

STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM



ANNUAL REPORTS

By Michael Chaney

All reports must be submitted by September 15th, so start now to ensure timely completion. A

handful of communities may receive extensions for expending their 08/09 funds, but they will still be required to submit a set of annual reports on September 15, 2011, and there is no extension for submitting them after this date.

Each year when the September 15th SHIP Annual Report deadline approaches, the Florida Housing Coalition fields numerous and varied questions on report-related topics. The Coalition is available to provide this assistance through its technical assistance line: 1-800-677-4548. In addition, a full collection of frequently asked questions about annual reports (and many other topics) is available at www.shipfaq.blogspot.com.

Meeting the Set-Asides

Q What happens if you create your 08/09 close out annual report, only to notice for the first time that you are out of compliance with one or more of the set-asides? What if, for example, a jurisdiction has fully expended these funds but has only dedicated 70 percent—rather than the minimum 75 percent required—to the construction/rehab set-aside?

A The most straight forward solution is often to re-assign assistance expenses between SHIP distributions.

In the case stated above, all 08/09 funds have been expended. It is very likely that a significant amount of the jurisdiction's 09/10 distribution may also be expended. Identify one or two households assisted with 09/10 funds that comply with the construction/rehab set-aside. Re-assign these expenses to the spreadsheet tracking 08/09 funds. Similarly, re-assign one or two 08/09 cases of set-aside non-compliant assistance to the 09/10 spreadsheet. Determine if this exchange has resulted in enough 08/09 expenses that comply with the set-aside, and re-assign additional 09/10 expenses as needed to achieve set-aside compliance.

The exercise of re-assigning expenses from one SHIP distribution to another is not uncommon. It may also be used to achieve compliance with an expenditure or encumbrance deadline. Whenever an expense is re-assigned to a different distribution, care should be taken to clearly indicate 'from where' and 'to where' an expense is being re-assigned. In this way, one may still fully reconcile SHIP tracking spreadsheets with the jurisdiction's general ledger. The example above is a small and simple case of re-assigning funds. If your case is more complicated, call the Florida Housing Coalition for additional guidance as you work to re-assign funds and cure set-aside noncompliance.

Saving a Copy of the Online Report

Q How can our local SHIP office save a copy of the online annual reports we create?

A For the third year in a row, SHIP staff will complete reports using the online annual report system. The following link will bring you to the login page for the SHIP Web-Based Annual Report: <http://www.FloridaHousing.org/SHIPAR>.

Even before SHIP administrators have completed all three of their reports, they may need to save or print a copy of the data they have entered. The upper right corner of the 'Review' tab on each annual report contains a button to 'click here for a printer-friendly (PDF) copy of this annual report.' This feature requires users to have Adobe Reader version 8 or above on their computer to view or save a PDF report. Fortunately, this product is available for download from the Adobe site for free: <http://get.adobe.com/reader/>.

A SHIP staff person can save a report at any point even before it is complete. This may be a helpful interim step as staff researches data to add to the report. Once all three reports are completed, this feature allows you to save all three annual reports, a necessity to make the reports available for public inspection and comment.

SHIP Repayments

Q Our local SHIP office has received several payments from former SHIP recipients. How will this money be recorded during the next round of SHIP annual reports?

A These payments must be reported as program income on your SHIP tracking spreadsheet for the state fiscal year in which received. For example, one of your payments was received in May 2010, which is during the 09/10 fiscal year. This payment should be assigned to the 09/10 tracking spreadsheet and corresponding annual report.

The more recent payments occurred during the FY 10/11. Although you received no SHIP distribution during the FY 10/11, you must also create an annual report for this period. You must report the amount of bank interest, SHIP repayments and possibly even recaptured funds you have received from July 2010 through June 30, 2011, and report how these funds have been expended in compliance with SHIP rules, including the set-aside requirements.

Program Income for Administrative Expenses

Q Does the lack of SHIP funding during 10/11 affect the amount of program income I can spend on administration?

A Yes it does. Each jurisdiction is allowed to use a portion of the program income it collects during each fiscal year to pay for administrative expenses, above the 10% that is often devoted for administration.

“The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.” Section 420.9075 (7)

During the 10/11 State Fiscal Year, every SHIP jurisdiction received less than \$350,000 in SHIP funding. Therefore, every jurisdiction may use 10% of the program income collected in 10/11 for administrative expenses.

Administrative costs are the same expenses that may be paid for with the 10 percent administrative budget: salary, travel, advertising, and much more. The remainder of your program income must be dedicated to paying for SHIP assistance to applicants, using the strategies in your Local Housing Assistance Plan (LHAP). Before spending 10/11 program income, confirm that your jurisdiction has an approved LHAP that governs funding for this state fiscal year.

SHIP Set-Aside Calculations

Q Are the SHIP set-aside percentage calculations based only on the annual distribution and not on any recaptured funds, interest or other sources of revenue?

A The SHIP set-aside percentage calculations are not based only on the annual distribution. You must include other revenue sources when calculating set-aside compliance. Compliance with the Homeownership set-aside (65 percent of funds) and the Construction/Rehab set-aside (75 percent of funds) is based on the sum total of the Distribution plus Recaptured Funds. Compliance with the Income Set-aside, on the other hand, is calculated based on the total of all sources of SHIP revenue, including carry forward funds and program income.

Keep in mind the 2009 change that narrows the definition of Recaptured Funds. 420.9071(25), Florida Statutes, of the SHIP Statute: “Recaptured funds” means funds that are recouped by a county or eligible municipality in accordance with the recapture provisions of its local housing assistance plan pursuant to s. 420.9075(5)(h) from eligible persons or eligible sponsors, which funds were not used for assistance to an eligible household for an eligible activity, when there is a default on the terms of a grant award or loan award.” [HNN](#)