



**U.S. Department of Housing and Urban Development
Office of Public and Indian Housing**

Special Attention of
Public Housing Agencies
Public Housing Hub Office Directors
Public Housing Program Center Directors
Regional Directors
Field Office Directors
Resident Management Corporations

Notice PIH 2006-33 (HA)

Issued: September 6, 2006

Expires: September 30, 2007

Cross Reference:

Subject: Changes in Financial Management and Reporting Requirements for Public Housing Agencies Under the New Operating Fund Rule (24 CFR Part 990); Interim Instructions

1. Purpose.

This notice transmits changes in financial management and reporting requirements for public housing agencies (PHAs) pursuant to the Revisions to the Public Housing Operating Fund Program, Final Rule (hereafter referred to as the “final rule”) published in the Federal Register on September 19, 2005 (79 FR 54983). The final rule replaces the interim rule that was published on March 29, 2001.

2. Background.

The final rule requires that PHAs of 250 or more units convert to project-based budgeting and accounting. PIH Notice 2005-34, issued November 2, 2005, established the following schedule for compliance with these new project-based budgeting and accounting requirements:

- For PHAs with fiscal years beginning July 1, the initial compliance year is the PHA fiscal year July 1, 2007 – June 30, 2008.
- For October 1 PHAs, the initial compliance year is the PHA fiscal year October 1, 2007 – September 30, 2008.
- For January 1 PHAs, the initial compliance year is the PHA fiscal year January 1, 2008 – December 31, 2008.
- For April 1 PHAs, the initial compliance year is the PHA fiscal year April 1, 2008 – March 31, 2009.

This notice provides instructions to PHAs on the changes in financial management and reporting requirements related to project-based budgeting and accounting pursuant to the final rule.

Handbook 7475.1 REV., CHG-1, Financial Management Handbook, is in the process of being revised and the information included in this supplement will be included in the forthcoming revision of Handbook 7475.1. The information and instructions found in the attached supplement are considered program requirements.

3. Applicability.

This notice applies to all PHAs that operate public housing. As indicated in the attached supplement, PHAs with fewer than 250 public housing units will be less affected by the changes in financial reporting as a result of public housing's transition to asset management.

4. Comments.

This notice is being issued as interim instructions. Because of the nature of the changes included, the Department is inviting comments from interested parties. All comments are due no later than 60 days after the issued date shown on this notice. The Department will then reissue this notice taking into account the comments received. Comments can be sent by mail, attention: Elizabeth Hanson, Deputy Assistant Secretary, Real Estate Assessment Center, Department of Housing and Urban Development, 550 12th Street, SW, Suite 100, Washington, DC, 20410. All comments should refer to the PIH notice number and title, and include the name and address of the commenter.

5. Paperwork Reduction Act.

The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C.3520) and assigned OMB approval numbers 2535-0107, 2577-0026, 2577-0029 and 2577-0072. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. The table, below, identifies the HUD forms and the OMB approval number.

HUD Form	Form Title	OMB Approval Number
N/A	Public Housing Financial Management Template	2535-0107
HUD-52564	Operating Budget	2577-0026
HUD-52566	Operating Budget – Schedule of All Positions and Salaries	2577-0026
HUD-52567	Operating Budget – Schedule of Nonroutine Expenditures	2577-0026
HUD-52571	Operating Budget – Schedule of Administration Expense Other Than Salary	2577-0026
HUD-52573	Operating Budget – Summary of Budget Data and Justification	2577-0026
HUD-52574	PHA Board Resolution	2577-0026
HUD-52722	Calculation of Allowable Utilities Expense Level	2577-0029
HUD-52723	Operating Fund Calculation of Operating Subsidy	2577-0029
HUD-53087	Calculation of Subsidies for Operations	2577-0029
HUD-52267	Computation of Payment in Lieu of Taxes	2577-0072

/s/

Orlando J. Cabrera, Assistant Secretary for
Public and Indian Housing