Preparing for Deadlines & Annual Reports

Sponsored by the Florida Housing Finance Corporation’s Affordable Housing Catalyst Program

Presenter

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Our Thanks to the Florida Housing Catalyst Program

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Catalyst Training Schedule

www.flhousing.org

FHC Statewide Annual Conference

August 27-29, 2018
Rosen Centre Hotel, Orlando
www.FLHousingConference.org

Members Receive $200 Discount
To become a member, contact Johnitta Wells at wells@flhousing.org.
What will be covered

• Focus: Deadlines and Set-Asides
• Timeline: What is the priority NOW?
• Tracking Spreadsheet Data
• Pre coursework POLL

Tracking & Reporting Timing

June 30: Encumbrance & Expenditure Deadline.  
Report activity through June

• FY 15/16 (close-out) all funds must be expended
• FY 16/17 funds must be expended or encumbered
• FY 17/18 funds may be expended, encumbered or unencumbered
• Encumber for real, eligible applicants

Tracking & Reporting Timeline

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<tr>
<th>14/15</th>
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<tr>
<td>July 1, 2015</td>
<td>June 30, 2018</td>
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Key Reporting Principles

• 3 years to spend SHIP, so you often have money from multiple FY allocations.
• Each year, submit 3 annual reports for 3 distributions
• Generally, “First received, First expended”
• Strive to pay recipient’s total assistance from only one SHIP allocation

Download Handouts, Including Spreadsheet

Tracking & Reporting Timing

July 2018: Create a tracking spreadsheet for 18/19 SHIP funds soon to be received

July – September 15, 2018:
• Create reports for 15/16, 16/17 and 17/18
• One certification form signed by Chief Elected Official or Designee
The difference between Encumbered and Expended

“Encumbered” Deposits made to the local housing trust fund have been committed by contract, purchase order, or letter of commitment.

“Expended” or “Spent”
1. Activities are complete. Certificate of Occupancy or Completion
2. The unit is occupied by an Eligible Household
3. SHIP Funds have paid for the activity

Timeline: What To Do NOW

NOW:
Reconcile with General Ledger
Expend & Encumber
Achieve Set-Aside Compliance
Research ‘Ongoing Review’

What To Do NOW
Reconcile with General Ledger
Work with Finance Department

• Establish a process for you and Finance Department to periodically reconcile your independent tracking of SHIP expenditures
• Ask Finance Department to place applicant’s name or client number on expense record.
• Related Common Problem: Discrepancies between file docs and tracking spreadsheet

Navigating through Two Different Fiscal Years

• Local fiscal year: October-September
• State fiscal year: July-June

• Be specific about dates when communicating with Finance Department
  • Example “What was the interest on the local housing trust fund from July 1, 2016, to June 30, 2017?”

SHIP Annual Reports must reconcile with the General Ledger

Sum of Unencumbered plus Unspent Encumbered money on Tracking Spreadsheet

COMPARED WITH
Current balance of the SHIP Local Housing Trust Fund

Pre-Course Work POLL

The sum total of encumbered and unencumbered on my Tracking is:
• Not Sure Yet
• The Same
• More than General Ledger
• Less than General Ledger
• More or Less by A LOT
Reasons for Being “Out of Balance”

• Tracking expenses are not fully updated/accurate
• Track spreadsheet missing some recipients
• Finance accidentally charged HOME instead of SHIP

NO MATTER THE REASON...
• In-depth assistance available to update SHIP Tracking Spreadsheets

The Florida’s Single Audit Act

• A single audit is required of local governments with program funds totaling more than $750,000.
• Auditors review a percentage of all local funds, usually including SHIP

Quotes from State Projects Compliance Supplement Part 3, Section H. Reporting

• “Audit Objectives: Determine whether required reports include all activity in the reporting period”

• Suggested Audit Procedure #3: “Select a sample of reports and test specified line items for accuracy and completeness.”

TO DO: Local Governments with less than $750,000 of State Funds

• If less than $750,000 cumulative from all sources of state financial assistance, FSAA is not required

• “Recipient should provide certification to the FHFC SHIP Program Financial Manager that a single audit was not required... The certification should be in electronic format (email, letter, memo, etc.)... The name and title of the certifier, date submitted, and name of the recipient entity should be included”


What To Do NOW

Expend
• Line up several projects to expend final 15/16 funds and beyond.

Encumber
• Commit 16/17 and 17/18.
• Also, 18/19 is coming soon
What if you miss the deadline?

If not Expended/Encumbered by June 30:
• Email Robert.Dearduff@floridahousing.org
• State your timeline for fully expending/encumbering. By September 15th?
• Request extension (for Expenditure Deadline only)
• Provide updated annual reports showing deadline non-compliance

What To Do NOW

Meet your Set-Asides

Homeownership Set-aside
65% of Distribution + Recaptured Funds
• Housing Counseling expenditures do not count towards the Homeownership Set-Aside

Construction/Rehab Set-aside
75% of Distribution + Recaptured Funds

The Income Set-Aside

A) At least 30% of all Revenue for Very Low
B) At least 60% for VLI and Low combined

Special Needs Set-Aside

20% of Allocation for household meeting
Statutory definition of Special Needs

POLL

Are you in compliance with set-aside requirements?
• Yes for all
• Yes for close out 15/16
• No, but getting close
• No, off by A LOT
• Not Sure Yet

What To Do NOW

Research Ongoing Review

From Annual Report Certification:
There is an ongoing process for review of local policies, ordinance, regulations, and plan provisions that increase the cost of housing prior to their adoption.

3) The cumulative cost per newly constructed housing unit from these actions is estimated to $_______.
4) The cumulative cost per rehabilitated housing unit from these actions is estimated to be $_______.

_________________________________________ Date_____
Chief Elected Official or Designee

Introduction to SHIP Tracking

Data to collect for SHIP Annual Report
• Expenses
• Encumbrances,
• Set-aside compliant expenses,
• Demographic information,
• Dates (for tracking Deadlines),
• Leveraging with other funds
• Special Needs
Tracking is a Two-Step Process

- First enter the amount **encumbered** for each household.
- Later on in the process, enter expenditure information and household demographics.
- Sometimes there is more than one draw.
- Update Tracking daily.

**Manufactured Housing tracking**

- If you assist manufactured housing, track to ensure that 20% is not exceeded.
- Started with 14/15 Close Out in 2017

**Track Special Needs Compliance**

- On 13/14 and all more recent reports
- Report funds Expended & Encumbered by Special Needs Category
- **Common Misunderstandings about tracking Special Needs**

**Track Program Income**

- Bank Interest
- Sale of Property
- Repayment of Loans
- Refinance
- Foreclosure

**Access Report Website Today**

[http://www.FloridaHousing.org/SHIPAR](http://www.FloridaHousing.org/SHIPAR)

- Assistance with “Access Denied”: terry.auringer@floridahousing.org
- Update SHIP Contact and Program information
Any Questions?

Please Complete Evaluation

THE FLORIDA HOUSING COALITION