

Appendix Five

Establishing a New Section 8 Contract under Section 8(bb) in PAS/LOCCS/TRACS

1. Set up in PAS/LOCCS

- a. The appropriate Field Office staff requests via the Financial Operations Division (**FOD**), [New Section 8 Contract Number Requests](#) SharePoint Site a new Section 8 contract number(s). The Field Office should provide the first five alphanumeric characters of the contract number to the FOD, e.g., MA06H and should indicate that the new Section 8 Number(s) are part of 8(bb).
- b. FOD obtains the next available (unused) Section 8 contract number(s) from the Program Accounting System (**PAS**). FOD provides the Field Office with the new contract number(s).
- c. The Field Office will determine the amount of funding to be cancelled from the existing contract and allocated to the new contract(s).
 1. Field Office will prepare H-52540 (PAD), as needed, for the amount of budget authority to be cancelled from the existing contract and reserved for the new contract(s). When determining the amount of funding to be de-obligated and cancelled from the existing contract, consideration must be given to the impact of the quarterly recapture exercise performed by the FOD. If there is a question about the recapture potential of the funds, FOD staff should be consulted.
 2. Field Office will prepare a memorandum for the Funds Control Division Director, Fort Worth Accounting Center (**FWAC**), requesting that funding be de-obligated and the reservation cancelled from the existing contract and reserved and obligated to a new contract number(s) under Section 8(bb), the move being approved by Associate Deputy Assistant Secretary for Multifamily Programs, in HQ. The memorandum from the Field Office must be signed by either the Hub or Program Center Director.
 3. Field Office will send the memorandum to the Funds Control Division Director at the FWAC with the necessary PADS and memorandum from HQ approving the transfer of the subsidy as attachments.

FWAC will de-obligate and cancel the reservation associated with the existing contract and establish a new reservation(s) and obligate, but not contract the funds on the new contract(s).

- d. Field Office will monitor LOCCS to determine when the reservation for the new contract has been posted to accounting system.

After the new reservation has been confirmed in LOCCS, Field Office will execute the new contract(s). H-2530 must be approved and OGC review must be finalized, if applicable, prior to the contract being executed. Owner will provided an SF-1199 (Direct Deposit Form), voided check or deposit slip, DUNS number and print-out, from the CCR WEB site, showing an active status for the owner's DUNS number. Notice H-2011-01, "Dun and Bradstreet Numbering System (DUNS) Numbers and Registering in the Central Contractor Registration (CCR)," issued January 5, 2011, should be consulted, as needed. To obtain a DUNS number, Section 8 recipients can use the online web-form process at <http://fedgov.dnb.com/webform>. CCR provides a detailed step-by-step User's Guide on its help page at <https://www.bpn.gov/ccr/help.aspx> to assist in completing the registration process. Field Office will prepare and execute NOFA for new contract(s).

1. Field Office will send to FWAC the following for processing:
 - a. Executed Contract
 - b. Executed NOFA
 - c. Direct Deposit Form
 - d. Voided Check or Deposit Slip
 - e. Copy of page from CCR WEB site showing the owners DUNS number with an active status.

2. FWAC will establish the contract in LOCCS and contract the reservation in PAS.

e. **Set up Contract in iCON (TRACS)**

The reservation for the new HAP contract(s) must be confirmed in LOCCS prior to establishing the contract in iCON. Establish the contract in iCON, see page 4-14 of iCON User Manual for guidance. The User Manual is available at:

<http://hudatwork.hud.gov/po/h/hm/tracs/trxicongd.cfm>

Note that iCON populates some fields using the data in HEREMS. As a result, some fields may not populate until the set up in iREMS has been completed.

New Contract B:

Unit Type	Number of Units	Contract Rent	Utility Allowance	Gross Rent	Gross Rent Potential	Percent of total (+/- 2%)	Funding	Allocation per unit
1	5	858	80	938	4690	11%	10600	\$2,120
2	21	1082	115	1197	25137	58%	53802	\$2,562
3	9	1334	136	1470	13230	31%	28188	\$3,132
To be Allocated to Contract B							\$92,590	

The above is based on the estimated amount for the March voucher and provides for the FY 2009 funding to be recaptured prior to the March voucher being disbursed. Based on the above, a minimum of three PADs would need to be prepared assuming LOCCS disbursed the funding using First In First Out logic when determining how to disburse the two funding lines in question.

- Contract A
PAD 1 - \$39,926 using FY2011 funding

- Contract B
PAD 2 - \$4,074 using FY2011 funding
PAD 3 - \$88,516 using FY2010 funding