



**FASS-PH System:  
October 2012 System Release**

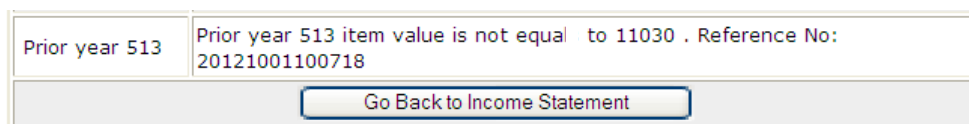
The FASS-PH 9.2.5.0 System Release was implemented on October 28, 2012. This document provides information on the enhancements that have been made to the FASS-PH system and most notably, how the system will now handle the reporting of Beginning Equity.

**REPORTING OF BEGINNING EQUITY**

Prior to the FASS-PH October 2012 release, PHAs had to manually populate FDS line 11030 (Beginning Equity) when submitting their financial statements to HUD. FASS analysts subsequently verified whether the PHA had correctly reported the beginning equity by comparing FDS line 11030 (Beginning Equity) on the PHA’s current year submission to the PHA’s prior year submission, ending equity as reported on FDS line 513 (Total Equity/Net Assets).

With the October 2012 system release, the beginning equity will be populated on the PHA’s current year submission with the ending equity from the “best” approved prior year submission at the time the draft submission is created. “Best” approved means the data in the *approved audited* submission will be used first. If there is no approved audited submission, the PHA’s *approved unaudited* submission will be used. While the beginning equity on the PHA’s current submission will be auto populated, the data is still *editable*, meaning the PHA is still able to change the beginning equity amount. However, if the PHA changes the value on FDS line 11030 (Beginning Equity) for the current year submission and this amount does not equal FDS line 513 (Total Equity/Net Assets) from the prior year submission at the time of validation (i.e., when the PHA clicks on the “Validate” button in the system), the PHA will receive the following error message: “Prior year 513 item value is not equal to 11030”. A screen shot of this error message is provided in *Figure 1* below.

**Figure 1. Error Message When Current FDS Line 11030≠Prior Year FDS Line 513**



The error message will not specifically indicate the PHA’s prior year submission type (unaudited or audited) that is used to validate the PHA’s current year beginning equity. When this error message is triggered, the PHA has either incorrectly changed FDS line 11030 (Beginning Equity) to a different amount than what was reported and approved in the prior year submission or the beginning equity that was populated is no longer the “best” approved submission (this situation

will normally occur if the prior year audited submission was approved after the PHA created their current year draft submission). If the error message is triggered, the PHA should find the corresponding FDS line 513 (Total Equity/Net Assets) on the “best” approved prior year submission and key this information into FDS line 11030 (Beginning Equity) of the current year draft submission. The key concept to keep in mind is that the FASS-PH system will always require that the beginning equity from the PHA’s current year submission is equal to the “best” approved prior year submission at the time of validation. *Table 1* below illustrates how the beginning equity will be populated from the previous year’s submission for the most common scenarios.

The scenarios shown in *Table 1* below can be organized into the following three categories:

- Scenario 1 is the typical process where the beginning equity for the PHA’s current year submission is based on the PHA’s prior year approved audited submission.
- Scenarios 2-4 describe those situations where the prior year audited or unaudited submission has not been submitted by the PHA, is currently under review by the FASS team, or has been invalidated.
- Scenarios 5 and 6 describe how the current beginning equity is determined when the PHA has a current year approved unaudited submission and creates a current year audited submission by copying the approved unaudited submission or creating a blank submission.

**Table 1. Prior Year Submissions Used to Populate FDS line 11030 (Beginning Equity)**

Scenario	Prior Year Inbox		Current Year Inbox		Result
	Unaudited	Audited	Unaudited	Audited	2012 Beginning Equity is from
<b>1</b>	Approved	<b>Approved</b>	Draft	None	Prior Year Audited
<b>2</b>	<b>Approved</b>	None - Draft - Review – IPA - Rejected	Draft	None	Prior Year Unaudited
<b>3</b>	None - Draft – Review - Rejected	None - Draft - Review – IPA - Rejected	Draft	None	Defaults to \$0
<b>4</b>	Approved	<b>Invalidated</b>	Draft	None	Prior Year Approved Audited Submission that was Later Invalidated
<b>5</b>	Approved	Approved	<b>Approved</b>	Draft	Current Year Unaudited (user copies approved unaudited into audited draft FDS)
<b>6</b>	Approved	<b>Approved</b>	Approved	Draft	Prior Year Approved Audited (user creates blank audited draft FDS)

**Scenario 1 – Prior Year: Approved Audited Submission.** Scenario 1 illustrates the typical process where the PHA has a prior year approved audited submission and is in the process of

creating a draft unaudited submission for the current year. The “best” approved prior year submission in this case is the prior year approved audited submission. Therefore, the beginning equity for the current year draft unaudited submission will be populated with FDS line 513 (Total Equity/Net Assets) from the prior year approved audited submission.

**Scenario 2 – Prior Year: Approved Unaudited Submission.** In Scenario 2, the PHA has a prior year approved unaudited submission, but the PHA’s prior year audited submission has not been submitted or approved by HUD. The “best” approved prior year submission is the approved unaudited submission. Therefore, the beginning equity for the current year draft unaudited submission will be populated with FDS line 513 (Total Equity/Net Assets) from the prior year approved unaudited submission.

**Scenario 3 – Prior Year: No Approved Unaudited or Audited Submission.** In Scenario 3, the PHA’s prior year unaudited and audited submission is *not approved*. In this case, the current year draft unaudited submission will display a beginning equity of \$0.

**Scenario 4 – Prior Year: Invalidated Audited Submission.** In Scenario 4, the PHA has both a prior year approved unaudited submission and a prior year approved audited submission. However, the prior year audited submission was subsequently *invalidated*. The “best” approved prior year submission is still the audited submission even though the submission was invalidated. Therefore, the beginning equity for the current year draft unaudited submission will be populated with FDS line 513 (Total Equity/Net Assets) from the prior year invalidated audited submission.

**Scenario 5 – Current Year: Approved Unaudited Submission (Method 1).** PHAs are able to create a current year audited submission by using one of the two following methods: 1) download the current year approved unaudited submission; or 2) create a blank audited submission. In Scenario 5, the PHA has a current year approved unaudited submission. The PHA chooses to create a current year audited submission by downloading the current year approved unaudited submission. The beginning equity for the current year draft audited submission will be populated with FDS line 11030 (Beginning Equity) from the current year approved unaudited submission. For most PHAs, this beginning equity will be equal to FDS line 513 (total Equity/Net Assets) from the prior year approved audited submission which populated the current year unaudited submission.

**Scenario 6 – Current Year: Approved Unaudited Submission (Method 2).** In Scenario 6, the PHA has a current year approved unaudited submission. The PHA chooses to create a blank audited submission. The beginning equity for the current year draft audited submission will be populated with FDS line 513 (Total Equity/Net Assets) from the prior year approved audited submission. If the PHA does not have a prior year approved audited submission, the beginning equity will be based on FDS line 513 from the PHA’s prior year approved unaudited submission.

**Note:** For all scenarios, the status of the PHA’s previous submissions can change while the PHA is working on the draft. In Scenario 2, for example, the prior year audited submission may be approved after the current year draft is created, but before that draft is submitted by the PHA to HUD. In this case, the PHA’s beginning equity is populated from the PHA’s prior year *unaudited* submission. However, during validation, the beginning equity will be compared to the ending equity of the prior year *audited* submission since the audited submission is the “best” available approved submission at the time of validation.

**THE ENDING EQUITY FROM THE PRIOR APPROVED SUBMISSION IS INCORRECT**

If the Ending Equity from the latest approved submission was incorrect due to PHA's error in reporting or the lack of an approved submission (i.e., Scenario 3 - PHA's beginning equity was defaulted to \$0), PHA must use FDS line 11040 (Prior Period Adjustments and Correction of Errors) to adjust the Beginning Equity accordingly.

**REPORTING BEGINNING EQUITY FOR PROJECTS**

For the Projects and COCC columns of the FDS, the FDS line 11030 (Beginning Equity) for the Capital Fund column is defaulted to \$0, and the total equity for both the Low Rent and Capital Fund programs is reported in the Low Rent column. The beginning equity is still *editable*, meaning the PHA is still able to change the beginning equity amount. Therefore, if a PHA prefers to report the beginning equity for the Low Rent and Capital Fund separately, the PHA is able to do so. The system will generate an error message if the sum of the amounts reported on FDS line 11030 (Beginning Equity) in the Low Rent and Capital Fund columns does not match FDS line 513 (Total Equity/Net Assets) as reported in the "best" approved prior year submission.

**OTHER ENHANCEMENTS REFLECTED IN OCTOBER 2012 RELEASE**

In addition to the reporting for beginning equity, the following is a list of other enhancements that have been made to the FASS-PH system as part of the October 2012 release.

1. **Change SAS 29 Reference to SAS 119.** Element #G3100-040 on the Data Collection Form (DCF) tab was updated to refer to SAS 119 instead of SAS 29. This update was also reflected in all associated system error messages.
2. **DCF Validation.** Prior to the FASS-PH October 2012 Release, there was confusion among PHAs on how to validate their DCF form on the FDS. The issue was due to the fact that the "Validate" button only appeared on the DCF once the PHA has saved its data in every section of the form. In addition, some PHAs did not realize that they are required to validate the form until they ran the "Submission Completeness Check" and received an error message requesting the PHA to go back and validate the DCF. With the October 2012 release, the functionality of the DCF page was changed to display a "validate" button at the bottom of the General Information tab once the General Information tab page is successfully saved. Upon the PHA clicking the validate button, the PHA will continue to receive error messages based on incorrectly entered or missing data, but the error messages will now indicate what part of the DCF form has not been saved.
3. **Downloading Previous Submissions.** Prior to the FASS-PH October 2012 Release, PHA's functionality to copy data (i.e., download) from a previous FDS submission into a new draft was limited. With the October 2012 release, the functionality has been expanded to allow PHAs to copy data from other submissions. The following is a list of all download options that PHAs have when creating a new submission.
  - **Creating an Unaudited Submission** - Source submission can be either a current year rejected or invalidated unaudited submission.
  - **Creating an Audited Submission from an Unaudited Submission** - Source submission can only be a current year approved unaudited submission.
  - **Creating an Audited Submission from an Audited Submission** - Source submission can be either a current year invalidated or rejected audited submission.

4. **Creation of Submission Before PHA's FYE.** Prior to the FASS-PH October 2012 Release, the system allowed PHAs to create and submit their annual financial information prior to their fiscal year end as recorded in IMS/PIC. With the October 2012 release, PHAs cannot create a draft submission until the day after the PHA's fiscal year end date.