

# Computation of Surplus Cash, Distributions and Residual Receipts

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

Project Name	Fiscal Period Ended: ____/____/____	Project Number
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**Part A - Compute Surplus Cash**

<b>Cash</b>		
1. Cash (Accounts 1110, 1120, 1191, 1192)	\$	
2. Tenant subsidy vouchers due for period covered by financial statement	\$	
3. Other (describe)	\$	
(a) <b>Total Cash</b> (Add Lines 1, 2, and 3)		\$

<b>Current Obligations</b>		
4. Accrued mortgage interest payable	\$	
5. Delinquent mortgage principal payments	\$	
6. Delinquent deposits to reserve for replacements	\$	
7. Accounts payable (due within 30 days)	\$	
8. Loans and notes payable (due within 30 days)	\$	
9. Deficient Tax Insurance or MIP Escrow Deposits	\$	
10. Accrued expenses (not escrowed)	\$	
11. Prepaid Rents (Account 2210)	\$	
12. Tenant security deposits liability (Account 2191)	\$	
13. Other (Describe)	\$	
(b) <b>Less Total Current Obligations</b> (Add Lines 4 through 13)		\$
(c) <b>Surplus Cash (Deficiency)</b> (Line (a) minus Line (b))		\$

**Part B - Compute Distributions to Owners and Required Deposit to Residual Receipts**

1. Surplus Cash	\$	
<b>Limited Dividend Projects</b>		
2a. Annual Distribution Earned During Fiscal Period Covered by the Statement	\$	
2b. Distribution Accrued and Unpaid as of the End of the Prior Fiscal Period	\$	
2c. Distributions Paid During Fiscal Period Covered by Statement	\$	
3. Amount to be Carried on Balance Sheet as Distribution Earned but Unpaid (Line 2a plus 2b minus 2c)	\$	
4. Amount Available for Distribution During Next Fiscal Period	\$	
5. Deposit Due Residual Receipts (Must be deposited with Mortgagee within 60 days after Fiscal Period ends)	\$	

<b>Prepared By</b>		<b>Reviewed By</b>	
Loan Technician	Date	Loan Servicer	Date

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**Instructions for Preparation of Form HUD-93486, Computation of Surplus Cash, Distributions and Residual Receipts**

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**Part A**

**Line 1.** Do not include escrow deposits or HUD required reserves. Do not include funds in Project Improvement Accounts required on Flexible Subsidy or other projects.

**Line 2.** Include amounts receivable on tenant subsidy vouchers only if the amounts were earned during the period covered by the financial statement. Do not include Section 8 vouchers submitted for the first month of the next fiscal year. Keep in mind that rent supplement and RAP vouchers are submitted on the 20th of the month they are earned while Section 8 vouchers are submitted on the 20th of the month before they are earned.

**Line 3.** Include amounts related to replacement reserve draws for items which have:

- Been paid from project funds, and
- Approved by HUD prior to the end of the fiscal year, but
- For which reimbursement has not been received from the mortgagee,

Also include: any government receivable, i.e., medicare/medicaid a project expects to receive within 60 days of fiscal year end as an addition to cash.

**Line 4.** For projects current under the mortgage, include the interest payment due the first of the next month (Account 2130). Remember interest is paid in arrears: interest for the month of December is payable January 1. For projects in default under the mortgage, include delinquent interest payments shown on the Form HUD-92426, Notice of Default; use the Form HUD-92426 for the month

following the last month covered by the financial statement. For HUD-held projects, include delinquent interest shown on the Form HUD-92771, Notice of Mortgage Payment Due; use the HUD-92771 for the month following the last month covered by financial statements.

**Line 5.** Include principal delinquent under the mortgage. This should be the difference between the unpaid balance shown on the amortization schedule and the amount shown in Account 2320 as of the Balance Sheet date.

**Line 6.** Include any delinquent deposits to the reserve for replacement account (Account 1320). Be sure to include any lump-sum deposits required by special workout agreements or subsidy contracts.

**Line 7. Exclude** accounts payable related to replacement reserve draws which were:

- Approved by HUD prior to the end of the fiscal year, but
- Which have not yet been released by the mortgagee and deposited in the project account.

**Include** any excess income payments on Section 236 projects which should have been sent to HUD and were not as of the end of the fiscal year; excess income is calculated monthly on Form HUD-93104.

**Line 9.** Include any deficiency reported in the mortgage escrow deposits schedule of the Supplemental Data to the financial statement. Note that replacement reserve deposits are not included; delinquent replacement reserve deposits are included in Line 6.

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**Part B**

**Line 1.** If the amount on Line 13(c) of Part A was zero or negative, enter zero. If the amount on Line 13(c) of Part A was positive, enter that amount here.

(For lines 2a, 2b, 2c and 3 use only on limited dividend projects.)

**Line 2a.** Enter zero if mortgagor agreed not to accrue distributions for the fiscal period covered by the financial statement. On limited dividend projects, the annual distribution earned is calculated by multiplying the distribution rate cited in the regulatory agreement by the initial owner's equity account. The owner equity figure is determined at the time of cost certification and should not be confused with the Owner's Equity Account reported annually on the project Balance Sheet. The annual distribution permitted is computed by multiplying the distribution rate cited in the regulatory agreement by the difference between the HUD-approved mortgage amount (Line 10) and the replacement cost (Line 6) of Form HUD-2580, Maximum Insurable Mortgage.

**Note:** If distribution is paid for a semi-annual period, divide annual distribution by 2.

**Line 2b.** Enter zero if mortgagor agreed to waive distributions that have accrued prior to period covered by the statement. On other limited-dividend projects, enter the amounts shown on previous year's balance sheet or Line 3 of last year's computation of surplus cash.

**Line 2c.** Enter amount shown as distributions paid in the Statement of Changes in Owner's Equity or the Statement of Receipts and Disbursements. Distributions are defined in paragraph 2-10 of Handbook 4370.1 Rev-1.

**Line 3.** Enter Line 2(a) plus Line 2(b) less Line 2(c).

**Line 4.** For non-profit projects enter zero. For limited-dividend projects, enter lesser of Line 1 or Line 3. For profit-motivated projects, enter the amount on Line 1.

**Line 5.** For non-profit projects, enter the amount on Line 1. For profit-motivated projects, enter zero. For limited-dividend projects, enter Line 1 less Line 4.