

## Preparing for Deadlines & Annual Reports




**SHIP**  
housing a stronger Florida


*Sponsored by the Florida Housing Finance Corporation's Affordable Housing Catalyst Program*

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## Presenter



**Michael Chaney,**  
Technical Advisor,  
*Florida Housing Coalition*


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## Our Thanks to the Florida Housing Catalyst Program



**AFFORDABLE HOUSING CATALYST PROGRAM**

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## Catalyst Training Schedule



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## What will be covered

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

|  |        |         |       |
|--|--------|---------|-------|
| Subtotal   | \$0.00 | #DIV/0! |       |
| #DIV/0!  |        | #DIV/0! |       |
| Administration expended by Sub-Recipients  |        | #DIV/0! |       |
| #DIV/0!  |        | #DIV/0! |       |
| Home Ownership Counseling  |        | #DIV/0! |       |
| Total  | \$0.00 |         |       |
| Number of households taking a Housing Counseling class AND receiving SHIP assistance | →      |         |       |
| Number of others attending a Housing Counseling class                                | →      |         |       |
| State Distribution:  |        |         |       |
| Frag Income: (details below)   | 0%     | \$0.00  |       |
| Unexpended funds: (details below)  |        | \$0.00  |       |
| Summary  | Form1  | Form2   | Form3 |

## Download Handouts, Including Spreadsheet

Download Handouts, Including Spreadsheet

## 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

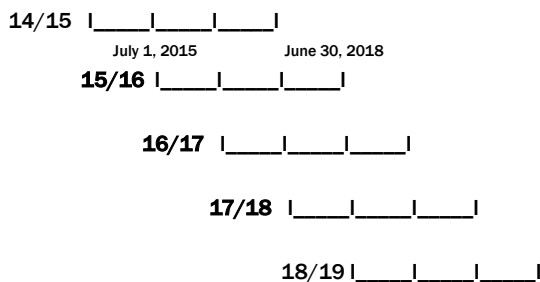
## Tracking & Reporting Timing

**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

## Tracking & Reporting Timeline



## 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

## 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

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## Timeline: What To Do NOW

### NOW:

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

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## 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

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## 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?”

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## 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



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## 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

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## 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

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## 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

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## 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.”



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## 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”
- Source:  
[http://apps.floridahousing.org/StandAlone/FHFC\\_ECM/ContentPage.aspx?PAGE=0132](http://apps.floridahousing.org/StandAlone/FHFC_ECM/ContentPage.aspx?PAGE=0132)



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ANY  
QUESTIONS  
?

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## 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

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## What if you miss the deadline?

If not Expended/Encumbered by June 30:

- Email [Robert.Dearduff@floridahousing.org](mailto:Robert.Dearduff@floridahousing.org)
- State your timeline for fully expending/encumbering. By September 15<sup>th</sup>?
- Request extension (for Expenditure Deadline only)
- Provide updated annual reports showing deadline non-compliance

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## 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

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## 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

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## 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

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## What To Do NOW

### Research Ongoing Review

From Annual Report Certification:

There is an ongoing process for review of local policies, ordinances, 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

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## 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

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## 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.

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## Manufactured Housing tracking

- If you assist manufactured housing, track to ensure that 20% is not exceeded.
- Started with 14/15 Close Out in 2017
- Download updated tracking spreadsheet: [http://www.floridahousing.org/FH-ImageWebDocs/SHIP/TRAKSHIP\\_w\\_Sp\\_Needs\\_and\\_Manufactured\\_housing.xls](http://www.floridahousing.org/FH-ImageWebDocs/SHIP/TRAKSHIP_w_Sp_Needs_and_Manufactured_housing.xls)

### Compliance With Minimum Statutory Set-asides

|                                 | Target | %   | Actual | %       |
|---------------------------------|--------|-----|--------|---------|
| 65% Home Ownership requirement: | \$0.00 | 65% | \$0.00 | #DIV/0! |
| 75% Construction requirement:   | \$0.00 | 75% | \$0.00 | #DIV/0! |
| At least 30% Very Low Income:   | \$0.00 | 30% | \$0.00 | #DIV/0! |
| At least 20% Low Income:        | \$0.00 | 30% | \$0.00 | #DIV/0! |
| Up to 40% Moderate Income:      | \$0.00 | 40% | \$0.00 | #DIV/0! |
| At least 20% Special Needs:     | \$0.00 | 20% | \$0.00 | #DIV/0! |

Up to 20% for Manufactured Housing:  #DIV/0!

## Track Special Needs Compliance

Report: 2013-2014 Interim-2 (Unsubmitted)

Form 1 Form 2 Form 3 Form 4 Form 5

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

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## Track Program Income

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



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## Tracking Spreadsheet Demonstration

|    |  |        |         |
|----|--|--------|---------|
| 18 | Subtotal   | \$0.00 | #DIV/0! |
| 19 | #DIV/0!  |        | #DIV/0! |
| 20 | Administration expended by Sub Recipients  |        | #DIV/0! |
| 21 | #DIV/0!  |        | #DIV/0! |
| 22 | Home Ownership Counseling  |        | #DIV/0! |
| 23 | Total  | \$0.00 | #DIV/0! |
| 24 | Number of households taking a Housing Counseling class AND receiving SHIP assistance |        |         |
| 25 | Number of others attending a Housing Counseling class                                |        |         |
| 26 | State Distribution:  |        |         |
| 27 | Prog Income: (details below)   | 100%   | \$0.00  |
| 28 | Recaptured funds: (details below)  |        | \$0.00  |

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## Access Report Website Today

<http://www.FloridaHousing.org/SHIPAR>

- Assistance with "Access Denied": [terry.auringer@floridahousing.org](mailto:terry.auringer@floridahousing.org)
- Update SHIP Contact and Program information

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ANY  
QUESTIONS?

**Please Complete  
Evaluation**

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