

CHAPTER 12. VOUCHER REVIEWS

12-1. GENERAL. Owners/management agents with Rent Supplement, Rental Assistance Payment (RAP), and all Section 8 contracts may bill the contract administrator for payment of tenant's rent and utilities. owner/management agents are not eligible for assistance payments until Form HUD-50059 (Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures) is signed by both owner/management and tenant on or before the effective date of the Form HUD-50059. The contract administrator must review Form HUD-50059 for accuracy and assure that the owner has submitted and completed Form HUD-50059 in accordance with the instructions. The following payment voucher forms must be used to bill HUD for tenant assistance payments:

- Form [HUD-52670](#), Housing Owner's Certification and Application for Housing Assistance Payments. Appendix 8.
- [Form HUD-52670A, Part 1](#), Schedule of Tenant Assistance Payments Due. Appendix 9.
- [Form HUD-52670A, Part 2](#), Schedule of Section 8 Special Claims. Appendix 10.
- Forms [HUD-52671A](#) through D, Section 8 Special Claims for unpaid rents/damages, vacancies during rent-up, vacancies after rent-up, and debt service claims. Appendix 11.

12-2. VOUCHER REVIEW PROCESS. In addition to the instructions in HUD Handbook 4350.3, Chapter 6, the contract administrator must complete a manual review of the vouchers each month. The instructions below must be followed in reviewing vouchers.

- A. THE CONTRACT ADMINISTRATOR MUST KEEP VOUCHERS ON FILE FOR AT LEAST THREE YEARS, or as long as HUD records disposition criteria dictate. If there is no existing formal filing system, a filing system by project number will be established.
- B. THE CONTRACT ADMINISTRATOR, UPON RECEIPT OF THE DISBURSEMENT/COLLECTION REPORT FROM THE REGIONAL ACCOUNTING DIVISION (RAD), will compare the vouchers

submitted against the report as described in Paragraph 12-C. below. The following information should be provided by the RAD and reviewed by the Field Office

for all HAP vouchers:

1. Project name,
2. Project number,
3. Total requisition amount,
4. Payment period, and
5. Date of payment.

C. THE CONTRACT ADMINISTRATOR WILL REVIEW AT LEAST 20 PERCENT OF THE VOUCHERS EACH MONTH. The contract administrator should review 100 percent of the vouchers. At a minimum, however, at least 20 percent of the vouchers must be reviewed. Where less than 100 percent of the vouchers are reviewed, the contract administrator will analyze its Section 8 HAP voucher portfolio, separate it into Category A and Category B projects and perform the reviews as detailed below:

1. CATEGORY A: LIMITED REVIEW must be performed on projects where the monetary computations for the vouchers are consistently error free, and whose owners have consistently demonstrated an acceptable level of performance. A full review of at least 10 percent of the vouchers from these projects will be conducted each month. A different 10 percent is to be reviewed each month.
2. CATEGORY B: FULL REVIEW must be performed on projects submitting their initial vouchers, vouchers from problem projects, or an average of 20 percent of the manually prepared vouchers submitted each month, and between 10 to 20 of those vouchers for the largest dollar amounts submitted each month. All vouchers in this category will be given a full review each month.

NOTE: Projects may be moved from one category to the other based on performance or circumstance. Where projects are moved from Category B to

Category A, the contract administrator should document the circumstances supporting the changing of categories.

D. ALL TARGETED VOUCHERS SHALL BE REVIEWED by the contract administrator fully within 30 calendar days of voucher submission. Project owners and/or management agents must be advised in writing of all discrepancies and

required corrections to be made on a subsequent month's voucher(s). Notification to project owners should occur within 15 calendar days of the full review and discovery of discrepancy.

- E. WHERE OFFSETS ARE NECESSARY, the contract administrator will submit official requests to the RAD consistent with regular practice. The contract administrator will also provide the RAD with a copy of the contract administrator's record of reviews. In those cases where there is no system in place for recording reviews completed, the RAD report will be initialled by the reviewer on the project's report line for each voucher that is reviewed. The Field Office will also provide the RAD with a copy of all notifications to project owners where overpayments are to be corrected. Copies of these notifications are to be attached to the monthly reports to the RAD, and not sent individually to the RAD. The record of reviews and the copies of the notification letters are to be submitted to the RAD by the end of the month following the voucher submission. Reports received from the RAD must be reviewed every month. Check points for the review are: 1) project name, 2) project number, 3) total requisition amount, and 4) date of payment.

12-3. REGIONAL OFFICE OF HOUSING AND RAD WILL JOINTLY PERFORM AN ANNUAL ON-SITE REVIEW of the Field Office's voucher review and certification process, and of the Field Office's oversight and review of the contract administrator's voucher and certification process. This may occur in conjunction with the Regional Management Performance Review, or may be scheduled separately. A written report of the review will be prepared for the Regional Administrator and Field Office Manager. Any needed corrective actions will be detailed in the report. The review will assess a significant sample of the fully reviewed vouchers, with emphasis on:

12-3

3/92

4350.5

- A. DOCUMENTED EVIDENCE OF THE FULL REVIEWS UNDERTAKEN;
- B. THE ACCURACY OF THE FULL REVIEWS UNDERTAKEN;
- C. THE TIMELINESS OF NOTIFICATIONS TO OWNERS;
- D. THE TIMELINESS AND EFFECTIVENESS OF FOLLOW-UP, e.g., insuring that adjustments are made to vouchers when discrepancies are discovered by the contract administrator, including HUD Field Office.

12-4. THE RAD IS RESPONSIBLE FOR CERTIFYING PAYMENTS MADE UNDER THE SECTION 8 HAP VOUCHER PROCESS. The Certifying Officer, the person responsible for certifying these payments, has

financial management oversight responsibilities defined by the General Accounting Office (GAO). HUD holds the Certifying Officer accountable for exercising these responsibilities effectively. The GAO standards also make clear the liabilities to which Certifying Officers are held. In view of these responsibilities and liabilities, the Certifying Officer can and must take an active role in determining that Field Offices are complying with the spirit of the instructions in these procedures, and that the review process is effective in providing HUD with reasonable assurance that voucher overpayments are either eliminated or detected and corrected. If the Certifying Officer concludes that a Field office is not in compliance with this procedure, the RAD Director must promptly notify, in writing, Regional Management (e.g., the Regional Administrator, the Director of Administration, the Director of Housing, and the affected Field Office Manager). The Field Office will be provided with specific corrective actions needed. The written notice will include a date after which the Certifying Officer will decline to certify payments unless needed corrective actions have been taken and appropriate documentation or assurances have been provided to the Director of RAD. This date should allow reasonable time (e.g., 60 days) to correct deficiencies if prompt action is taken.

NOTE: EACH FIELD OFFICE IS EXEMPT FROM THE REVIEW REQUIREMENTS DURING ITS AGREED-UPON LOADING PERIOD FOR THE TENANT RENTAL ASSISTANCE CERTIFICATION SYSTEM (TRACS) CENTRAL FILING SYSTEM (CFS).

3 92

12-4

4350.5

12-5.FILING SYSTEM. A filing system by project number must be maintained by the contract administrator. Copies of Form [HUD-52670](#) and Form HUD-52670A Part 1 must be retained in the project's file for at least three years.

12-5

3/92