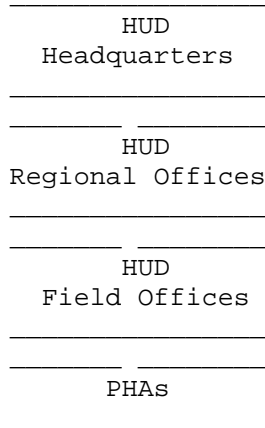


CHAPTER 1. HUD AND PHA RESPONSIBILITIES

1-1. PURPOSE.

This chapter describes the relationships between PHAs and the three organizational levels of the Department in the operation of the various Public Housing programs.



1-2. HUD HEADQUARTERS.

Among the major functions exercised by Headquarters are the following: promulgating and interpreting policies for the various Public Housing programs which are consistent with the Act and other applicable statutes and appropriation actions; establishing practices, goals, standards, criteria and procedures for use by HUD Regional and Field Offices and PHAs in the administration of the

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Public Housing programs, granting waivers of regulatory and contractual requirements and procedures, when appropriate; and assigning funds to Regional Offices for subsequent sub-assignment to Field Offices for obligation to PHAs.

1-3. HUD REGIONAL OFFICE RESPONSIBILITIES.

Regional Offices have responsibility for overseeing the administration of Public Housing programs by Field Offices; including productivity, timeliness of service, effectiveness, utilization of resources and quality of performance. Other responsibilities include:

- a. Assigning funds to Field Offices within the Region;
- b. Coordinating Public and Indian Housing reports to Headquarters;
- c. Coordinating with the Regional Inspector General for Audit (RIGA) and the General Accounting Office (GAO) in resolving audit problems and overseeing the resolution of audit findings; and
- d. Conducting periodic reviews of Field Offices to ensure compliance with regulatory and procedural requirements.

1-4. HUD FIELD OFFICE RESPONSIBILITIES.

Field Offices are the primary contact points between HUD and PHAs. Specific responsibilities of Field Offices include:

- a. Reviewing and approving Operating Budgets submitted annually by PHAs (see Chapter 2);
- b. Reviewing and approving PHA requests for operating subsidy in accordance with the regulations and/or procedures applicable to the type of project being funded;
- c. Reviewing periodic financial reports of PHAs to evaluate financial stability, economy of operation, and financial management practices, e.g., procurement practices, investment policies and procedures, collection of accounts receivable, and resource allocation;
- d. Maintaining financial trend data on reserve positions for all PHAs and taking corrective action when negative trends begin to appear, including designation of PHAs as Financially Troubled, when appropriate, and taking subsequent action related to the Financially Troubled designation (see Handbook 7475.14);
- e. Providing technical assistance directed toward financial stability and efficient and economical operations;

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- f. Performing on-site reviews, audits, and surveys of PHA operations designed to:
 - (1) Determine PHA compliance with the ACC, applicable Federal statutes, regulations, and Departmental policies and requirements;
 - (2) Evaluate PHA performance for effectiveness; and

(3) Provide technical assistance to PHAs (see Handbook 7460.7).

g. Assisting in developing training programs for management staffs of PHAs; and

h. Establishing and maintaining a system to control and track the receipt and processing of operating budgets, budget revisions, financial statements, mandatory adjustments and other financial documentation as well as funds sub-assigned from Regional Offices and subsequently obligated to PHAs. The system may be manual or automated and should be designed to meet the following objectives:

- (1) Record the due dates, receipt, processing and actions taken on operating budgets and budget revisions. For operating budgets, the system must be able to establish a processing timeframe that does not exceed 45 days as well as record the actions taken to obtain delinquent operating budgets.
- (2) Record the due dates, receipt and review actions taken on financial statements and mandatory adjustments including the actions taken to obtain these reports if delinquent.
- (3) Record the due dates, receipt, review and actions taken on PHA insurance documents including actions taken to ensure PHAs have required insurance coverage.
- (4) Record the receipt and actions taken on PHA requests for additional subsidy submitted pursuant to 24 CFR Section 990.108(d) (costs beyond control).
- (5) record the receipt and subsequent obligation of funds subassigned from Regional Offices. The system must be able to track over/under obligations in order to ensure proper adjustment of subsidy eligibility and to facilitate preparation of reports for Headquarters use.
- (6) Record separately the due dates, receipt, processing and actions taken on Section 23 financial documents and obligation of lease adjustment funds sub-assigned from Regional Offices.

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1-5. RESPONSIBILITIES OF PHAs.

PHAs are responsible for operating their public housing projects in compliance with the ACC and applicable regulations and procedural requirements. The ACC, among other things, requires PHAs to operate their housing projects solely for the purpose of providing decent, safe, and sanitary housing within the financial reach of lower income families and in such a

manner as to promote serviceability, efficiency, economy and stability.

Among the specific responsibilities of PHAs are the following:

- a. Properly managing Federal funds without waste, fraud, or mismanagement;
- b. Operating projects for the benefit of lower income families;
- c. Assuring that the income limits, as established by statute, are adhered to;
- d. Maintaining the accounting books and records in accordance with HUD requirements and submitting required six-month/year-end financial statements (see Chapter 6);
- e. Operating projects with maximum efficiency and economy;
- f. Submitting an annual operating budget and all related, supporting documents in accordance with the ACC (see Chapter 2); and
- g. Adhering to Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968 (as amended), and Executive Order 11063.