

# FLASH ALERT

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## HUD Releases Guidance on Reporting 2018 PHA Executive Compensation

PIH 2019-21, published by HUD on August 2nd, provides information needed to report the latest round of PHA Executive Compensation data for 2018. The deadline to report 2018 salaries is October 18, 2019.

**NEW THIS YEAR:** PHAs are to report any and all individuals who are paid an annual salary (including bonus) that exceeds the salary cap. The salary cap is Level IV of the Executive Schedule. The PIH Notice does not indicate where the salary cap may be found. If you search for "Office of Personnel Management (OPM) Level IV Executive Schedule," you will find it.

The 2019 compensation Level IV cap is found [here](#).

The 2018 compensation cap, for the year currently being reported, is \$164,200. Technically, according to the law, the cap applies to PHA salaries paid during a PHAs fiscal year – but since the HUD reporting is for the calendar year, and the Office of Personnel Management Executive Level IV cap applies to the calendar year, the fiscal year is not as relevant.

*In previous years, the following positions were reported:*

1. The top management official (e.g., the executive director, Chief Executive Officer (CEO), or person with similar duties)
2. The top financial/accounting official (e.g., the chief financial/accounting officer (CFO), or person with similar duties)
3. The highest compensated employee who is neither the top management official nor the top financial official.

(three individuals total)

**FOR 2018**, HUD has modified the reporting as follows:

1. The top management official (e.g., the executive director, Chief Executive Officer (CEO), or person with similar duties)
2. The top financial/accounting official (e.g., the chief financial/accounting officer (CFO), or person with similar duties)
3. **All individuals who are paid an annual salary (including bonus) above the prevailing salary for level IV of the Executive Schedule.**

(not necessarily just three individuals, depending on circumstances)

If you have individuals with salaries and/or bonus exceeding the cap, the excess must be paid from non-Section 8 or non-Public Housing funds. Non-federal funds would generally qualify - but please be advised that COCC funds derived from fees collected from HCV, Public Housing, and CFP are still considered Section 8 and Section 9 funds. Examples of non-Section 8 and non-Section 9 funds would be developer fees (in most cases), management fees collected from other non-HUD sources, unrestricted net cash flow from properties not under those programs, among others.

See PIH 2019-21 for more details and a sample of the form, along with PIH 2016-14 – the latest PIH Notice describing the salary restrictions. You will receive an email from HUD when the actual submission form is ready, but can start gathering needed data now.

## CONTACT

JASON CASTERLINE, Managing Director, BSO  
215-636-5664 / [jcasterline@bdo.com](mailto:jcasterline@bdo.com)

1801 Market Street / Suite 1700  
Philadelphia, PA 19103

## ABOUT BDO PHA FINANCE

BDO PHA Finance, a division of BDO USA, LLP, provides accounting and management consulting services to Public Housing Authorities (PHAs) nationwide. We are proud to be making a difference for the housing authorities that serve communities throughout the United States.

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