



HUD-VETERANS AFFAIRS SUPPORTIVE HOUSING (HUD-VASH) PROGRAM INSTRUCTIONS FOR FINANCIAL DATA SCHEDULE (FDS) REPORTING

The HUD-VASH program provides rental assistance under a supportive housing program for homeless veterans. This program combines Housing Choice Voucher rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs at its medical centers and in the community.

HUD had previously instructed PHAs to report the VASH program under CFDA #14.VSH for FDS reporting purposes. The initial reporting instructions are now updated as a result of language contained in the 2011 Appropriations Act and the conforming change in funding for the VASH program that occurred for most PHAs beginning with the July 1, 2011 renewal.

Specifically all VASH original increments and renewals will now be funded under the "VO" program type (i.e., the Housing Choice Voucher (HCV) program housing assistance payment (HAP) funding code) and will be included in the PHA's monthly VO disbursement. Due to these changes, PHAs are now required to report their VASH HAP transactions with the HCV program. Administrative activity associated with the VASH program has always been reported under the HCV program. Although the PHA may not yet have combined their programs for FDS reporting, in particular PHAs with a March 31, 2011 fiscal year end reporting period, the Department will be combining the programs for CY 2011 funding and reporting purposes.

The new FDS reporting instructions for the VASH program described below are applicable for all unaudited and audited FASS-PH reporting starting for PHAs with a fiscal year end of June 30, 2011 and later. If an unaudited submission for June 30, 2011 has already been submitted, the PHA is required to reflect this new reporting instruction on their audited submission.

Financial Reporting Instructions

All PHAs are requested to combine their VASH program with the HCV program as soon as possible, even if the PHA is still funded for VASH under a separate and distinct funding code from HUD. The following provides instructions on combining the programs for FDS reporting.

CFDA 14.VSH – Veterans Affair Supportive Housing

Income Statement

- A June 30, 2011, September 30, 2011, or December 31, 2011 PHA should report on their 2011 FDS under CFDA #14.VSH, a VASH program income statement from the beginning of the PHA's fiscal year to either the PHA's 2011 fiscal year end or PHA's last initial VASH funding increment expiring under the "VA" (i.e., the VASH HAP funding code) program type, whichever is earliest. For most PHAs the last initial VASH funding increment funded under the "VA" program type ends on June 30, 2011, while for a smaller number of PHAs the increments ends on September 30, 2011.
- The above instruction also applies to any memo accounts, such as FDS lines 11190 (Unit Months Available) and 11210 (Unit Months Leased).
- FDS line 11040 "Equity Transfer" should be used to report a transfer out to the HCV program for all equity in the VASH program as of the PHA's 2011 fiscal year end or the PHA's last initial VASH funding increment expiring under the "VA" (i.e., the VASH HAP funding code) program type, whichever is earliest.

Balance Sheet

- No balance sheet activity should be reported as any asset, liabilities, and equity will be closed into (i.e. zeroed out and move into) the HCV program through the equity transfer.

CFDA 14.871 – Housing Choice Voucher

Income Statement

- PHAs should report on their FDS under CFDA #14.871, any VASH HAP transactions that were not reported in the income statement of the VASH program above, including any associated memo account information such as FDS lines 11190 (Unit Months Available) and 11210 (Unit Months Leased).
- PHAs should report all administrative fee revenue and expenses associated with the VASH program for all months in the reporting period under CFDA # 14.871. PHAs were always required to report administrative fee revenue and expense associated with the VASH program in CFDA #14.871; there is no change to this reporting instruction.
- FDS line 11040 "Equity Transfer" should be used to report a transfer in from 14.VSH.

Balance Sheet

- The HCV balance sheet will reflect the assets, liabilities, and equity that were transferred out of the VASH program.
- Unspent VASH HAP is considered HAP equity (also referred to as Net Restricted Assets) and should be reflected in FDS line item 11180 (HAP equity) and 511.1 (Restricted Net Assets under full accrual accounting) or 508.3 (Restricted Fund Balance for modified accrual accounting).

Other FDS and VMS Reporting Issues

- Once 14.VSH is closed out, via the equity transfer to the HCV program, no activity will be reported in 14.VSH in future years.
- PHAs are reminded that the number of units leased as well as the associated HAP costs for the VASH program must still be reported separately in VMS on a monthly basis.

VASH Financial Management and Reporting Concerns

- Initial VASH HAP is appropriated for VASH recipients only. PHAs are reminded that any initial unspent VASH HAP can only be used for VASH HAP, including VASH HAP after the initial term. Initial unspent VASH HAP cannot be used for other eligible HCV HAP activity.
- PHAs are also reminded that guidance has been issued under PIH Notice 2011-32 (*Policies and Procedures for Special Purpose Housing Choice Vouchers for Non- Elderly Disabled Families and Other Special Populations, Issued June 14, 2011*), specifically section 5.f. *Funding Shortfalls*, that provides further instructions and information on the issuance and termination of VASH vouchers.

Schedule of Federal Awards

- Both VASH and HCV program activity have and are still reported on the Schedule of Federal Awards under CFDA # 14.871.

Optional Effective Date

- While not required, HUD's preference is that March 31, 2011 PHAs also follow these updated reporting instructions for their FDS reporting. If a 3/31 PHA chooses to close out their VASH program, the PHA should closeout 14.VSH as of 03/31/2011 and therefore would not report a 14.VSH program on their 2012 FDS.

Auditors and the Compliance Supplement

- The 2011 compliance supplement was issued prior to these reporting changes. Any audit and reporting requirements communicated through the 2011 Compliance Supplement should be taken into consideration along with these updated reporting instructions.