

Commonwealth of Massachusetts  
**DEPARTMENT OF HOUSING &  
 COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lieutenant Governor ♦ Chrystal Kornegay, Undersecretary

**Public Housing Notice 2017-17**

To: Local Housing Authorities  
 From: Amy Stitely, Acting Associate Director, Division of Public Housing and Rental Assistance  
 Date: July 20<sup>th</sup>, 2017  
 Re: New Application in Housing Applications; “Fiscal Year End Forms and Certifications”

The purpose of this notice is to inform Local Housing Authorities (LHAs), particularly LHA Finance Staff and Fee Accountants, of important changes effective for 6/30/17 quarter ending submissions to DHCD:

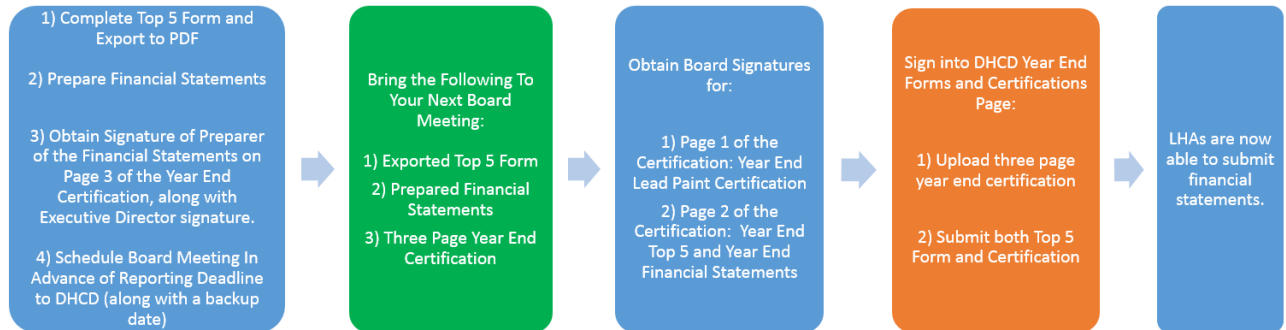
1. There is a recently launched application called “Fiscal Year End Forms And Certifications” in Housing Applications (only required of LHAs at year-end) which includes the following:
  - Year-End Top 5 Compensation Form – to report salary details for the top 5 highest paid employees at an LHA (from all funding sources)  
*Note: the application does not allow LHAs to save a partially completed Top 5 form, so please make sure you have all required information before you start filling out the form. You can still save a fully completed Top 5 Form and later edit information before submitting to DHCD.*
  - Fiscal Year End Certifications Page – includes a three page year-end certification for the Financial Statements, the Top 5 Compensation Form, and for Lead Paint.
2. There are also a few financial changes in the quarterly Operating Statement and Balance Sheet.

Note: For LHAs with Fiscal Year End 6/30/17, DHCD recommends that you begin to prepare your Fiscal Year End Forms and Certifications NOW. These MUST be completed prior to the financial statements. The system will not allow LHAs to submit their financial statements until the Fiscal Year End Forms and Certifications are complete. (See chart on top of next page)

ALL REPORTING FOR QUARTER ENDING 6/30/17 IS DUE TO DHCD 8/14/17, regardless of the LHA’s Fiscal Year End.

## Flow of LHA's Year End Financial Submissions to DHCD

### If this quarter is LHA's Fiscal Year End



## Section A. Year End Top 5 Form

Once a year, LHAs have been submitting a Top 5 Compensation Form by mail to DHCD. Starting with the LHAs with a FYE of 6/30/17, DHCD will now collect this information through an online application.

### Instructions to Complete the Top 5 Form

To access this application, LHAs should go to the home page where they access all the other housing applications for DHCD.

The application will be called "Fiscal Year End Forms and Certifications." Your Fee Accountant will also have access to this application. Once an LHA clicks on the link, select the appropriate Fiscal Year at the top of the page.

Click on the button "Top 5 Compensation Form."

### You will see following important notes at the top of the form:

- \* Below please enter the compensation information requested for the Top 5 highest paid employees from all funding sources. Information must be provided at the LHA's Fiscal Year End and represents the ACTUAL compensation received for the entire year, NOT the budgeted amount. Not submitting this form will prevent the LHA from submitting their year-end operating statements.
- \* If the position you need to select is not available in the dropdown below, it is because your Budget "Schedule of All Positions and Salaries" does not include this position. As long as it is no later than the first (1st) day of the eleventh (11th) month of the LHA's current fiscal year, please submit a budget revision with this new position, and it will then appear in the dropdown as a position for the Top 5 Highest Compensation Form below. However, if it is past that date, please reach out to the Finance Manager at DHCD.
- \* You are obligated to report all income received for the Fiscal Year - if you are unclear on where to report a certain type of income, please contact your HMS.

After identifying the top 5 highest paid employees at the LHA from all funding sources, select those five employees from the drop-downs on the left-most column.

If you have filled in all the employees you have, but you have less than 5 employees, you must select the “no employee” option for the remaining rows.

For every employee you select, you must fill out a number in each cell to the right. If the employee does not receive salary from that source, please enter a 0. Read the descriptive text at the top of the table for each column for important information about what types of money should be reported in each column. If you have any questions about this form, please reach out to your HMS.

The final four columns of the Top 5 form calculate automatically from the data the LHA has entered. **LHAs will not be able to edit these fields. The four columns are listed below.**

- Total Compensation
- Salary from Budget
- % Change in Total Salary from Budget, and
- % Change in Base Salary and Management Agreements from Budget

Please make sure you report gross wages in this form.

At the bottom of the form please include who completed this form, and what information was referenced to fill in the form.

Make sure to select save. Then export the report for your board to review at your next meeting. **If LHAs do not complete all required fields AND Save the Top 5 Form, the system will not remember any of the information entered and the export button will not work.**

**Why is there no submit button on the Top 5 form?** LHAs must complete their year-end certification first. To get to this page:

- Save your Top 5 Form to retain the information you have completed
- Select the “Home” button at top left corner of the screen
- Click on the button that says “Certifications and Submit.”

## Section B. Year End Certifications

After you have clicked the “Certifications and Submit” button, you will arrive at a page that asks you to upload a three page year end certification.

To do so, you first need to download a blank copy of this certification. To do this, go to:

1. LHA’s home page where you access all the other housing applications for DHCD
2. Click on the link that say “Documents/Forms/Letters”
3. Click on “H. Year End Certifications”
4. Click on the document called “H1\_year end certification.docx”

The three page year end certification asks LHAs to certify, along with their boards to the following three items: 1) Lead Paint 2) Top 5 Form and 3) Year-End Financial Statements.

This is why LHAs must complete the Top 5 Form first, so they can present the Top 5 Form, along with the three page year end certification to their board members at the next meeting.

On the three page year end certification, please fill in the following:

- LHA Name
- Fiscal Year End (FYE)
- Date/Time of the board meeting when the board certifies to the three items mentioned above
- Whether the board meeting is a regular or special meeting
- Members present, members absent, others present
- Fill in LHA name where needed throughout
- Fill in FYE where needed throughout

Make sure to gather the following signatures - for lead paint on page one and on page two for the Top 5 Form and Financial Statements.

- All board signatures (for extenuating circumstances, please reach out to your HMS)
- Executive Director must sign and date

In addition, the preparer of the financial statements and the Executive Director must complete the final page of the certification.

**Note: Any certifications without the items above will be returned to the LHA for re-submittal.**

Once you have filled out all the necessary information:

- 1) Scan the form and save it on your computer
- 2) Navigate to DHCD's "Fiscal Year End Certifications" page (for instructions on how to get here see page 3 of this PHN earlier)
- 3) Select the "Browse" button to navigate and select the file from your computer
- 4) Click the "Upload" Button to upload the certification

**DO NOT MAIL HARD COPIES. We will not accept mailed copies, only versions that are uploaded through our application page will be accepted.**

Once **both** the three page year end certification and Top 5 Form have been completed, LHAs will be able to click the "Submit to DHCD" button at the bottom of the "Certifications and Submit" page.

If you are missing either the Top 5 Form or the three page year end certification, the "Submit to DHCD" button will be greyed out and you will not be able to submit anything to DHCD.

## Section C. Important Changes to Quarterly Operating Statement and Balance Sheet

There are several important financial changes to the Operating Statement and Balance Sheet effective for the quarter ending 6/30/17 and going forward.

### Balance Sheet Changes

#### **Tenants Accounts Receivable (TAR) (Account 1122)**

Must be 0 or Positive Number

Must enter a number (if none, enter 0)

#### **TAR Contra (1122.1) – Disabled – See TAR PHN 2017-13 for more information**

#### **Allowance for Doubtful Accounts (Account 1123)**

Must be 0 or Negative Number

Cannot leave either blank (if none, must enter 0)

#### **Accounts Payable (Accounts 2111 and 2111.1 under and over 90 days)**

Cannot leave either blank (if none, must enter 0)

Must be 0 or Positive Number

### OPERATING STATEMENT

#### **Must Be 0 or Positive (Expense Accounts)**

Collection Loss (Account 4570)

Compensated Absences (Account 4120)

Depreciation (Account 4801)

## Questions?

### 1) On How to Use the Application:

- A User Guide provides step-by-step directions and can be found at top right corner of screen in the “Fiscal Year End Forms And Certifications” application
- Trainings – three web-based trainings on the new application “Fiscal Year End Forms and Certifications” will be offered. Dates and times are listed below:
  - July 26<sup>th</sup> from 11:00AM to 12:00PM
  - August 2<sup>nd</sup> from 11:00AM to 12:00PM
  - August 9<sup>th</sup> from 11:00AM to 12:00PM
  - If you are interested in signing up for these trainings, please email Gretchen Haupt ([Gretchen.Haupt@MassMail.State.MA.US](mailto:Gretchen.Haupt@MassMail.State.MA.US)) and provide your name, the LHA name, and which training date you are interested in.

### 2) Questions about How to Fill Out the Top 5 Form or Complete the Certification

- Please reach out to your HMS.