

CHECKLIST OF CATEGORIES FOR REDUCING COSTS AND
INCREASING INCOME

Guidance On Use of Checklist

The Checklist shall be used by the Field Office as a tool in identifying areas of cost savings/increased income. Troubled PHAs may also wish to use the Checklist as a tool for the development of an MOA. The Categorical Questions from the Checklist on which the greatest analysis should be spent are determined by such factors as the following:

1. High cost areas reflected in the PHA's budget.
 - a. Those areas in which costs have been trending upward most rapidly.
 - b. Those areas in which the PHA's expenses appear inordinately high in comparison to PHAs of similar size.
 - c. Cost areas, which although not increasing rapidly, represent in any event a major percentage of the PHA's expenditures.
2. Most recent review findings, e.g., management, occupancy, maintenance, utilities, independent accountant (IA), Regional Inspector General for Audit (RIGA), General Accounting Office (GAO), etc.
3. PUM rental income charged and percentage received which is below that of other PHAs of similar size or geographic location, as appropriate.
4. Past Field Office experience with and knowledge of the PHA.

Use of such information as the above in conjunction with the Checklist will determine which areas listed thereon should be concentrated on more than others, e.g., potential for financial impact is greatest. Field Office determinations as to the areas deserving the highest concentration of review effort will of necessity be dictated by each PHA's particular circumstances.

The Checklist should not be considered inclusive. While significantly broad in scope and relatively extensive, it is not intended to be exhaustive, e.g., additional areas of potential energy savings beyond those in the Checklist are reflected in 24 CFR Part 965, Subpart C, Energy Audits and Energy Conservation Measures, etc.

APPENDIX 22

Use of the Reference category on the Checklist will assist in identifying the general or specific requirements pertaining to the question. Where a specific statutory, regulatory, handbook, notice, Annual Contributions Contract (ACC) provision, etc., is not cited to provide background guidance, Section 201 of Part II of the ACC shall be considered applicable, if the Field Office determines that the proposed action(s) to be taken in response to the question would result in a PHA meeting or more fully meeting the contractual requirement of this portion of the ACC. (Section 201 of Part II of the ACC provides that "The Local Authority shall at all times operate each Project . . . (2) in such manner as to promote serviceability, efficiency, economy and stability . . .").

The Strategy/Assistance category on the Checklist provides additional information which may be of assistance in the analysis of the question to which it corresponds.

The Referral category provides the names of the PHAs to which the Field Office/PHA might wish to refer concerning actual implementation practices. In this regard, it should be clearly understood that the PHAs on the referral list are understood by Headquarters to have done an effective job in the area(s) for which they are listed. This does not mean, however, that the PHAs' practices in the area(s) concerned are necessarily in full compliance with HUD regulatory requirements, etc. This determination will have to be made by the Field Office and the PHA.