



**Financial Reporting Models and Reporting Requirements  
For PHAs Administering the Public Housing Program  
ACCOUNTING BRIEF #16**

**Governing Regulations and Guidance**

1. The Operating Fund regulation (24 CFR §990.255, §990.260 and §990.280) states that the requirements of asset management (including project-based budgeting and accounting) are applicable to those PHAs managing 250 or more public housing units. PHAs managing 249 or less public housing units are exempt from asset management and the respective reporting requirements.
2. Beginning with the 2008 Consolidated Appropriations (P.L. 110-161), Congress provided additional guidance on asset management which 1) increased the minimum number of public housing units from 250 to 401 units for required implementation of asset management (with certain exceptions); and 2) re-affirmed that PHAs could use Capital Fund Program awards to fund costs typically associated with central office operations. These Congressional provisions have been extended via annual appropriations law for 2009, 2010 and 2011. The 2008 provisions can be found in Section 225 and Section 226 of the 2008 Consolidated Appropriations.
3. HUD's guidance on the implementation of the two asset management provisions in the 2008 Consolidated Appropriations Act (Sections 225 & 226) is summarized in PIH Notice 2008-16 (*Guidance on Asset Management Provisions in the Consolidated Appropriations Act, 2008*) dated March 25, 2008.
4. Guidance on reporting Model 4 (i.e., Small PHAs under alternate asset management) discussed in this accounting brief is located in the *Supplement to HUD Handbook 7475.1 REV, Financial Management Handbook* issued in April 2007.

**Background**

On October 24, 2005, HUD published the *Revision to the Public Housing Operating Fund Program; Final Rule* (The Final Rule). The Final Rule amended 24 CFR 990 which governs the Operating Fund formula. The revisions to 24 CFR 990 also established the same asset management and property management norms for public housing that are consistent with the broader multifamily housing industry. The changes to 24 CFR 990 sought to convert PHAs and HUD from an **agency-centric model** to an **asset-management model** or project-level model.

The FDS template was revised to reflect the change to asset management and to accommodate the reporting requirements of the public housing program at the project level. In addition, the

FDS was further modified to reflect the following four new reporting models that were created as a result of changes to HUD regulations, additional HUD guidance and Congressional actions. The four reporting models are:

- Model 1: PHAs under Asset Management with Central Office Cost Center (COCC),
- Model 2: PHAs under Asset Management with Allocated Overhead,
- Model 3: PHAs not under Asset Management, and
- Model 4: Small PHAs under Alternate Asset Management

PHAs must utilize one of the four models to complete the FDS template.

This accounting brief introduces the four reporting models that result from the asset management provision in the Final Rule and provides information on the following:

1. HUD regulations, Congressional mandates and HUD guidance which led to the establishment of the four reporting models;
2. PHA financial reporting models, their applicability (based on the PHA size and whether the PHA has applied for the Stop Loss provision of the Operating Fund Rule), and the FDS reporting requirements associated with each reporting model; and
3. Cost reasonableness requirements for PHAs reporting under asset management.

This accounting brief is specifically meant to clarify the various financial reporting models for PHAs that manage HUD's public housing program (Public Housing Operating Fund and Capital Fund program). While Section 8 only PHAs may find this information useful, Section 8 only PHAs are exempt from the requirements of the Final Rule. Any reference to units in this accounting brief strictly refers to public housing units.

This accounting brief also contains the following appendices.

- **Appendix 1:** Asset Management Types (Page 13)
- **Appendix 2:** Summary – Asset Management Reporting Models (Pages 14-15)
- **Appendix 3:** FDS Templates – Asset Management Reporting Models (Pages 16-17)

### Origins of Reporting Models

The Final Rule, Congressional mandates, and HUD guidance have resulted in the establishment of the following four reporting models.

1. Model 1: PHAs under Asset Management with a Central Office Cost Center (COCC). This model is used by PHAs that have implemented asset management and have adopted a fee-for-service approach.
2. Model 2: PHAs under Asset Management using Allocated Overhead. This model is used by PHAs that have implemented asset management but are not using a fee-for-service approach.
3. Model 3: PHAs not under Asset Management. This model is used by PHAs that have not implemented asset management.
4. Model 4: Small PHAs under Alternate Asset Management. This model is used by small PHAs (i.e., 249 units or less) as an option to qualify under Stop Loss.

The first three reporting models are a result of the Operating Fund Rule and the 2008 Consolidated Appropriations Act. The last model, Model 4: Small PHAs under Alternate Asset Management was developed through HUD guidance, specifically the *Supplement to HUD Handbook 7475.1 REV, Financial Management Handbook* issued April 2007.

*Regulations.* The Final Rule exempted certain PHAs from the requirements of asset management based on the number of public housing units that are administered by the PHA. Specifically, 24 CFR §990.255, §990.260, and §990.280 specifies that the requirements of asset management (including project-based budgeting and accounting) are applicable to those PHAs managing 250 or more public housing units. PHAs managing 249 or less public housing units were exempt from asset management and the respective reporting requirements.

Below are the specific regulatory provisions of 24 CFR §990.260 and §990.280.

24 CFR §990.260:

(a) PHAs that own and operate 250 or more dwelling rental units under title I of the 1937 Act, including units managed by a third-party entity (for example, a resident management corporation) but excluding section 8 units, are required to operate using an asset management model consistent with this subpart.

(b) PHAs that own and operate fewer than 250 dwelling rental units may treat their entire portfolio as a single project. However, if a PHA selects this option, it will not receive the add-on for the asset management fee described in §990.190(f).

24 CFR §990.280:

(b)(4) Project-specific operating expenses shall include, but are not limited to, direct administrative costs, utilities costs, maintenance costs, tenant services, protective services, general expenses, non-routine or capital expenses, and other PHA or HUD-identified costs which are project-specific for management purposes. Project-specific operating costs also shall include a property management fee charged to each project that is used to fund operations of the central office. Amounts that can be charged to each project for the property management fee must be reasonable.

*Appropriations Law.* Beginning with the 2008 Consolidated Appropriations, Congress provided additional guidance on asset management which 1) increased the minimum number of public housing units from 250 to 401 units for required implementation of asset management (with certain exceptions); and 2) re-affirmed that PHAs could use Capital Fund Program awards to fund costs typically associated with central office operations. These Congressional provisions have been extended via annual appropriations law for 2009, 2010 and 2011. The 2008 provisions can be found in Section 225 and Section 226 of the 2008 Consolidated Appropriations.

1. Section 225. Section 225 of the 2008 Consolidated Appropriations increased the threshold exemption from asset management for PHAs administering 250 or more public housing units to PHAs administering 401 or more units. Exception: This provision is not applicable to PHAs that applied for Stop Loss (i.e., request that HUD discontinue the reduction of the PHA's operating subsidy as specified under the new Operating Fund formula). To be eligible for Stop Loss, a PHA must implement asset management.

Section 225 (2008 Consolidated Appropriations Act, P.L. 110-161):

Public housing agencies that own and operate 400 or fewer public housing units may elect to be exempt from any asset management requirement imposed by the Secretary of Housing and Urban Development in connection with the operating fund rule: Provided, that an agency seeking a discontinuance of a reduction of subsidy under the operating fund formula shall not be exempt from asset management requirements.

2. Section 226. Under previous asset management guidance, a PHA could only transfer Capital Fund Program (CFP) grant funds to the project's operations for the payment of direct project costs such as maintenance or residence services. This method was not intended to allow the COCC to charge a higher management fee than otherwise allowed. Section 226 of the 2008 Consolidated Appropriations Act clarified that PHAs implementing asset management may continue to use up to 20% of their Capital Funds to pay for those costs typically associated with central office operations (non-troubled PHAs with fewer than 250 units may utilize 100 percent of their Capital Funds for operations.).

CFP grant awards can only be used to support public housing activities. However, expenses in a COCC are associated with Public Housing, Housing Choice Voucher, and all other programs administered by the PHA. Therefore, PHAs that use CFP for operations to support central office operations (i.e., overhead) are not allowed to establish a COCC and are required to maintain an overhead allocation system that is subject to the reasonable and necessary standards of OMB Circular A-87. That is, in lieu of using a fee-for-service approach and establishing a COCC, the PHA will recover central office operation costs by allocating these overhead costs to the PHA's projects and programs. PHAs will report these indirect costs associated with central office operations on the FDS using the allocated overhead line item (FDS Line 91810). These overhead allocations must continue to demonstrate cost reasonableness as required by HUD. Section 226 only provides language on the use of CFP grant awards to support operations. All other requirements of asset management are not affected by this provision.

Section 226 (2008 Consolidated Appropriations Act, P.L. 110-161):

With respect to the use of amounts provided in this Act and in future Acts for the operation, capital improvement and management of public housing as authorized by sections 9(d) and 9(e) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d) and (e), the Secretary shall not impose any requirement or guideline relating to asset management that restricts or limits in any way the use of capital funds for central office costs pursuant to section 9(g)(1) or 9(g)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437g(g)(1),(2))): Provided, however, that a public housing agency may not use capital funds authorized under section 9(d) for activities that are eligible under section 9(e) for assistance with amounts from the operating fund in excess of the amounts permitted under sections 9(g)(1) or 9(g)(2).

*Other HUD Guidance.* HUD's guidance on the implementation of the two asset management provisions in the Consolidated Appropriations Act (Sections 225 & 226) is summarized in PIH

Notice 2008-16 (*Guidance on Asset Management Provisions in the Consolidated Appropriations Act, 2008*) dated March 25, 2008. The following are the additional PHA reporting requirements that are discussed in this notice.

1. PHAs that utilize Section 226 must maintain overhead allocations to demonstrate reasonable costs and are not permitted to use fee-for-service methods for their Public Housing Program.
2. A new FDS line item titled "Allocated Overhead" (FDS Line 91810) has been added to the FDS template for the PHA to report these overhead allocations.
3. Prior to utilizing Section 226, PHAs must notify HUD by email of its intent to switch to the cost-allocation method for overhead. The email should be sent to [REAC\\_OpSub@hud.gov](mailto:REAC_OpSub@hud.gov).
4. The amount reported in the allocated overhead line are the same basic costs that would be reported as expenses in a COCC of a PHA that converted to a fee-for-service reporting model. The *Supplement to HUD Handbook 7451.1 REV, Financial Management Handbook* issued April 2007 provides information on those costs (i.e., fee expenses) that must be pooled and allocated using FDS Line 91810.

### Overview of Four Reporting Models

The reporting models that are applicable to a PHA are determined by the factors below.

1. **PHA size.** The number of public housing units that the PHA administers: 1) 401 or more units; 2) 250 to 400 units; or 3) 249 or less units.
2. **Stop Loss.** PHAs that have 250 or more units that have applied for, or are approved under Stop Loss, must demonstrate compliance with asset management and must adopt a COCC and fee-for-service approach. PHAs with 249 units or less may adopt a COCC and fee-for-service approach or use Model 4 if they have applied for, or are approved under Stop Loss.

The PHA Board and management will also influence the asset management reporting model to be used. The table below provides a summary of the four reporting models and their applicability by the three PHA size categories.

**Table 1**  
**Asset Management Reporting Models by PHA Size Categories**

Reporting Model	401 or More Units		250 to 400 Units		249 or Less Units	
	Non Stop Loss	Stop Loss	Non Stop Loss	Stop Loss	Non Stop Loss	Stop Loss
<b>Model 1:</b> PHAs under Asset Management <u>with</u> COCC	Optional	Required	Optional	Required	Optional	Optional
<b>Model 2:</b> PHAs under Asset Management with Allocated Overhead and no COCC	Optional	Not Allowed	Optional	Not Allowed	Optional	Not Allowed
<b>Model 3:</b> PHAs not under Asset Management	Not Allowed		Optional	Not Allowed	Optional	Not Allowed
<b>Model 4:</b> Small PHAs under Alternate Asset Management	Not Applicable		Not Applicable		Not Applicable	Optional

- PHAs with 401 or more units are only permitted to use Models 1 or 2. PHAs applying for Stop Loss or have been approved under Stop Loss are required to use Model 1.

- PHAs with between 250 and 400 units that voluntarily implement the asset management model are permitted to use Models 1 or 2. However, PHAs applying for Stop Loss or have been approved under Stop Loss are required to use Model 1.
- PHAs with 249 or less units and not applying for Stop Loss can choose Models 1, 2, or 3. PHAs of this size are the only category of PHAs allowed to use Model 4, the alternate asset management model but only if the PHA is applying for Stop Loss or has been approved under Stop Loss.

### Reporting Models and FDS Reporting Requirements

The FDS template has also been revised to gather information on the reporting models (asset management or non-asset management) used by a PHA. On the “PHA Information” tab of the FDS, the PHA is required to identify the reporting model used for the FDS submission. Below is a screen shot of the FDS “PHA Information” tab. On this tab, the four reporting models are further delineated into six reporting types that identify whether the PHA has chosen to establish a COCC and/or uses the Elimination column on the FDS.

**Figure 1**  
**FDS “PHA Information” Screen**



### **Real Estate Assessment C** **Financial Assessment Subsystem (F)**

PHA Information	
PHA Code	CA999
PHA Name	Hometown Housing Authority
EIN Number	N/A
Address(line1)	123 Fourth Street
Address(line2)	
City	Hometown
State	CA
Zip Code	99998
Reporting Ending Date	09/30 (Four Digit Year)
Submission Type	<input checked="" type="radio"/> Unaudited/Non-A-133 <input type="radio"/> Unaudited/No Audit <input type="radio"/> Unaudited/A-133 <input type="radio"/> Audited/Non-A-133 <input type="radio"/> Audited/A-133
Asset Management	<input checked="" type="radio"/> Non-Asset Management with Elimination Only <input type="radio"/> Non-Asset Management with COCC/Elimination <input type="radio"/> Non Asset Management <input type="radio"/> Asset Management without COCC/Elimination <input type="radio"/> Asset Management with Elimination Only <input type="radio"/> Asset Management with COCC/Elimination
Component	<input type="checkbox"/> Component Unit (Check this box if the PHA is a component unit of the local government or local

Asset  
Management  
Reporting Types

**Appendix 1** provides a description of the six reporting types shown on the “PHA Information” tab of the FDS.



**Table 2** provides a crosswalk of the four reporting models to the six reporting types shown on the FDS “PHA Information” screen. A “√” in the cell indicates the available FDS reporting type associated with each reporting model. For example, PHAs using *Model 2: PHAs under Asset Management with Allocated Overhead and no COCC* should only select the FDS reporting type of: 4) Asset Management without COCC/Eliminations, if there are no intra-entity transactions or 5) Asset Management with Elimination, if the PHA needs to eliminate intra-entity transactions.

**Table 2**  
**Asset Management Reporting Models and FDS Reporting Types**

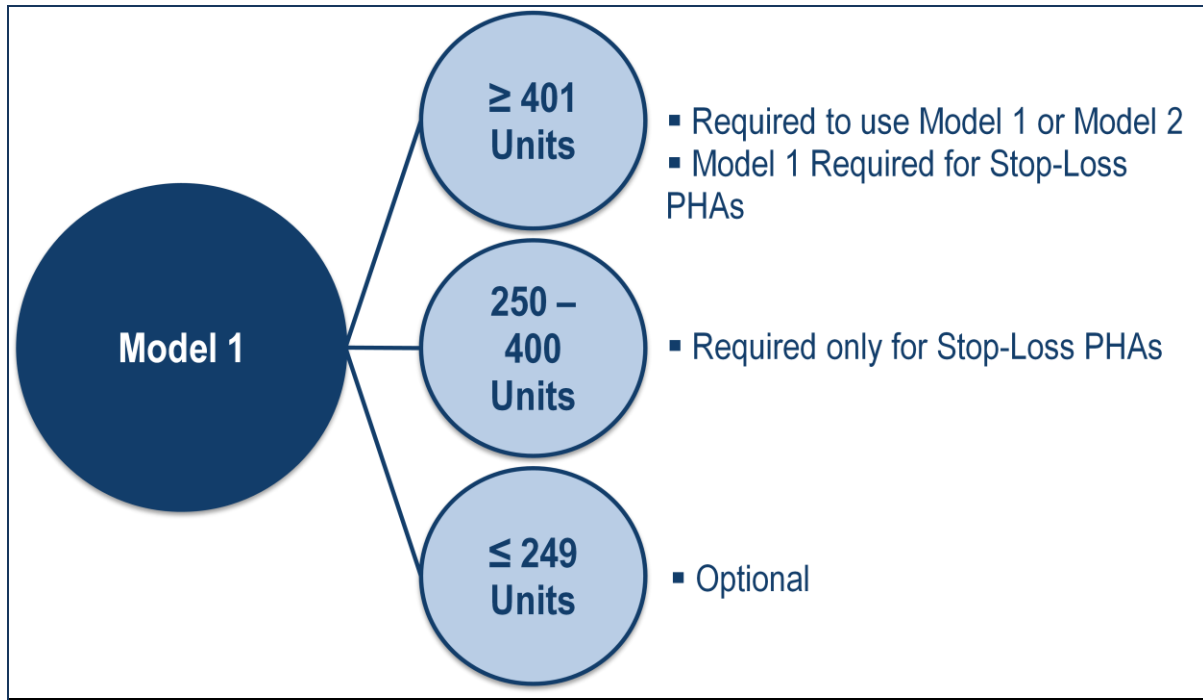
FDS Reporting Types	Asset Management Reporting Models			
	<b>Model 1:</b> PHAs under Asset Management <u>with</u> COCC.	<b>Model 2:</b> PHAs under Asset Management with Allocated Overhead, and no COCC	<b>Model 3:</b> PHAs not under Asset Management. (includes all Section 8 only PHAs)	<b>Model 4:</b> Small PHAs under Alternate Asset Management Method.
1. Non-Asset Mgmt with Elimination Only			√	
2. Non-Asset Mgmt with COCC/Elimination			√	
3. Non-Asset Management			√	
4. Asset Mgmt without COCC/Elimination		√		√
5. Asset Mgmt with Elimination		√		√
6. Asset Mgmt with COCC/Elimination	√			

The sections below provide the following information for each Asset Management Reporting Model:

- A description of each reporting model;
- The reporting model’s applicability to the three PHA size categories:
  - 401 or more units;
  - 250 to 400 units; or
  - 249 or less units; and
- Reporting requirements on the FDS template for each reporting model.

**Appendix 2** provides a brief summary of all four reporting models, including a description of each model, its applicability, and the FDS reporting requirements.

**Model 1: PHAs under Asset Management with COCC**



**Description.** Under Model 1, the PHA has implemented asset management and is using a fee-for-service approach. The PHA has established a COCC and therefore will use an elimination column.

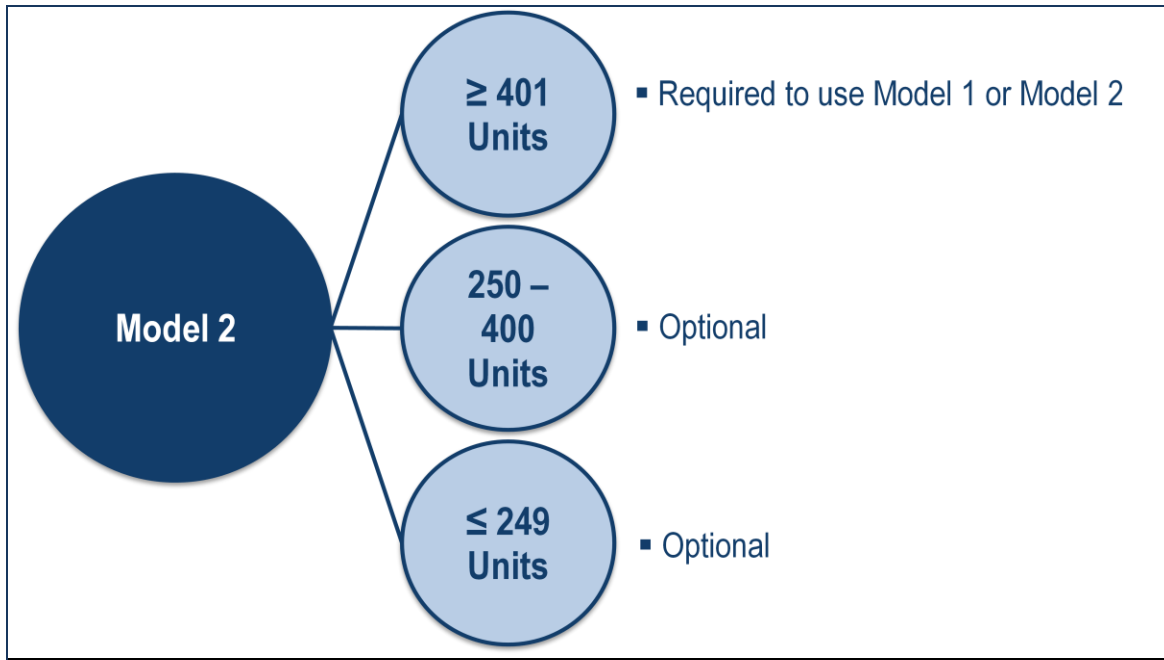
**Applicability.** The applicability of Model 1 is based on the PHA's number of units as shown below.

- PHAs with 401 or more units are required to use Model 1 or Model 2.
- PHAs with 250 to 400 units are required to use Model 1 if the PHA is applying for Stop Loss or has been approved under Stop Loss.
- Model 1 is optional for PHAs with 249 or less units.

**FDS Reporting Requirements.** PHAs using Model 1 should:

1. Select "Asset Management with COCC Elimination" on the PHA Information screen;
2. Establish and Report amounts in the COCC column and record eliminating entries in the Elimination column;
3. Not report any amounts on FDS Line "Allocated Overhead" (FDS Line 91810); and
4. Establish projects as required under asset management guidance (i.e., multiple projects).



**Model 2: PHAs under Asset Management with Allocated Overhead**

**Description.** Under Model 2, the PHA has implemented asset management but is not using a fee-for-service approach. The PHA has opted not to establish a COCC and has chosen to use its Capital Funds to fund core central operations (Section 226) or has elected to use allocated overhead as allowed by the phase-in fee approach in lieu of creating a fee-for-service structure until 2011.

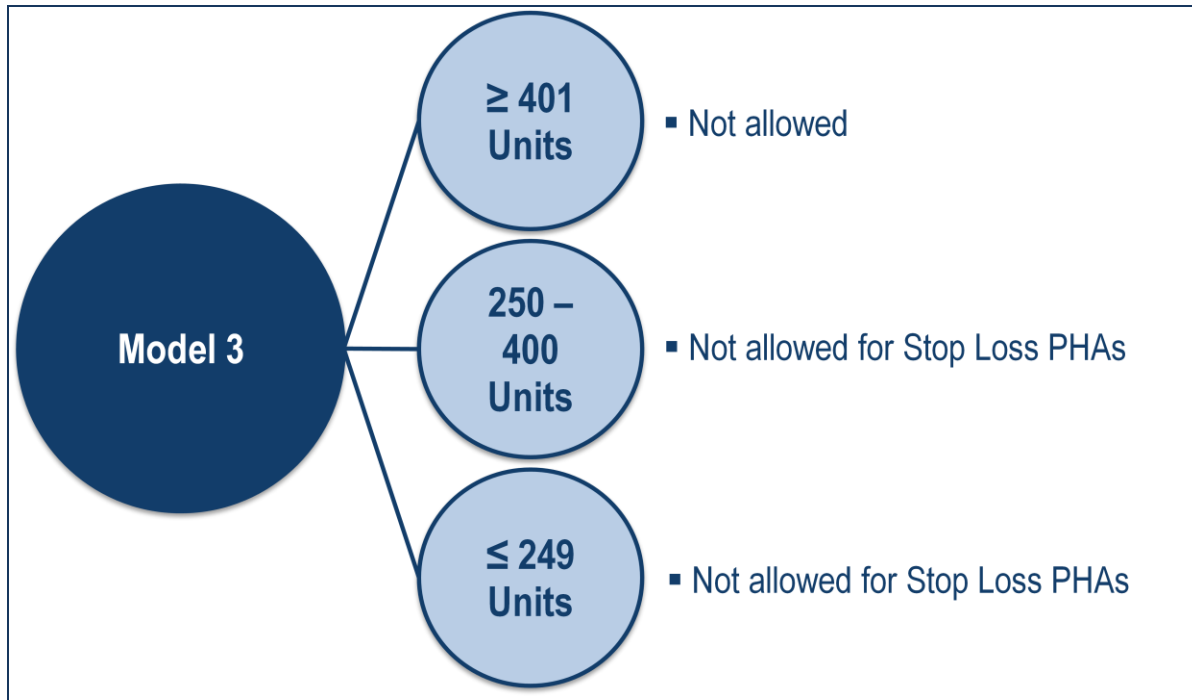
**Applicability.** The applicability of Model 2 is based on the PHA's number of units as shown below.

- PHAs with 401 or more units are required to use Model 1 or Model 2.
- Model 2 is optional for PHAs with 250 to 400 units but cannot be used if the PHA is applying for or has been approved under Stop Loss.
- Model 2 is optional for PHAs with 249 or less units but cannot be used if the PHA is applying for or has been approved under Stop Loss.

**FDS Reporting Requirements.** PHAs using Model 2 should:

1. Select on the PHA Information Screen:
  - a. "Asset Management without COCC/Elimination" if the PHA does not need to eliminate intra-entity transactions or
  - b. "Asset Management with Elimination" if there are intra-entity transactions;
2. Not establish or report a COCC column;
3. Only have intra-entity transactions if "Asset Management with Elimination" is selected on the PHA Information Screen;
4. Report overhead allocations on FDS Line "Allocated Overhead" (FDS Line 91810); and
5. Establish projects as required under asset management guidance (i.e., multiple projects).

**Other Requirements.** PHAs using Model 2 must notify HUD's Financial Management Division of intent to switch to the allocated overhead reporting model.

**Model 3: PHAs not under Asset Management**

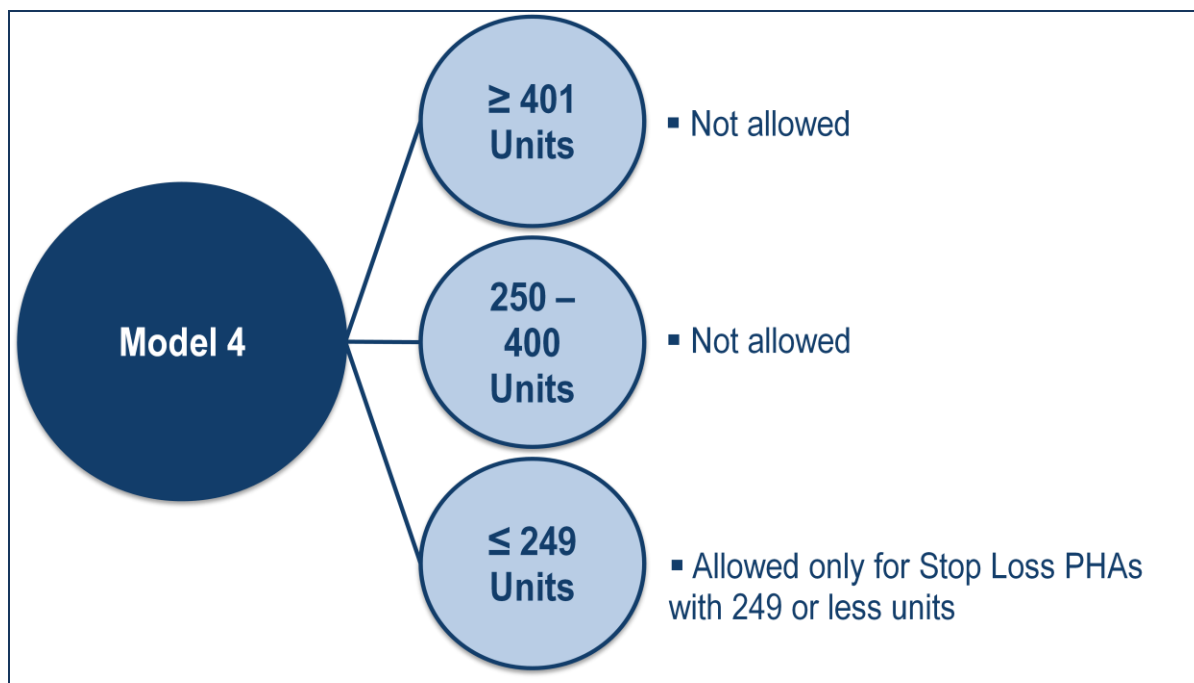
**Description.** Under Model 3, the PHA has not implemented asset management and therefore will not have established a COCC. The PHA continues to allocate overhead without distinguishing direct costs vs. indirect costs. This model is typically used by PHAs with 400 or less units that have not applied for a Stop Loss and by Section 8 only PHAs.

**Applicability.** The applicability of Model 3 is based on the PHA's number of units as shown below.

- PHAs with 401 or more units are not allowed to use Model 3.
- PHAs with 250 to 400 units can use Model 3 if the PHA did not apply for or has been approved under Stop Loss.
- PHAs with 249 or less units can use Model 3 if the PHA did not apply for or has been approved under Stop Loss.

**FDS Reporting Requirements.** PHAs using Model 3 should:

1. Select on the PHA Information Screen:
  - a. "Non-Asset Management with Elimination Only" if the PHA needs to eliminate intra-entity transactions or
  - b. "Non-Asset Management" if there are no intra-entity transactions;
2. Not establish or report a COCC column;
3. Only have intra-entity transactions if "Non-Asset Management with Elimination Only" is selected on the PHA Information Screen;
4. Not report any amounts on FDS Line "Allocated Overhead" (FDS Line 91810); and
5. Not establish projects as required under asset management guidance (i.e., typically report one project on the FDS).

**Model 4: Small PHAs under Alternate Asset Management**

**Description.** Model 4 is used by Small PHAs (i.e. 249 units or less) as an option to qualify under Stop Loss. Under this model, the PHA will not establish a COCC or have allocated overhead. However, the PHA's administrative costs must be reasonable as compared to HUD's established limits.

**Applicability.** The applicability of Model 4 is based on the PHA's number of units as shown below.

- PHAs with 401 or more units are not allowed to use Model 4.
- PHAs with 250 to 400 units are not allowed to use Model 4.
- PHAs with 249 or less units can use Model 4 if the PHA is applying for a Stop Loss or has been approved under a Stop Loss.

**FDS Reporting Requirements.** PHAs using Model 4 should:

1. Select on the PHA Information Screen:
  - a. "Asset Management without COCC/Elimination" if the PHA does not need to eliminate intra-entity transactions or
  - b. "Asset Management with Elimination" if there are intra-entity transactions.
2. Not establish or report a COCC column;
3. Only have intra-entity transactions if "Asset Management with Elimination" is selected on the PHA Information Screen;
4. Not report any amounts on FDS Line "Allocated Overhead" (FDS Line 91810); and
5. Establish projects as required under asset management guidance.

**Appendix 3** provides an illustration of the FDS Reporting Templates for the four financial reporting models.

**Cost Reasonableness Requirements**

All PHAs reporting under asset management (i.e., PHAs with 401 or more units or PHAs with 400 or less units who have applied for or approved under Stop Loss) must comply with cost reasonableness. Cost reasonableness refers to:

- 1) Fees charged to a PHA's projects under a fee-for-service model (Model 1) are reasonable;
- 2) The amount of overhead being charged to a PHA's project (Model 2) is reasonable; or
- 3) The amount of total administrative expenses incurred by the PHA's project(s) (Model 4) is reasonable.

The cost reasonableness schedule was initially published in the *Supplement to HUD Handbook 7475.1 Rev., CHG-1, Financial Management Handbook* (Table 1.1). In May 2008, the Department posted the Supplemental Guidance on Phase-in Management Fees on its website. HUD then posted revised guidance in July 2008. This revised guidance extended the requirement to comply with cost reasonableness to 2011 for all PHAs under asset management. The table below provides the schedule for implementing the project-based budgeting and accounting and the cost reasonableness requirements of asset management by PHA fiscal year end.

**Table 3**  
**Schedule for Financial Management and Reporting Compliance**

PHA Fiscal Year End	Per Financial Management Handbook		Current HUD Guidance
	Project-based Budgets and Project-based Accounting Schedule	Initial Cost Reasonableness Requirements	Revised Cost Reasonableness Requirements
June	07/01/2007 to 06/30/2008 and after	07/01/2008 to 06/30/2009 and after	07/01/2010 to 06/30/2011 and after
September	10/01/2007 to 09/30/2008 and after	10/01/2008 to 09/30/2009 and after	10/01/2010 to 09/30/2011 and after
December	01/01/2008 to 12/31/2008 and after	01/01/2009 to 12/31/2009 and after	01/01/2011 to 12/31/2011 and after
March	04/01/2008 to 03/31/2009 and after	04/01/2009 to 03/31/2010 and after	04/01/2011 to 03/31/2012 and after

OMB's 2011 Compliance Supplement provides additional information and requirements for auditors on testing fee reasonableness related to fees and allocated overhead.

## Appendix 1: Asset Management Types

The implementation of the Public Housing Operating Fund Final Rule triggered significant changes to the FDS reporting model, including adding a Central Office Cost Center (COCC), project level financial reporting and a stand-alone section (elimination column) for intra-entity elimination. Each PHA is required to self identify their Asset Management type on the PHA Information Tab of the FDS. An explanation of each Asset Management type is detailed below.

1. **Non-Asset Management with Elimination Only.** This asset management type applies to PHAs that have not implemented asset management and do not maintain a COCC, but have the need to eliminate intra-entity transactions.
2. **Non-Asset Management with COCC/Elimination.** This asset management type applies to PHAs that have not implemented asset management in order to manage the public housing program, but have implemented a COCC (for non-public housing business activities) and therefore must eliminate intra-entity transactions.
3. **Non-Asset Management.** This asset management type applies to PHAs that have not implemented asset management and do not maintain a COCC and therefore do not have the need to eliminate intra-entity transactions.
4. **Asset Management without COCC/Elimination.** This asset management type applies to PHAs that have implemented asset management and do not maintain a COCC or have the need to eliminate intra-entity transactions. This asset management type is available for use by PHAs using the Allocated Overhead method of reporting (Model 2) and the Alternate Asset Management (Small PHAs) method of reporting (Model 4).
5. **Asset Management with Elimination.** This asset management type applies to PHAs that have implemented asset management, do not maintain a COCC, but still have the need to eliminate intra-entity transactions. This asset management type is available for use by PHAs using the Allocated Overhead method of reporting (Model 2) and for PHAs that have adopted the Alternate Asset Management method of reporting (Model 4).
6. **Asset Management with COCC/Elimination.** This asset management type is for PHAs that have implemented all aspects of asset management. These PHAs use a fee-for-service approach and are maintaining a Central Office Cost Center (COCC) (Model 1).

Source [http://www.hud.gov/offices/reac/products/fass/fass\\_pdf/mtw-reporting.pdf](http://www.hud.gov/offices/reac/products/fass/fass_pdf/mtw-reporting.pdf)

**Appendix 2: Summary – Asset Management Reporting Models**

<b>Reporting Model</b>	<b>401 or More Public Housing Units</b>	<b>250-400 Public Housing Units</b>	<b>249 or Less Public Housing Units</b>
<b>Model 1: PHAs under Asset Management with COCC.</b> Under this model, the PHA has implemented asset management, is using a fee-for-service approach, and has established a COCC.	<ul style="list-style-type: none"> <li>Required to use Model 1 or Model 2.</li> <li>Model 1 required for Stop-Loss PHAs.</li> </ul>	<ul style="list-style-type: none"> <li>Required for Stop Loss PHAs.</li> <li>Optional for non Stop Loss PHAs.</li> </ul>	<ul style="list-style-type: none"> <li>Optional</li> </ul>
	<b>FDS Reporting Requirements.</b> PHAs using Model 1 should: <ol style="list-style-type: none"> <li>Select “Asset Management with COCC Elimination” on the PHA Information screen;</li> <li>Establish and Report amounts in the COCC column and record eliminating entries in the Elimination column;</li> <li>Not report any amounts on FDS Line “Allocated Overhead” (FDS Line 91810); and</li> <li>Establish projects as required under asset management guidance (i.e., multiple projects).</li> </ol>		
<b>Model 2: PHAs under Asset Management with Allocated Overhead.</b> Under this model, the PHA has implemented asset management and is not using a fee-for service approach. The PHA has opted not to establish a COCC but instead has chosen to use its Capital Funds to fund central operations.	<ul style="list-style-type: none"> <li>Required to use Model 1 or Model 2.</li> </ul>	<ul style="list-style-type: none"> <li>Required for Stop Loss PHAs.</li> <li>Optional for non Stop Loss PHAs</li> </ul>	<ul style="list-style-type: none"> <li>Not Allowed for Stop Loss PHAs.</li> <li>Optional for non Stop Loss PHAs.</li> </ul>
	<b>FDS Reporting Requirements.</b> PHAs using Model 2 should: <ol style="list-style-type: none"> <li>Select on the PHA Information Screen:               <ol style="list-style-type: none"> <li>“Asset Management without COCC/Elimination” if the PHA does not need to eliminate intra-entity transactions or</li> <li>“Asset Management with Elimination” if there are intra-entity transactions;</li> </ol> </li> <li>Not establish or report a COCC column;</li> <li>Only have intra-entity transactions if “Asset Management with Elimination” is selected on the PHA Information Screen;</li> <li>Report overhead allocations on FDS Line “Allocated Overhead” (FDS Line 91810); and</li> <li>Establish projects as required under asset management guidance (i.e., multiple projects).</li> </ol> <b>Other Requirements.</b> Must notify HUD’s Financial Management Division of intent to switch to the allocated overhead reporting model.		

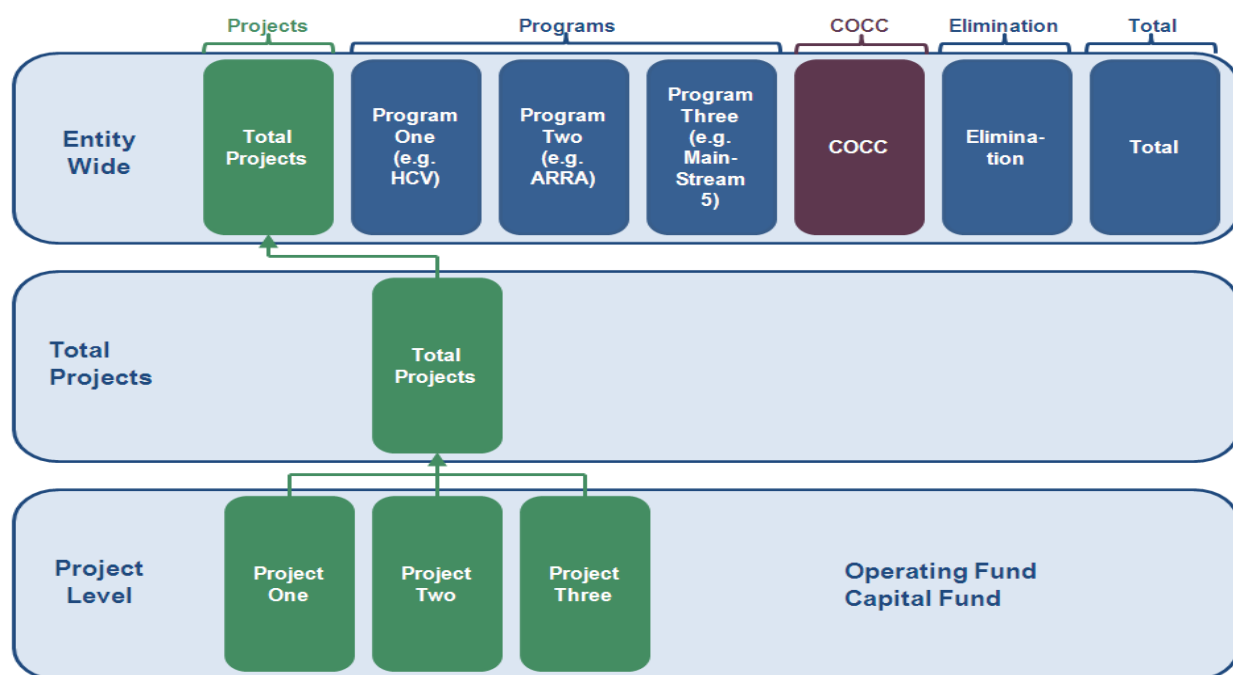


Reporting Model	401 or More Public Housing Units	250-400 Public Housing Units	249 or Less Public Housing Units
<b>Model 3: PHAs not under Asset Management.</b> Under this model, the PHA has not implemented asset management and therefore will not have established a COCC. This model is typically used by both PHAs with less than 400 units that have not applied for a Stop Loss and Section 8 only PHAs.	<ul style="list-style-type: none"> <li>Not Allowed</li> </ul>	<ul style="list-style-type: none"> <li>Not allowed for Stop Loss PHAs.</li> <li>Optional for non Stop Loss PHAs.</li> </ul>	<ul style="list-style-type: none"> <li>Not allowed for Stop Loss PHAs.</li> <li>Optional for non Stop Loss PHAs.</li> </ul>
	<b>FDS Reporting Requirements.</b> PHAs using Model 3 should: <ol style="list-style-type: none"> <li>Select on the PHA Information Screen:               <ol style="list-style-type: none"> <li>“Non-Asset Management with Elimination Only” if the PHA needs to eliminate intra-entity transactions or</li> <li>“Non-Asset Management” if there are no intra-entity transactions;</li> </ol> </li> <li>Not establish or report a COCC column;</li> <li>Only have intra-entity transactions if “Non-Asset Management with Elimination Only” is selected on the PHA Information Screen;</li> <li>Not report any amounts on FDS Line “Allocated Overhead” (FDS Line 91810); and</li> <li>Not establish projects as required under asset management guidance (i.e., typically report one project on the FDS).</li> </ol>		
<b>Model 4: Small PHAs under Alternate Asset Management Method.</b> This model is used by Small PHAs (i.e. less than 249 units) to qualify under Stop Loss. Under this model, the PHA will not establish a COCC or have Allocated Overhead. However, the PHA’s administrative costs must be reasonable as compared to limits established by HUD.	<ul style="list-style-type: none"> <li>Not Allowed.</li> </ul>	<ul style="list-style-type: none"> <li>Not Allowed for Stop Loss PHAs.</li> <li>Optional for non Stop Loss PHAs.</li> </ul>	<ul style="list-style-type: none"> <li>Allowed only for Stop Loss PHAs with 249 or less units.</li> <li>Not applicable for non Stop Loss PHAs.</li> </ul>
	<b>FDS Reporting Requirements.</b> PHAs using Model 4 should: <ol style="list-style-type: none"> <li>Select on the PHA Information Screen:               <ol style="list-style-type: none"> <li>“Asset Management without COCC/Elimination” if the PHA does not need to eliminate intra-entity transactions or</li> <li>“Asset Management with Elimination” if there are intra-entity transactions.</li> </ol> </li> <li>Not establish or report a COCC column;</li> <li>Only have intra-entity transactions if “Asset Management with Elimination” is selected on the PHA Information Screen;</li> <li>Not report any amounts on FDS Line “Allocated Overhead” (FDS Line 91810); and</li> <li>Establish projects as required under asset management guidance.</li> </ol>		

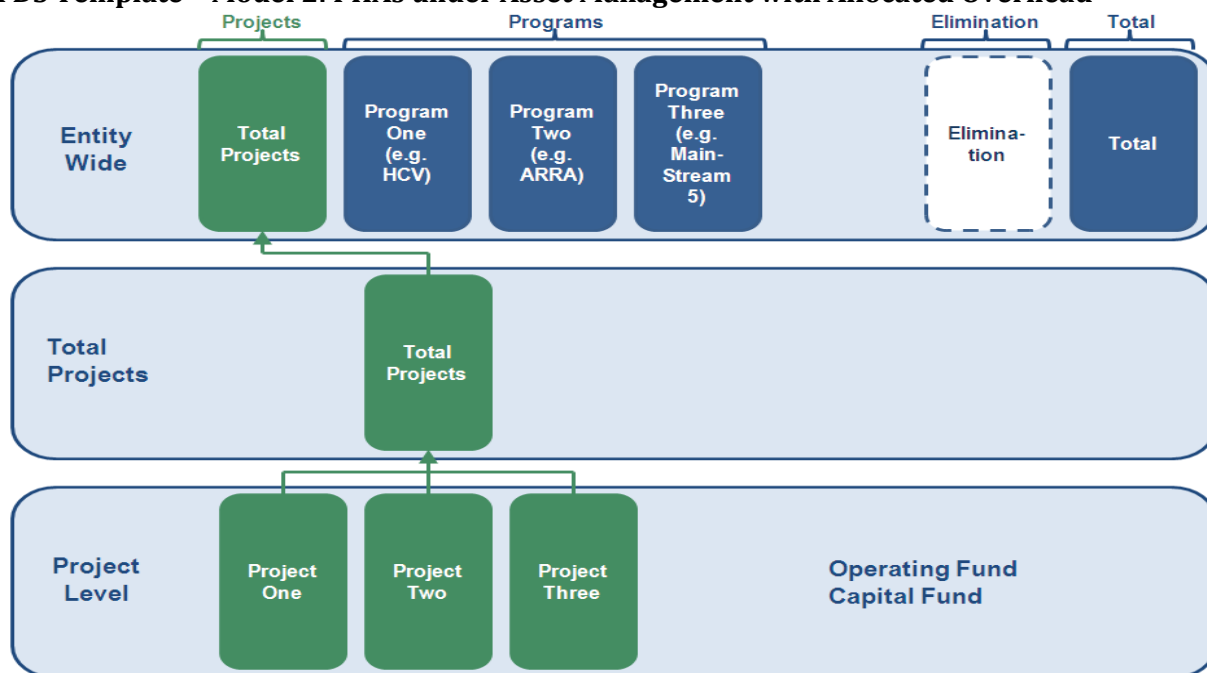
**Note:** “Non-Asset management with COCC/Elimination” may be used by Section 8 only PHAs that have elected to use fee-for-service approach in lieu of cost allocations as allowed under OMB Circular A-87.

## Appendix 3: FDS Templates – Asset Management Reporting Models

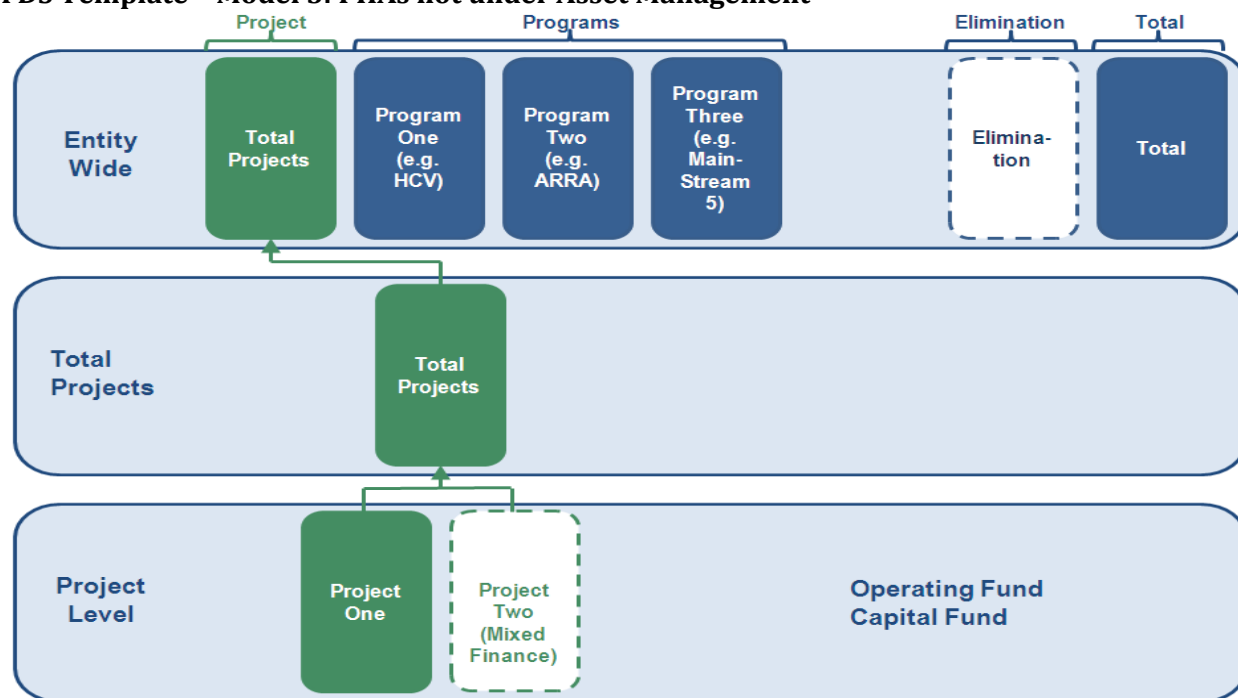
### FDS Template – Model 1: PHAs under Asset Management with COCC



### FDS Template – Model 2: PHAs under Asset Management with Allocated Overhead



### FDS Template – Model 3: PHAs not under Asset Management



### FDS Template – Model 4: Small PHAs under Alternate Asset Management

