



HOUSING ASSISTANCE PAYMENTS
PROGRAM ACCOUNTING HANDBOOK

7420.6

APPENDIX 8

HUD-52671
APRIL 1975

<p align="center">U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</p> <p align="center">SECTION 8 - HOUSING ASSISTANCE PAYMENTS PROGRAM</p> <p align="center">INITIAL ESTIMATE OF REQUIRED ANNUAL CONTRIBUTIONS</p> <p align="center"><i>(PRELIMINARY COSTS)</i></p> <p align="center"><i>(To Be Submitted to HUD for Approval Prior to HUD Execution of the Annual Contributions Contract (ACC))</i></p>		<p>TYPE OF LEASING METHOD <i>(Check One)</i></p> <p><input type="checkbox"/> New Construction</p> <p><input type="checkbox"/> Rehabilitation</p> <p><input type="checkbox"/> Existing</p>	
		<p>SUBMISSION</p> <p><input type="checkbox"/> Original <input type="checkbox"/> Revision</p> <p align="right">Revision No. _____</p>	
NAME AND ADDRESS OF PUBLIC HOUSING AGENCY		ANNUAL CONTRIBUTIONS CONTRACT NO.	
		<p>□□□□ - □□□□ - □□□□</p>	
HUD FIELD OFFICE		PROJECT NUMBER	
HUD REGIONAL OFFICE		NUMBER OF DWELLING UNITS	
LINE NUMBER	ITEM DESCRIPTION	REQUESTED AMOUNT	
		PMA ESTIMATES	HUD MODIFICATIONS
PART I - PRELIMINARY ADMINISTRATIVE EXPENSE			
A. Prior to Execution of Annual Contributions Contract:			
010	Administrative Salaries		
020	Employee Benefit Contributions		
030	Legal Expense		
040	Travel Expense		
050	Sundry		
060	TOTAL COSTS (Lines 010 through 050)		
B. New Construction and Rehabilitation From Date of Annual Contributions Contract to Beginning of First Fiscal Year;			
Existing: From Date of Annual Contributions Contract to End of First Fiscal Year.			
B. 1 Administrative Expense:			
110	Salaries		
120	Legal Expense		
130	Travel Expense		
140	Accounting and Auditing Fees		
150	Office Rent		
160	Sundry		
170	TOTAL ADMINISTRATIVE EXPENSE (Lines 110 through 160)		
B. 2 General Expense:			
210	Maintenance		
220	Insurance		
230	Employee Benefit Contributions		
240	Sundry		
250	TOTAL GENERAL EXPENSE (Lines 210 through 240)		
280	TOTAL PRELIMINARY EXPENSE - AFTER ACC		
<i>(Line 170 plus Line 250)</i>			

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LINE NUMBER	ITEM DESCRIPTION	REQUESTED AMOUNT	
		PHA ESTIMATES	MUD MODIFICATIONS
	<u>PART II - NONEXPENDABLE EQUIPMENT</u>		
310	Office Equipment		
320	Office Furnishings		
330	Automotive		
340	Other		
350	TOTAL NONEXPENDABLE EQUIPMENT (Lines 310 through 340)		
500	TOTAL INITIAL ESTIMATE OF REQUIRED ANNUAL CONTRIBUTIONS (Preliminary Costs) (Lines 060, 280 and 350) (Not to exceed Line 700)		
610	<u>PART III - MAXIMUM ANNUAL CONTRIBUTIONS AVAILABLE FOR PRELIMINARY COSTS:</u> Maximum Total Annual Contributions Available		
	Estimated Requirements of Annual Contributions for Other than Preliminary Costs for First Twelve Months of the First Fiscal Year		
660	Housing Assistance Payments (Line 640 minus Line 650)		
670	Administrative Fee		
680	Provision for Project Account (5% of Line 610)		
690	TOTAL ESTIMATED REQUIREMENT OF ANNUAL CONTRIBUTIONS FOR OTHER THAN PRELIMINARY COSTS (Lines 660, 670 and 680)		
700	Maximum Annual Contributions Available for Preliminary Costs (Line 610 minus Line 690)		

**Instructions for Preparing Form HUD-52671
Initial Estimate of Required Annual Contributions (Preliminary Costs)**

Use this form to compute the Initial Estimate of Required Annual Contributions (Preliminary Costs) for the Section 8 Housing Assistance Payments Programs of (1) New Construction (known as New); (2) Substantial Rehabilitation (known as Rehab); and (3) Existing Housing (known as Existing) where the Housing Assistance Payments Contract (Contract) is executed between the private Owner and the Public Housing Agency (PHA). This form shall not be used for Section 8 Housing Assistance Payments Programs where the Contract is executed between a private Owner or PHA-Owner and HUD. Nor shall this form be used for any New or Rehab project of a Housing Finance Agency which is subject to 24 CFR, Part 883, Subpart C.

The PHA shall submit a completed Form HUD-52671 and Form HUD-52673, Estimate of Total Required Annual Contributions, to the HUD Field Office for review and approval at the time of its submission to HUD of the Annual Contributions Contract (signed by the PHA) for execution by HUD. In Existing, the Form HUD-52672 is also submitted with the PHA-signed ACC. A separate Form HUD-52671 must be submitted for each Housing Assistance Payments Program project, for HUD approval, in order to provide the base for estimating the required annual contributions approvable for that project for preliminary costs. The actual expenditures of cost categories, which are subject to settlement, will be reviewed subsequently and approved by HUD.

1. General

a. First Fiscal Year

- (1) **New and Rehab.** The first fiscal year for a project shall be the period beginning with the effective date of the Housing Assistance Payments Contract (Contract) and ending with the last day of said established fiscal year which is not less than 12 months after such effective date.
- (2) **Existing.** The first fiscal year for a project shall be the period beginning with the effective date of the Annual Contributions Contract and ending on the last day of said established fiscal year which is not less than 12 months after such effective date.

b. Completion and Submission of Form HUD-52671

- (1) **New Rehab and Existing.** The Heading and all necessary parts of Form HUD-52671 shall be completed and submitted together with Form HUD-52673, Estimate of Total Required Annual Contributions. One copy of the Form HUD-52671 shall be submitted to the HUD Field Office with each copy of the Form HUD-52673, thus requiring an original and four copies of the HUD-52671. The timing of the first submission of the Form HUD-52671 is discussed above.

- (2) Revisions. The submissions may be revised to reflect changes in circumstances and available data as follows:

(a) New, Rehab, or Existing--Without Additional Units Authorized

- i. Prior to the End of the First Fiscal Year. If a revised Form HUD-52671 is submitted prior to the end of the first fiscal year, the amounts of the additional need shall be added to the amounts shown on the most recently HUD-approved Form HUD-52671. The revised totals, by line item, shall be entered on a revised

Form HUD-52671. This revised form will serve as backup documentation to a revised Form HUD-52673. In addition, the PHA shall submit documentation justifying the increases. Part III of Form HUD-52671 shall be completed showing the same amounts as on the most recently HUD-approved Form HUD-52671, unless a reduction in the maximum annual contribution authorized has occurred during the period. In the latter case, Part III shall be recomputed based on the reduced number of units and maximum annual contribution.

- ii. Subsequent to the End of the First Fiscal Year. No request for additional annual contributions for preliminary cost items will be considered after the end of the first fiscal year.

(b) Existing--With Additional Authorized Units. An estimate may be prepared and submitted if the Annual Contributions Contract is subsequently revised to increase the authorized number of dwelling units.

- i. Prior to the End of the First Fiscal Year. The amounts of the additional need shall be added to the amounts shown on the most recently HUD-approved Form HUD-52671. The revised totals, by line item, shall be entered on a revised Form HUD-52671, which will serve as backup documentation for the revised Form HUD-52673. The Heading and all necessary parts shall be completed. A copy of the revised Form HUD-52671 shall be submitted with each copy of the revised Form HUD-52673.

- ii. Subsequent to the End of the First Fiscal Year. No revised request for additional annual contributions for preliminary cost items will be considered after the end of the first fiscal year. However, amounts for Preliminary Costs, for additional units only, will be processed. These amounts shall be entered on a Form HUD-52671 and on a Form HUD-52673, on the appropriate lines. A copy of the Form HUD-52671 shall be submitted with each copy of Form HUD-52673. The Heading and all necessary parts shall be completed.

- c. Preliminary Costs of Additional Units for an Existing Program in a Partial Year. If the first fiscal year of the additional units is less than 12 months and the total annual contributions available (Line 5 of Form HUD-52673) are not sufficient to fund the total amount of the approved Preliminary Costs, a request for the unfunded balance shall be resubmitted on a Form HUD-52673 in the subsequent fiscal year only. Refer to necessary instructions contained on Form HUD-52673.
- d. Supporting Documentation. The PHA shall submit supporting documentation substantiating each of the estimates included on the Form HUD-52671. Such data shall include, among other items, the number of employees and their estimated man-hours, a listing of insurance coverage and cost, and nonexpendable equipment to be purchased by item and cost. Where periods of time are related to cost, the number of months involved must be shown. HUD-52672 shall be included as supporting documentation for Part III. For Existing, a brief statement shall also accompany this form describing the PHA's plans for administration of the intake process, including: outreach to eligible families, efforts to inform property owners and managers, screening of applicant families, income determination and verification, provision of program and market information to families, negotiation

of contract and lease approval, and inspection of units. The description shall include the number of employees, man-hours, and methods to be used; the flow of paper and families through the process; and the organizational structure.

2. Heading

- a. Submission: insert check, if original submission; insert check and revision number, if revised submission.
- b. HUD Field and Regional Offices: Insert appropriate office.
- c. Type of Leasing Method: Check one block to identify the type of leasing method.
- d. AC Contract No.: Insert Annual Contributions Contract number.
- e. Project No.: Enter the project number.
- f. Number of D.U.: Enter the total number of dwelling units authorized in the Annual Contributions Contract; or, for a revised submission for an Existing Project occasioned by the authorization of additional units, enter the total number of units authorized by the Revised ACC, Part I, if the revision is submitted in the first fiscal year; if submitted in a subsequent year, enter the number of additional units only.

3. Part I--Preliminary Administrative Expense

a. Section A. The costs to be included in Part IA are those normally incurred prior to the execution of the Annual Contributions Contract. These expenses include, but are not limited to, any necessary activities required for the making of an application for a Section 8 Housing Assistance Payments Program. In Existing, they include any of the costs of the intake process identified in 1.d. above which are incurred before HUD executes the ACC. Annual Contributions will be provided for items includable in this category on a one-time basis during the first fiscal year (with the exception of additional units for an Existing Project which is discussed in paragraph 1c above) and will be subject to a settlement based on actual expenditures.

b. Section B. For New and Rehab, the estimates of costs to be included in Part IB are those necessary administrative expenses to be incurred for the period commencing on the date the Annual Contributions Contract is executed and terminating on the day prior to the beginning of the first fiscal year. Annual contributions will be provided on a one-time basis during the first fiscal year and will be subject to a settlement based on actual expenditures. For Existing, Part IB includes all intake costs occurring after HUD execution of the ACC and prior to the end of the fiscal year. The intake process includes all activities necessary to bring families into the program up to the effective date of the Owner Family Lease under the program and the Housing Assistance Payments Contract. Expenses related to maintaining the family in the program (such as inspection, recertification, and responding to family and owner requests for information) are ongoing administrative costs not to be included in preliminary costs.

4. Part II--Nonexpendable Equipment. The estimates of costs to be included in this Part are those costs of nonexpendable equipment initially required to accomplish the tasks associated with the normal, ongoing operation of the PHA under the Annual Contributions Contract. Acquisitions of nonexpendable

equipment shall be limited to essential items. Annual contributions for the items included in Part II will be approved on a one-time basis during the first fiscal year (with the exception of additional units for an Existing Project which is discussed in paragraph 1c above) and will be subject to a settlement based on actual expenditures.

5. Part III--Maximum Annual Contributions Available for Preliminary Costs. Annual contributions will be made available for those items included in Parts I and II, as approved by the HUD Field Office, up to, but not to exceed, the amount of the maximum annual contributions available for preliminary costs as shown on Line 700, Part III, of this form.

Instructions for completing Part III:

- a. Line 610. Enter the maximum total annual contribution for the project for which this form is completed as shown in paragraph 1.4(a), Annual Contributions, Part I, of the Annual Contributions Contract.
- b. Line 660. Enter the estimated total Housing Assistance Payments required for those units expected to be leased by families during the first 12 months of the first fiscal year. Consider only the number of months the units are expected to be actually leased by Families. In Existing, the number of months shall be estimated from the leasing schedule. The Form HUD-52672 shall be utilized as the supporting documentation for the amount to be entered on Line 660.
- c. Line 670:
New and Rehab: Enter the product of the following factors: (1) number of units authorized in the Annual Contributions Contract; (2) 12 (number of months in a year); (3) the average of the published Fair Market Rents (which will be provided by the HUD Field Office) for new two-bedroom units for the PHA locality; and (4) 3 percent (.03).
Existing: Enter the product of the following factors: (1) number of units expected to be actually leased by Families as determined for Line 660 above; (2) 12 (number of months in a year); (3) the published Fair Market Rent (which will be provided by the HUD Field Office) for existing nonelevator two-bedroom units for the PHA locality; and (4) 8.5 percent (.085).
- d. Lines 680, 690, and 700. Self-explanatory.
- e. Existing Project. When Part III is completed to determine the Maximum Annual Contributions Available for Preliminary Costs for additional units authorized prior to the end of the first fiscal year, the calculation shall be based on the first 12 months of ACC coverage for the total units and not on "the first 12 months of the first fiscal year," as stated on Form HUD-52671. If additional units are authorized subsequent to the end of the first fiscal year, the calculation shall be based on the first 12 months of ACC coverage for the additional units only.