

RECOVERY ACT PROGRAMS AND FINANCIAL DATA SCHEDULE (FDS)
REPORTING: PHAs receiving Recovery Act funds under separate Catalog of Federal Domestic Assistance (CFDA) numbers should report program revenue and expenses separately on the FDS. **[READ More](#)**

RECOVERY ACT PROGRAMS AND FINANCIAL DATA SCHEDULE (FDS) REPORTING

On February 17, 2009, the President signed the American Recovery and Reinvestment Act (ARRA). The purpose of ARRA is to:

1. Preserve and create jobs and promote economic recovery;
2. Assist those most impacted by the recession;
3. Provide investments needed to increase economic efficiency by spurring technological advances in science and health;
4. Invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; and
5. Stabilize State and local government budgets in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

As a general rule, PHAs receiving Recovery Act funds under separate Catalog of Federal Domestic Assistance (CFDA) numbers must account and report each Recovery Act program separately on the FDS. Specifically, to properly account for Recovery Act activity within the FDS, the PHA will add the Recovery Act program(s) on the FDS and report Assets, Liabilities, Equity, Revenues, and Expenses for the current fiscal period in the added Stimulus program(s).

To add columns on the FDS, click “PHA Info” on the top navigation bar, select “Program”, then select “Add Program”. Enter the CFDA number, for example 14.885, then click “Go”. Click ”Add Program”. The Program Selection page will appear with the newly added program at the bottom of the page. Click Save.

Additional reporting requirements for the Public Housing Capital Fund Stimulus (Competitive) and the Public Housing Capital Fund Stimulus (Formula) are as follows:

- Record Operating revenue (soft costs) on FDS line 70600 - Operating Grants of the added Stimulus program;
- Record Capital revenue (hard costs) on FDS line 70610 - Capital Grants of the added Stimulus program;
- Record expenses as applicable;
- Certain management improvement expenses may not be used for operations, refer to PIH Notice 2009-12 for specific details;
- If applicable, a management fee may be reported using FDS Line 91300 in the added Stimulus program;
- Deferred Revenue or Accounts Receivable may be recorded in the new Stimulus program as a result of timing issues;
- At the PHA’s year end, only soft costs (expenses) will remain in the Stimulus program(s). Accordingly, the PHA will record a transfer of Capital Costs from the Stimulus program to the specific project Capital Fund Program Column by

using FDS Line 11040 – Equity Transfers. In addition, capitalized costs will need to be reported in the memorandum accounts for each project (FDS Lines 11610 through 13901) in the Capital Fund Program Column;

- For additional information pertaining to the Public Housing Capital Fund Stimulus programs, refer to the attachment.

Reporting of Capital Fund Stimulus Grants on the Financial Data Schedule (FDS)

Background

The American Recovery and Reinvestment Act (ARRA) of 2009 provided \$4 billion in stimulus funds for public housing agencies (PHAs) under the Capital Fund Program, of which \$3 billion have been awarded by formula and \$1 billion will be awarded through competitive applications. This document explains how these stimulus grants are to be reported at year-end on the FDS.

Separate Code of Federal Domestic Awards (CFDA) Number

HUD has obtained separate CFDA numbers for both the formula and competitive portions of the Capital Fund stimulus grants. These CFDA numbers are as follows:

- CFDA # 14.884: Competitive Capital Fund Stimulus Grant
- CFDA # 14.885: Formula Capital Fund Stimulus Grant

HUD established separate CFDA numbers for these grants because of the special reporting and operating requirements. Regardless of the number of competitive grants awarded, the PHA will report the aggregate amount in the newly added Competitive Capital Fund Stimulus Grant column on the FDS.

Due to the unique nature and purpose of the stimulus funding, soft costs incurred as a result of receiving this funding would not be considered representative of ordinary operating costs incurred at the project level. HUD has determined that the accounting for soft costs resulting from the stimulus grants should remain in the newly added stimulus column and not be reflected as an operating cost of the project.

Basic Reporting Model

The revenue recognized for the stimulus activity will be reported in the appropriate revenue FDS lines within the respective stimulus grant column.

- **Revenue.** PHAs shall recognize revenue during the fiscal year within the respective Stimulus Fund column, i.e., either CFDA #14.884 or #14.885, using the same revenue recognition criteria normally used for the Capital Fund program. Those revenues intended for capitalized hard costs are reported as revenue under the Capital Grants line item (no. 70610), while funds not capitalized are reported as revenue under the Operating Grants line item (no. 70600).
- **Expenses.** PHAs should report any funds spent for “Administration” or “Management Fee” as an Operating Expense within the respective Stimulus Fund column, as well as any work performed that falls below the PHA’s capitalization threshold.¹ Capitalized work will not be shown as an operating expense but instead shall be recorded as an equity transfer to the respective project where the work was performed, wherein it will be reported in the appropriate balance sheet account such as Construction in Progress, Buildings, etc. A PHA may choose to make these equity transfers throughout the year, as work progresses, or at year-end. When the equity transfer is reported for capitalized work, the PHA should make an appropriate entry into the Project’s Capital Fund Memo Accounts. In essence, the Stimulus Column of the FDS (year-end) should not accumulate an equity balance in its year-end balance sheet. Generally, the Capital Grants (70610) plus the equity transfers-in as reported from line 11040 in the Capital Fund

¹ For example, a PHA with a \$5,000 capitalization threshold would reflect \$3,000 in sidewalk improvements as an operating expense. The associated revenue for this sidewalk improvement would also be recognized as HUD PHA Operating Grants per FDS line item # 70600. Such “soft” revenue and the expense (\$ 3,000 sidewalk improvement) is reported within the Stimulus Fund..

Program column of each project should match the costs shown in the memorandum accounts reported in the column (FDS Lines 11610 through 13901). Each transfer-in should be reported as a separate line item (11040-070 - 11040-110) and not netted against other transfers reported for the project.

Example

The following provides an example of how Capital Fund Stimulus grants would be reported.

We have assumed a 1,000 unit PHA, with five projects of equal size, and a fiscal year-end of 6-30-09. The PHA receives a \$2,200,000 Capital Fund Stimulus grant under the non-competitive (formula) program, or CFDA # 14.885. The funds will be used to replace bathrooms at all projects, at a cost of \$2,000 per bathroom, which qualifies for capitalization under this PHA's capitalization threshold of \$ 1,000. Over the course of the grant, the PHA will receive a Management Fee of \$200,000 (earned proportionately as work is completed, i.e, contractor payments made).

At the end of the first year (FYE 6-30-09), the PHA has drawn down \$1.1 million in funds under the Capital Fund Stimulus grant, representing the following:

- Project 1: \$400,000 for bathroom renovations (completed)
- Project 2: \$400,000 for bathroom renovations (completed)
- Project 3: \$200,000 for bathroom renovations (construction in progress)
- Administration: \$100,000

Using CFDA # 14.885, the PHA will report Capital Fund Stimulus grant revenue of \$100,000 on line 70600, HUD PHA Operating Grants, and \$1.0 million on line 70610, Capital Grants.

The PHA will also report an equity transfer, line 11040, in the amount of \$1.0 million in the Capital Fund Stimulus column, of which \$400,000 will be reported as an “equity transfer in” at Project 1, \$400,000 at Project 2, and \$200,000 at Project 3. The PHA will also make an entry in the Memo Accounts of the Capital Fund Columns of each respective project, reflecting “Building Purchases.” The balance sheet of each project should also be adjusted by the amount of the equity transfer, reported either as additions to “Buildings” (for work completed) or “Construction in Progress” (for work still under construction).

The only “operating expense” of the Stimulus grant in this example is the \$100,000 management fee, which is recorded under Management Fee expense account # 91300 (paid to the Central Office Cost Center, or COCC).

As work progresses each year, the PHA transfers from the Stimulus fund, the “work in progress” asset and the corresponding equity (derived from Stimulus Fund Capital Grant Revenue) to the projects so that, at year-end, there is no capital asset or corresponding equity balance on the balance sheet of the CF Stimulus column. Therefore, at year-end, as the PHA shows the transfer of equity to the CF column of the projects income statement (supplemental equity transactions), it also reports corresponding activity within the supplemental Memo accounts (i.e. Building, Infrastructure) within the projects CF column.

During future years (year 2 and forward), as work is completed at the remaining projects, Stimulus grants are to be reported using the same procedure outlined above.