of budget authority.

2. Termination Responsibility. The Field Office initiates the termination actions.

a. The Office of Budget (Housing), Funding Control Division, annually issues instructions for reporting reservation/termination activity. Refer to these outstanding administrative instructions for specific reporting procedures and policies and for unique reporting during the first eleven months and the last month of a Fiscal Year.

b. As of the this Handbook's release, there are no known provisions for the reporting of terminations to the Section 8 MIS through the Program Accounting System (PAS).

c. The termination action is entered into the Assisted Housing Accounting System (AHAS) or will be entered, when made available, into the Program Accounting System (PAS) by the Regional Accounting Director (RAD), the results of which are fed to the Section 8 MIS through an automated nightly interface from the appropriate system.

d. Any project for which contract authority has been reserved shall be terminated only by the Region using the Program Accounting Data (PAD) sheet, Form HUD-52540A.

3. Termination Reasons. A termination transaction may result as a consequence of the following actions:

a. An official HUD action which completely terminates a project.

b. Termination required to inactivate a project which was erroneously established in AHAS/PAS.

Note: If a project has been erroneously established, the Field Office is to first submit a termination PAD transaction follow by a deletion transaction.

4. Manual Files. The funding increment or project file shall be maintained by the Field Office for at least a year following termination. Following this period, the file may be disposed of in accordance with outstanding HUD files management procedures.
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5. Termination Funds
   a. Termination of funds must be available at the project level.
   b. All termination of funds must be either a recapture or a cancellation as applicable.
   c. A cancellation decreases funds reserved during the current fiscal year.
   d. A recapture decreases funds reserved in a prior year.
   e. If a project contains both prior and current fiscal year funds, an amendment must first be entered to recapture the prior year units and funds.
   f. Following the recapture amendment, a termination may then be entered canceling the remaining units and funds reserved in the current fiscal year.

6. Termination Confirmation Reports. The daily Section 8 MIS interface termination confirmation reports are as follows:
   a. F05AOXA/XB - AHAS/MIS DAILY UPDATE INTERFACE - RESERVATIONS.
   b. F05POXA/XB - PAS/MIS DAILY UPDATE INTERFACE - RESERVATIONS.

7. Termination of Expired Funding Increments
   a. When a PAD is prepared for contract renewal processing in PAS for Section 8 Housing Vouchers, Existing Certificates, and Existing Loan Management Extensions, another PAD is to be prepared for the termination of each EXPIRING project (funding increment) in the AHAS.
   b. These terminations may be accomplished by following the outstanding instructions provided for the PAD, Form HUD-52540A (11/85), with the exception for Block 10 of the PAD.
   c. The change in procedure for Block 10 of the PAD deviates from outstanding PAD instructions provided on page 2 of 2 of Form HUD-52540A (11/85).
   d. The change in procedure is applicable only to termination actions for expiring funding increments for Housing Vouchers, Certificates, and Loan Management Extensions. In these situations, Field Offices are to enter the applicable date and perform recaptures as follows:
(1) **Housing Vouchers and Existing Certificates**

   (a) Enter the date immediately following the "last Date of Term". For example: if the "last Date of Term" is February 27, 1990, the date entered in Block 10 of the PAD is to be February 28, 1990.

   (b) Field Offices must recapture the remaining contract authority only for housing vouchers or certificates, funding increments as the ACC term for each funding increment ends.

   (c) The budget authority for the expiring funding increment is not to be recaptured. However, where increments for a PHA are expiring on or before October 31, 1990, any undisbursed budget authority will be recaptured after the financial statement review is completed by the RAD.

(2) **Loan Management Extensions**

   (a) In Block 10 of the PAD, enter the date following the expiration date of the expiring HAP contract. For example, if the "Expiration Date of HAP contract" is July 31, 1990, the date entered in Block 10 for the "date of Terminated Reservation" is August 1, 1990.

   (b) Field Offices are to recapture all contract authority and undisbursed budget authority on the expiring obligation funded under Account #86x0164 for the terminated project (e.g. OH12-M000-001) in the AHAS.

   (c) All new funding should then be disbursed in the PAS under Account #86x0194 for the newly created Section 8 project number as illustrated below:

   | Fiscal Year 1990 | "OH-12-M100-001" |
   | Fiscal Year 1991 plus | "OH-12-L000-001" |

8. **AHAS Reporting of Project Terminations after Reservation**

   FORM **HUD-52540/52540A**

   Block 1: **TYPE OF ACTION.** Enter "T"

   Block 3: **Program Type, Enter one of the following designated letter codes:**

   "V" = Housing Vouchers
"N" = Section 8 New Construction
"R" = Section 8 Substantial Rehabilitation
"E" = Section 8 Existing
"M" = Section 8 Moderate Rehabilitation

Block 4: Type of Funds. Completed by RAD. Leave this block blank for a termination (which decrease the contract and/or budget authority); a cancellation of current year authority; or a recapture of prior year authority.

Block 5: Subprogram Identification. Enter the appropriate one-letter subprogram code in accordance with the codes listed for the applicable Section 8 subprogram in this Handbook's appendix 10, Cross Reference of Section 8 subprogram and Program Codes.

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Block 6: Area. Enter one of the following single letter codes representing the allocation area:

"M" = Metropolitan
"N" = Non-Metropolitan

Block 7: Project Number. Enter the appropriate eleven character assigned project number.

Block 8: PHA/IHA/Private Owner Name. Not interfaced to the Section 8 MIS.

Block 9: Date Prior Letter of Notification or Reservation Document Signed. Enter the date (month/day/year) of the most recent Notification or Reservation document.

Block 10: Date Letter of Notification or Reservation Document Signed

a. Expiring Increments. See paragraph A.7. above.

b. Normal Conditions

(1) During the first 11 months of a fiscal year the RAD shall enter the reservation date (month/day/year) displayed on the AHAS daily transaction listing.

(2) During the last month of the fiscal year, the Regional/Field Office shall enter the date of the Notification Letter or Reservation Document for which a PAD is being submitted; a copy of the Notification Letter or Reservation
Document must be attached. This includes documents for the termination of projects.

Block 11: Remaining Term. The number of years can be in the range from 01 to 60. This figure represents the years remaining on the ACC/HAP contract to be terminated.

Block 12: Unit and Fund Section. Leave blank, completed by RAD.

DATE AND SIGNATURE. If the action taken involves current fiscal year funds, the PAD must be signed and dated no later than the last day of the fiscal year. The PAD must be signed and dated by the Office Manager/Regional Administrator.

9. PAS Reporting of Project Terminations after Reservation FORM HUD-52540/52540A. Not available.

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B. INACTIVATING PROJECTS AFTER RESERVATION

1. Inactivating a project is defined as reflecting a project in the Section 8 MIS as inactive (units and contract authority equal zeros) which because of administrative conditions is deferred from being terminated in AHAS/PAS.

2. The Field Offices are to temporarily inactivate a project in the Section 8 MIS through the use of the "ACT" (Action Screen). There is no official form HUD for the "ACT" screen. Field Offices may copy (xerox) the "ACT" screen layout from the Section 8 MIS Terminal Operators Guide (TOG) to use as an unofficial data entry form (refer to page 3-39, Chapter 3 of the Section 8 MIS TOG, I362.8). The screen provides for inactivation based upon the following conditions:

<table>
<thead>
<tr>
<th>ACT Screen</th>
<th>Section 8 MIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conditions</td>
<td>Project Type</td>
</tr>
<tr>
<td>Opt-outs</td>
<td>O</td>
</tr>
<tr>
<td>Expired</td>
<td>E</td>
</tr>
<tr>
<td>Defunded</td>
<td>D</td>
</tr>
</tbody>
</table>

Note: As soon as a project is administratively cleared to be terminated in AHAS/PAS, the project, in the Section 8 MIS, through the nightly interface, will be established as terminated (Processing Stage (C1063) valued as "90").

C. SECTION 8 MIS PHA/HFDA (C59) ACTIVE/INACTIVE INDICATOR (C69)

1. When a project is terminated or inactivated in the Section 8 MIS, all projects for the PHA/HFDA (C59) are automatically scanned for termination status.
2. If all projects are terminated or inactive, the PHA/HFDA Mail Status Code (C69) in the Section 8 MIS is coded as "I" for an "Inactive" PHA/HFDA (C59).

3. As long as any project for the PHA/HFDA (C59) has Total Assisted Units (C1020) greater than zero and the Processing Stage (C1063) is less than "90", the PHA Mail Status Code (C69) is valued with an "A" for "Active" PHA/HFDA (C59).