

U.S. Department of Housing and Urban Development
PUBLIC AND INDIAN HOUSING

Special Attention of: Transmittal Guidebook No. 7510.1
Public Housing Agencies; Indian
Housing Authorities; State/Area Issued: May 7, 1996
Coordinators; Directors State and
Area Offices of Public Housing;
Administrators, State and Area
Offices of Native American Programs

1. This Transmits the Public and Indian Housing Low-Rent Technical Accounting Guide, 7510.1. This Guide supersedes the Low-Rent Housing Accounting Handbook, 7510.1 and the Low-Rent Housing Accounting Guide, 7511.1.

2. BACKGROUND

The Public and Indian Housing (PIH) Low-Rent Technical Accounting Guide was developed as part of the Office of Public and Indian Housing initiative to reduce mandatory requirements on program participants and to provide nonprescriptive, results-oriented guidance.

3. SCOPE

The objective of the PIH Low-Rent Technical Accounting Guide is to:

- o provide guidance on the financial management standards required by regulation and the Annual Contributions Contract (ACC),
- o identify the types of financial information the HA must maintain in order to report to HUD,
- o prescribe the uniform chart of accounts the HA must use to ensure consistency in reporting to HUD the source and application of funds for operating income and expense, and for development and modernization costs.

The scope of the Guide is limited to the objectives indicated above; therefore, the information previously provided in Handbook 7510.1 and in 7511.1 on administrative procedures, and the examples of bookkeeping entries for various transactions, have not been included in the PIH Technical Accounting Guide. The Chart of Accounts has been updated and a few accounts have been added and deleted; however, no substantive changes were made to the remaining accounts. A listing of the new and deleted accounts is attached.

PH: Distribution: W-3-1, R-3-1(PIH), R-6, R-7, R-9, 138-2, 138-7

4. APPLICABILITY

The information in the Guide is provided for guidance only unless mandated by regulation, the ACC, or HUD reporting

requirements.

5. CANCELLATIONS

Low-Rent Housing Accounting Handbook, 7510.1, dated 11/87, and Low-Rent Housing Accounting Guide 7511.1, dated 2/72, are cancelled. Illustrative accounting entries (for example, Chapters 16 and 18 in Handbook 7510.1 and Chapter 9 in Guidebook 7511.1) may be retained for reference at the option of the Housing Authority.

5. EFFECTIVE DATE

The PIH Technical Accounting Guide is effective upon issuance. Implementation of the changes to the Chart of Accounts in Chapter 4 of the Guide (which supersedes Chapters 2 and 3 of Handbook 7510.1) need not be made by the Housing Authority in the current Fiscal Year, but should be made as soon as is practical.

Additional copies of the Guide are available from HUD User at 1-800-245-2691; requests should specify PIH Technical Accounting Guide, 7510.1 (January 1996). Comments on the Guide can be faxed to Nancy Menhennick at (202) 401-3963.

Kevin Emanuel Marchman
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for Distressed and Troubled
Housing Recovery

Attachment

Attachment

PIH TECHNICAL ACCOUNTING GUIDE
Chart of Accounts Update
January 1996

The Chart of Accounts previously in Handbook 7510.1, Low-Rent Housing Accounting Handbook has been updated and superseded by the Chart of Accounts in Chapter IV of the PIH Low-Rent Technical Accounting Guide (January 1996). The following list identifies those accounts which have been deleted, new accounts which have been added, and account descriptions which have been revised or modified. In most cases, the account description revisions were for the purpose of clarification and do not involve any substantive change. Any account revision which results in a change is indicated by an asterisk (*) following the account number and an explanation of the change in the Revise/Comment column.

Account Number	Delete	Add	Revise/Comment
1111.2	x		HM 7510.4 6/15/72 directed all funds to be sent directly to HUD
1111.3	x		Notice PIH 88-20 eliminated

of
System)

requirement with implementation
RHPS (Rapid Housing Payment

1122			Preface added; tenant fraud information added; monthly charge entry information added
1127	x		
1129*			Add Section 8 fraud recovery from tenants/owners (Notice PIH 94-46)
1171			Add that funds remaining when all debt has been paid are returned to HUD
1172			Add that funds remaining when all debt has been paid are returned to HUD.
1400.1	x		Preliminary Planning Cost account deleted
1400.2			Title changed to include Modernization
1408		x	Applicable only to modernization
Account Number	Delete	Add	Revise/Comment
1420.2	x		
1425*			Revised to leave credit balance at EIOP as reduction of development cost
1430.5	x		
1430.8	x		
1440.3			Changed MDC reference to ADCC
1450*			Deleted demolition; see Account 1485 Changed MDC reference to DOFA
1465			Changed MDC reference to DOFA
1475			Changed MDC reference to DOFA
1475.4		x	Computer Equipment
1485		x	Demolition Costs
1400.4			Property Ledger subsidiaries not repeated in Chart of Accounts or Description of Accounts; relationship of 1400.2 subs to 1400.4 subs listed in Appendix A

1850* Added optional provision to accrue for compensated absences expected to be paid within 60 days of FYE

1860 x
1870 x
2126

Added information that non-HUD notes were purchased by HUD in 1985-86 and converted to HUD notes

2131.1* Added statement that interest need not be accrued after ADCC is issued

2168 x
2180 x Family Self-Sufficiency Escrow (Notice PIH 94-59)

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Account Number	Delete	Add	Revise/Comment
2250		x	Combined 2250.1 and 2250.2 to reflect net amount unapplied
2250.1	x		Combine with 2250.2; see account 2250
2250.2	x		Combine with 2250.1; see account 2250
2251		x	Combined 2251.1 and 2251.2 to reflect net amount unapplied
2251.1	x		Combine with 2251.2; see account 2251
2251.2	x		Combine with 2251.1; see account 2251
2252		x	Combine 2252.1 and 2252.2 for interest earned on equity prior to distribution to applicable account(s)
2252.1	x		Combine with 2252.2; see account 2252

2252.2	x		Combine with 2252.1; see account 2252
2311			Added paragraph on PL 99-272 and debt forgiveness
2321-22	x		All A & B bonds retired
2331-31	x		All A & B bonds retired
2690*			Added Section 8 tenant fraud information (Notice PIH 94-46)
2810			Account description revised to clarify use in closing process
2850			Added clarification that cash donations for operations are not credited to this account, but to account 3690

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Account Number	Delete	Add	Revise/Comment
2854		x	Replacement Reserve for Proceeds from Sale of Dwellings (PIH Notice 91-28)
2856	x		Combine balance, if any, with Account 2855
2890			Revised description to specify basis as estimated cost of development and to cover 5h sales in addition to MH and TK III
3300.1		x	Section 8 Fraud Recovery Funds Retained (Notice PIH 94-46)
3690			Added clarification re cash donations for operations
4171		x	Auditing Fees
4410-30			Deleted reference to rubbish and garbage; see Account 4431
4431		x	Garbage and Trash Removal

4510			Added clarification that workmen's compensation insurance should be budgeted and charged to account 4510
4540			Added clarification that workmen's compensation insurance should be budgeted and charged to account 4510
4570*			Added optional provision for use of Allowance for Doubtful Accounts for estimated uncollectible tenants accounts receivable at fiscal year end
4715*			Added provision on Section 8 tenant fraud funds recovered (PIH Notice 94-46)
5210-20	x		
6010*			Added information on tenant fraud retroactive rent charges (PIH Notice 90-13)
4			
Account Number	Delete	Add	Revise/Comment
7010			Added preface to explain source/use of Provision account(s)
7540			Deleted sub-accounts
7560			Deleted sub-accounts
7610-90	x		
7700			Added preface to 7700 accounts to explain relationship of TK III Breakeven amount to monthly charge entry
8020			Added clarification that PFS subsidy year end adjustments funded in current FY are part of Account 8020 balance to be reported in Account 8020 on HUD 52599 at Fiscal Year End

8021 8112	x	<p>Added Preface on Homebuyer Payments Property Acquisition to explain various methods of acquisition, and expanded 8112 to discuss replacement reserves resulting from funds retained as a result of debt forgiveness (PIH Notice 91-28)</p>
8115 8116.1*	x	<p>Expanded to include Proceeds from Sale of Dwellings funds eligible for retention as a result of debt forgiveness (PIH Notice 91-28)</p>

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Guidebook 7510.1

PUBLIC AND INDIAN HOUSING

LOW-RENT TECHNICAL

ACCOUNTING GUIDE

Development U.S. Department of Housing and Urban
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