

# FLASH ALERT

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## Tips on Reporting RAD PBV Units in VMS

As more and more Public Housing converts to RAD, it is important that those responsible for HCV reporting understand how RAD vouchers should be reported in VMS. At this point, over 30% of Public Housing is authorized by Congress to convert to RAD, presuming that many AMPs can qualify. Therefore, the volume of RAD VMS reporting will grow enormously in the coming years.

PHAs that convert one or more AMPs to RAD have two options: Project Based Vouchers (PBV) or Project Based Rental Assistance (PBRA). PBV is funded through the Housing Choice Voucher program and therefore, the leasing and costs are reported in VMS. PBRA is funded through the Multifamily Program. This article focuses on PBV.

VMS contains the following fields to report RAD units leased and HAP expenses:

**Rental Assistance Component 1 (RAD1):** Total number of vouchers leased for all RAD Component 1 awards; reporting begins January 1 of the first full calendar year of voucher funding. (Effective April, 2016, this information is no longer reported in the Tenant Protection field.)

**Rental Assistance Component 1 (RAD1 HAP):** Total HAP expenses incurred for all RAD Component 1 awards. (Effective April, 2016, this information is no longer reported in the Tenant Protection field.)

**Note:** RAD Rehab Assistance payments should be reported in the RAD 1 expense field, but the associated units should not be reported in the leasing field. This may result in RAD 1 HAP expenses reported but no corresponding RAD 1 leasing.

HUD recently put out a flyer with the following example:

"June 1, 2016 – Units convert to RAD 1. The units are put under ACC with \$1 and the PHA receives a letter from the FMC which includes the amended ACC and is instructed to not begin reporting the units and associated expenses in the VMS until January 1, 2017".

"January 1, 2017 – The PHA should begin reporting all RAD 1 leasing and associated HAP expenses in the RAD 1 fields for the award that was received in Calendar Year 2016. The units should also be reported in the appropriate PBV fields." (more on the PBV fields later in this article).

**Rental Assistance Component 2 (RAD2):** Total number of vouchers leased for all RAD Component 2 awards. (Effective April, 2016, this information is no longer reported in the Tenant Protection field.)

**Rental Assistance Component 2 (RAD2 HAP):** Total HAP expenses incurred for all RAD Component 2 awards. (Effective April, 2016, this information is no longer reported in the Tenant Protection field.)

Here are some important tips for reporting RAD in VMS:

**Tip #1: Make sure you are receiving Admin Fee for RAD PBV that are vacant in addition to those that are leased.** This is because Admin Fee is earned for all units **under HAP contract**. In the case of PBV, ALL of the units are under HAP contract, whether occupied or vacant. You may receive Admin Fees on Vacant RAD units by reporting them in the "Number of PBVs Under HAP and Not Leased" field in VMS. The following are the instructions HUD provides for reporting RAD Vouchers in the VMS PBV fields:

- ▶ **Number of PBVs Under AHAP and Not Under HAP:** Total number of PBVs under AHAP only. These units are not reported in any other field. (Editor's note: AHAP is Agreement to enter into a HAP Contract – there is a commitment not no units leased yet.)
- ▶ **Number of PBVs Under HAP and Leased:** Total number of PBVs under HAP contract and leased. These units and associated expenses are also reported in the field that best describes the type of voucher being used (Tenant Protection, AOV, etc.) In the case of RAD units, the leasing and associated HAP expense would ALSO be reported in the appropriate RAD field (RAD 1 or RAD 2 as appropriate).
- ▶ **Number of PBVs Under HAP and not Leased:** Total number of PBVs that are under a HAP contract and are not leased and are not receiving vacancy payments. These vouchers are not reported in any other field but are eligible for administrative fees. This field should include RAD 1 and RAD 2 units that are under a HAP contract but are not leased.

**Tip #2: Make sure to properly report RAD Rehab Assistance Payments in order to ensure you get the funding you are entitled to.** Rehab Assistance Payments (RAP) are to be reported in the RAD HAP Expense field along with any regular RAD HAP expenses.

**Tip #3: Vacancy payments are reported in the RAD HAP Expense field.** Under RAD, the owner of the RAD property (many times the PHA or an affiliate of the PHA) may receive up to two months of vacancy payments. According to HUD's guide to choosing between PBV and PBRA, "The voucher agency may provide up to two full months of vacancy payments per 24 CFR 983.352". These vacancy payments are to be reported as additional HAP expenses in the RAD HAP Expense field.

**Tip #4: Properly reporting RAD HAP Expenses After the 1st of the Month.** This tip is regarding the line in VMS labeled "All Voucher HAP Expenses AFTER 1st of the Month." This line in VMS is for PHAs to report prorated HAP expenses associated with HAP contracts made effective AFTER the 1st of the Month; HOWEVER, for important categories like RAD and VASH, HUD wants you to report ALL HAP expenses on the specific line for RAD and/or VASH, even the prorated HAP expenses, rather than splitting the prorated HAP expenses out on the line for "All Voucher HAP Expenses AFTER 1st of Month".

Proper reporting in VMS utilizing the tips above will enable the PHA to increase Admin funding, and for the owner to earn additional HAP that can help the property cash flow.

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