

CHAPTER 7. FIELD OFFICE PROCEDURES FOR REVIEW
OF FINANCIAL STATEMENTS

7-1. PURPOSE.

This chapter provides the requirements for Field Office review and verification of information reported on PHA Financial Statements, and procedures for review of the PHA Revised Report of Tenants Accounts Receivable, Form HUD-52295.

7-2. REVIEWING FINANCIAL STATEMENTS.

Each PHA is required to submit financial statements within forty-five days after the end of its fiscal year. See Chapter 6, Exhibit 6-1 (Schedule and Distribution of Required Financial Reports) and Chapter 13, Appendix 1 of HUD Handbook RHA 7510.1, Low-Rent Housing Accounting Handbook. The Field Office is required to review the PHA financial statements for compliance with the applicable approved operating budget or budget revisions. We have provided Field Office review procedures in the form of a checklist. It is recommended, but not required, that the checklist be used for review of the financial statements. Exhibits 7-1 thru 7-6 contain the copies of the financial forms and the financial statement checklists. The financial statements, with the exception of budget information, must be reported in exact amounts. The required statements are as follows:

HUD-52599	Statement of Operating Receipts and Expenditures (Exhibit 7-1)
HUD-52267	Computation of Payments in Lieu of Taxes (Exhibit 7-2)
HUD-52596	Statement of Income and Expense and Changes in Accumulated Surplus or Deficit from Operations (Exhibit 7-3)
HUD-52595	Balance Sheet (Exhibit 7-4). Journal Vouchers affecting accounts 2700, 6010, 2810, 2820, and 2840 should also be included.
HUD-52295	Revised Report of Tenants Accounts Receivable (Exhibit 7-5). This Form is required semiannually unless requested more frequently by the Field Office.
HUD-52598	Analysis of Nonroutine Expenditures (Exhibit 7-6)

7-3. REVIEW OF PHA REPORT OF TENANTS ACCOUNTS RECEIVABLE, FORM HUD-52295: (Exhibit 7-5)

PURPOSE.

This paragraph establishes procedures for Field Office review of Form HUD-52295, Report of Tenants Accounts Receivable.

Review Process.

- a. Responsibility for Review. The Assisted Housing Management Branch (AHMB) has primary responsibility for reviewing reports. Where no Field Office exists, the requested action shall be taken by the Regional Office. The Branch is also responsible for evaluating and interpreting the information on the form and for recommending timely and appropriate corrective action in any case where conditions indicate the need for such action.

Scope of Review.

- (1) The required review shall be of sufficient scope and depth to ascertain current effectiveness of the PHA's collection policies and practices.
 - (2) In cases where the report reveals significant worsening of the PHA's collection effectiveness, the Chief, AHMB, may request the PHA to submit:
 - (a) more exhaustive analysis of its tenants accounts receivable, and
 - (b) more frequent reports of its tenants accounts receivable, as circumstances warrant, until improved collection effectiveness is achieved.
 - (3) In cases where the PHA is not experiencing a collection problem, the Chief, AHMB, may waive semiannual reporting and require only annual reports.
 - (4) In all cases, at the discretion of the Chief, AHMB, other reports or summaries prepared by a PHA which contain substantially the same information as that required in the Form HUD-52295 may be accepted in lieu of that form.
- c. Documentation. Any requests for more frequent and/or increased reporting by a PHA, waivers of semiannual reporting, and acceptability of reports other than the prescribed report format shall be documented by letter from AHMB to the PHA.

