



January 29, 2021

HCV PROGRAM NEWS

PIH Updates Guidance on Financial Reporting Requirements

Yesterday HUD's Office of Public and Indian Housing ([PIH](#)) issued [Notice PIH 2021-08](#) to update its guidance on the financial reporting requirements for the Housing Choice Voucher ([HCV](#)) program and [Mainstream Voucher](#) program through the Financial Assessment Subsystem for public housing ([FASS-PH](#)) and the Voucher Management System ([VMS](#)). The notice clarifies the financial reporting requirements, including CARES Act funding, and expands on the FASS-PH submission deadlines incorporating consistent administrative actions for noncompliance circumstances for those PHAs that administer the HCV and the HCV-related programs listed in Section 10. Some of the changes to the guidance, which was last provided in [Notice PIH 2015-16](#), are as follows.

- At the end of Section 5, Financial Data Schedule (FDS) as Supplementary Information, HUD has added that "HUD may reject the FDS submission if the FDS was not subject to auditing procedures."
- In Section 7, FDS Submission Deadlines, HUD has added two subsections: A. Public Housing Program and Public Housing Assessment System (PHAS) and B. Housing Choice Voucher (HCV) Program. Both subsections detail the unaudited and audited submissions schedule.
- The following statement has been added to Section 8, FASS Waiver and Extension Requests:

The PHA's justification to request an extension or waiver request must be objectively verifiable as to why the PHA cannot submit by the submission due date. For example, the PHA may need to provide insurance claim documentation which showed that the PHA experienced significant destruction to the PHA's central office, computer systems and accounting records, thereby impeding the PHA's ability to submit data on time.
- The following statements have been added to Section 8, FASS Waiver and Extension Requests, Subsection B, Waiver Request:

The waiver procedures do not apply to PHAs in presidentially declared disaster areas during a HUD-stipulated time frame for regulatory relief as described in [Notice PIH 2018-16](#) Regulatory Waivers.

A waiver of the due date for the PHA's audited submission to HUD does not relieve the PHA of its responsibility to submit its audited information to the Federal Audit Clearinghouse no later than nine months after the PHA's FYE.
- Section 9, Voucher Management System (VMS) Submission, has been revised to clarify that the data submitted in VMS is subject to verification and review by the Financial Management Center (FMC) Financial Analysts, and the Housing Voucher Quality Assurance Division (QAD).
- Section 10, now titled "Programs to be Reported on the FDS," has been revised to require separate FDS reporting for Mainstream Vouchers, Moving-to-Work Program, FSS Program Coordinator Grant Program, and Central Office Cost Center. HUD has also added the following statement to this section:

The list of Disaster Housing Assistance programs is as of the date of this notice, however, PHAs are required to provide financial information on their FDS for all such programs (i.e., future disaster HAP programs). CARES Act funding associated with Housing Choice Voucher program, Lower Income Housing Assistance program Section 8 Moderate Rehabilitation, Mainstream Vouchers, the Moving to Work program, and the Central Office Cost Center should also be reported on the FDS under 14.HCC, 14.MSC, 14.MRC, and 14.CMT and 14.CCC as per in [PIH Notice 2020-24](#).
- The following statement has been added to Section 11, Non-Compliance and Administrative Fee Sanctions:

A PHA that fails to meet the financial reporting requirements for their unaudited and/or audited submissions and receives a Late Presumptive Failure (LPF) or Failure to Submit (FTS) designation in accordance with Sections 7 and 8 of the notice, will have their Section 8 Management Assessment Program (SEMAP) designation reduced by one level per Title 24 C.F.R. § 5.801(d) and 2 C.F.R § 200.338(f). In addition, PHAs that remain delinquent in submitting their unaudited or audited submissions after initial notification of non-compliance may also be subject to other sanctions, including but not limited to a permanent reduction or offset of administrative fees in an amount to be determined by HUD.
- HUD has also added to Section 11 four subsections regarding notification of non-compliance and appeal of SEMAP penalty and/or administrative sanctions.
- The following sections have been removed: "Clarifications for Reporting Equity in FASS-PH" and "Moving to Work (MTW) Agencies Reporting in FASS-PH."

Further details can be found in the [notice](#).



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Nan McKay & Associates, 1810 Gillespie Way, Suite 202, El Cajon, CA 92020, United States, 800-783-3100

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