

## **PROCEDURES FOR ESTABLISHING A TRACS BASELINE CERTIFICATION**

TRACS Release 201A introduced a “baseline indicator” in the MAT10 Section 2 Record. The purpose of this document is to flesh out the intention behind the baseline indicator and to illustrate how the baseline indicator can be used as Contract Administrators build their own baselines in preparation for performing the pre-payment voucher reviews.

There have been many requests in the past for a way to reestablish a tenant inventory for a project or contract. These requests have come in when a property changed management and the electronic files weren't transferred to the new management. A new baseline would enable the new management to proceed with some confidence that they and TRACS have similar data in their respective files. There are cases where a tenant's record in TRACS has become so cluttered with mistakes that it easier to start over than enter the transactions needed to correct the record. Since there still is no delete transaction in TRACS, a new baseline certification for the tenant is one way of restarting the tenant's current record with a fresh HUD 50059 .

The baseline indicator was intended as a vehicle for reestablishing a clean current certification occurrence for individual tenants or complete projects or contracts. CAs should be aware that once they submit data to TRACS for a HAP contract, TRACS will be expecting all subsequent data submissions for that contract to come from the CA. Similarly, if the CA acts as a conduit for all data from a project, including Section 236, BMIR, Rent Supplement or RAP, TRACS will expect that CA to continue acting as the conduit for that data. The rules for using the baseline indicator are:

1. When establishing a new baseline for a contract, pick a voucher submission to define the point in time that the baseline represents.
2. Resubmit the active (re)certification with the Baseline Certification Indicator equal to “Y” and the Voucher Date equal to the Voucher Date submitted originally with the (re)certification (or the correct Voucher Date if the original was wrong). If establishing the baseline as of a voucher date, the “active” certification may include (re)certifications that aren't active at the time of submission but will be active for the voucher month. This will:
  - Supersede the active (re)certification, if one exists in the TRACS database,
  - Create an active (re)certification, if one doesn't exist in the TRACS database,
  - Circumvent certification type edits that would otherwise reject inconsistent certification types (e.g. a Move-In for an existing tenant, an Annual Recertification or Interim Recertification when the tenant doesn't already exist), and

- Delete any future recertifications (HUD 50059s with an effective date greater than the current date) that have been previously submitted for the tenant.
3. Resubmit any partial certifications (move-outs, terminations, unit transfers, and gross rent changes) that apply to the freshly reestablished Baseline Certification with the Voucher Date equal to the Voucher Date submitted originally with the partial certification (or the correct Voucher Date if the original was wrong). There is no Baseline Certification Indicator for partial certifications. In TRACS, partial certifications reproduce and modify the certification occurrence(s) to which they apply creating a new occurrence without recertifying the tenant.
    - Do not resubmit the partial certifications the same day the Baseline Certification is resubmitted. If the Baseline Certification is rejected for some reason, the partial certifications will not be processed as intended.
    - Do resubmit the partial certifications following successful processing of the Baseline Certification.
  4. Resubmit any certifications with an effective date greater than the date of submission and greater than the voucher baseline date, if applicable. This does not include recertifications submitted for a targeted voucher date that may have an effective date greater than the submission date, but will be active on the baseline voucher date.
  5. Unacceptable Baseline Certifications:
    - (Re)certifications with a (certification) effective date that is less than the highest effective date for an active tenant on the TRACS database. The Baseline Certification is not the active (re)certification.
    - (Re)certifications with an effective date more than 12 months before the current date. The Baseline Certification is an expired 50059.
    - Recertifications with future effective dates that have a voucher date greater than the (certification) effective date. Future certifications that will not be effective on the targeted voucher date cannot be used to establish a future new baseline.)

The Performance-based Section 8 Contract Administrators (CAs) will be building baselines of tenant data for use in reviewing vouchers prior to payment. If the CAs have concerns about the data quality in TRACS for their contracts, they may submit baselines to TRACS to make sure that their databases and the TRACS database are in synch. This is not a requirement, but it is a feature available in TRACS. The CA may start sending baseline data to TRACS before it starts paying vouchers. The CA will act as a conduit between the OA and TRACS for submission of data used by TRACS/LOCCS to pay the OA. The timeliness of the transmissions from the CA can affect the timeliness of the OA's payment. Although, TRACS can handle baseline certifications one-at-a-time, we recommend that the CAs do not send Baseline Certifications to TRACS until they reconcile the first month's baseline.

The baseline indicator is not available to CAs that are not on a TRACS Release 201A. However, the new downloadable Tenant Query by Contract, available June 1, and the downloadable Voucher Detail Reports, available the first of August, are other tools that the CA may use to verify that they and TRACS have the same data.

There will be additional modifications to TRACS edits for Baseline Certifications regarding the MAT15 Address Records. If a MAT15 Address record is submitted with a Baseline Certification as an “address load”, TRACS will treat it as a correction if that address for that tenant, unit and contract is already on the Tenant database. A MAT15 load transaction submitted with a baseline will not be rejected if the address already exists.

Baseline Certifications will be sent to SSA for SS/SSI validation. Although this may seem redundant, the Baseline Certification can be used to establish tenants on the TRACS database for the first time or reestablish them on the database. Housing cannot assume that the baseline certification has validated SS & SSI income amounts.

Remembering the characteristics of the Baseline Certification Indicator outlined above, we recommend that CAs use the following three-month cycle to submit or maintain a baseline in TRACS as part of their start-up procedure.

CAs are expected to make payments to owners three months after the first assignment of contracts, e.g. the Round 1 CAs are scheduled to start in June with the goal of issuing their first payments for the September vouchers received in August. The dates used in the example, below are approximate. Payment schedules will dictate timing:

### **(Month 1)**

#### Day

1 - 10: OA submits tenant data updates and the July voucher to TRACS.

1 - 10: OA submits tenant baseline data and the July voucher to the CA.

2 - 15: TRACS sends payment requests to LOCCS.

2 - 30: CA reconciles baseline then submits the Baseline Certifications (if desired) to TRACS coded as follows:

- (certification) effective date = the effective date of the HUD 50059 reported on the July Voucher.
- voucher date = the original voucher date for the transaction submitted for this baseline transaction. If the transaction is a certification, use the voucher date used with the original submission. If the original certification has been modified by a gross rent change or other partial certification, submit the partial certification(s), following the baseline certification, using the voucher date originally submitted with each partial certification.

20-30: LOCCS sends July payment to Treasury for distribution to OA bank accounts.

**(Month 2)**

Day

- 1 - 10: OA submits to the CA tenant data updates and baselines that have not previously been sent together with the August voucher.
- 2 - 14: CA performs the level of oversight specified through CA Guidebook and submits tenant data and the August voucher to TRACS.
- 2 - 15: TRACS updates the tenant database, processes the voucher and sends a payment request to LOCCS.
- 20-30: LOCCS sends August payment to Treasury for distribution to OA bank accounts.

**(Month 3)**

Day

- 1 - 10: OA submits tenant data updates, including certifications, recertifications and baselines, and the September Voucher to the CA.
- 1 - 14: CA submits tenant data updates and the approved September voucher to TRACS.
- 2 -15: If LOCCS has an approved requisition for the CA, TRACS retains the voucher and does not send a request for payment to LOCCS; otherwise TRACS sends a payment request to LOCCS.
- 20-30: If LOCCS has an approved requisition, LOCCS sends a scheduled payment for the CA to Treasury for distribution to the CA bank account; otherwise, the payment will be for distribution to the OA bank account.