



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

OCT 28 2010

Dear Executive Director:

Subject: Reporting Project-Based Vouchers in the Voucher Management System

This letter is directed to all public housing agencies (PHAs) that are operating project-based (PB) voucher components, and have PB vouchers under Housing Assistance Payments (HAP) Contracts. It has come to the attention of this office that specific instructions have not been provided to PHAs for reporting these vouchers in the Voucher Management System (VMS), to ensure the appropriate calculation of administrative fee (AF) eligibility and an accurate per unit HAP cost. The purpose of this letter is to provide those instructions as well as guidance for any adjustments needed to prior reporting. **This letter applies only to PB vouchers under HAP contract.**

VMS has a field for PHAs to report the number of vouchers that are under an Agreement to Enter into a Housing Assistance Payments Contract (AHAP) or under a HAP contract. This field is **not** included in the total vouchers leased calculated for each month; it is an information field only. Therefore, this field is not used in the calculation of a PHA's administrative fee eligibility or funding eligibility. PHAs should continue to use this field to report all vouchers under AHAP or HAP Contract each month, whether or not the vouchers are leased. No additional reporting is needed for vouchers under AHAP.

PHAs are advised to report PB vouchers that are under HAP Contract in the following manner:

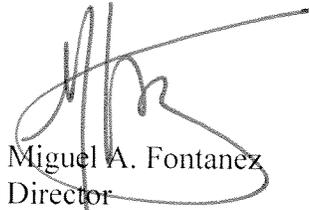
1. The number of PB Vouchers under HAP Contract and LEASED for the reporting month are to be reported in the normal VMS categories (All Other Vouchers, etc.), and their HAP costs are to be reported in the corresponding normal categories as well.
2. PB Vouchers under HAP Contract and NOT LEASED for the reporting month, and for which the PHA is not paying HAP that month, are to be reported **only** in the Comments section for that month. The PHA only needs to enter a brief comment, such as: "10 PBVs unleased and unpaid."
3. The number of PB Vouchers under HAP Contract and NOT LEASED for the reporting month, but for which the PHA made vacancy payments under the specific terms of the HAP contract with the owner, are to be reported in the normal VMS categories (All Other Vouchers, etc.), and their HAP costs are to be reported in the corresponding normal categories as well. They are reported as though leased, so the records reflect accurate HAP costs incurred by the PHA.

4. The total number of PB Vouchers entered in the normal categories as leased, or unleased but receiving HAP vacancy payments, plus the total number of PB vouchers entered in the Comments section as unleased should equal the total number of vouchers under project-based contract on the first day of the reporting month.
5. If a PHA has been reporting its PB vouchers in any other manner, the PHA is advised to revise the reporting for each month in CY 2010. These revisions should be completed by the deadline date for PHAs to enter the December 2010 data into VMS, which is on or about January 22, 2011.

Based on accurate reporting as described, all PHA HAP costs for PB vouchers will be correctly included in the re-benchmarking formula, and administrative fees will be paid to the PHA for all PB vouchers under HAP Contract.

If you have any questions about this matter, please contact your financial analyst at the Financial Management Center. Thank you for your cooperation, to enable the department to ensure the proper calculation of administrative fee eligibility and HAP costs.

Sincerely yours,



Miguel A. Fontanex
Director
Housing Voucher Financial
Management Division