



Beyond Financials: How To Use VMS to Effectively Manage Program Operations

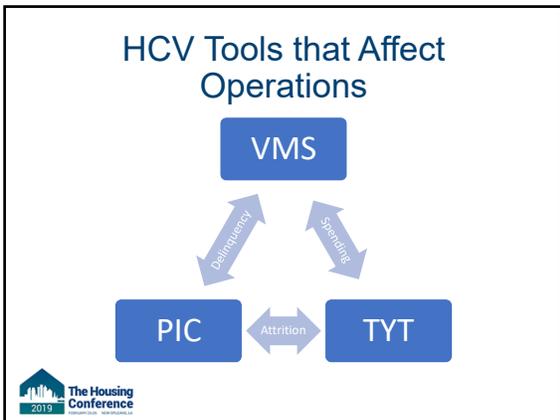
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Managing HCV Program Operations

To truly understand and manage an HCV program effectively both finance and operations must talk and both must understand **the program's data**.





Common Misconceptions

- Finance doesn't need to know about PIC
- TYT is only for issuing Vouchers
- VMS is only for Finance and not Operations



VMS



Voucher Management System

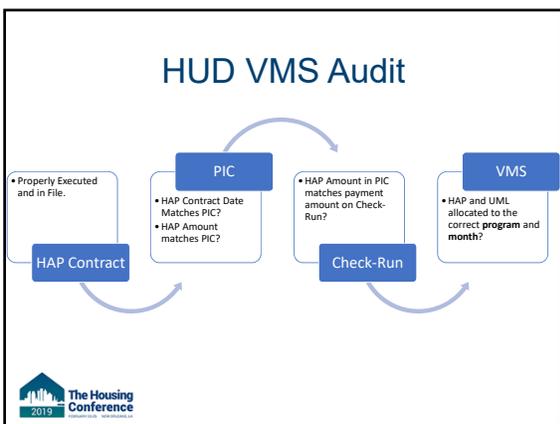
- The Voucher Management System (VMS) supports the information management needs of the Housing Choice Voucher Program (HCVP) and management functions performed by the Financial Management Division (FMD) and the Financial Management Center (FMC) of Public and Indian Housing and the Real Estate Management Center (PIH-REAC).
- **This system's primary purpose is to monitor and manage Public Housing Agency (PHA) use of vouchers.**
- VMS collects PHA data that enables HUD to fund, obligate, and disburse funding in a timely manner based on actual PHA use.



HUD VMS Audit

- HUD will use the following:
 - VMS
 - PIC
 - Check-Run
 - HAP Contract





VMS Tips

- If the unit is under an active contract then payments against it are an eligible HAP expense AS LONG as the payment amount matches a transaction in PIC.
- Zero HAP are eligible UML in VMS for 180 days (except as a reasonable accommodations).
- Abated units are eligible UML in VMS until the contract is terminated (not to exceed 180 days)
- HAP for port-in billable families must NOT be charged to HAP.
- CAUTION if using **custom** worksheets for VMS submissions.



Truth

- VMS is only for Finance and not Operations?
- Inaccurate VMS data directly affects what can or cannot be done with the program.
- Don't think of VMS as a "Financial Document" but rather a monthly "Score Card" for the program. As such, all parties that affect the score card must be involved in the review, submission, and correction process of VMS.



Understanding the Delinquency Report



PIC Summarization

- PIC Summarization happens the first Friday of every month.
- What does this mean? All of the PIC Reports (other than the ADHOC) will be updated for all 50058 transactions that have been submitted that month.
- The Delinquency Report is updated once the summarization is complete.



Purpose of the Delinquency Report

PHA's use this report to monitor its monthly Form HUD-50058 submission and resulting reporting rate. The reporting rate reflected in the Delinquency Report as of the Public Housing Agency's (PHA's) fiscal year end is used by HUD for the Section Eight Management Assessment Program (SEMAP) scoring (Voucher-Funded Assistance only) or for **potential Voucher-Funded Assistance sanctions**



VMS and PIC

PIC - Reports - Delinquency Query



HA FYE	ACC Units	VMS Units Leased (a)	As of (MM/YY)	Port Outs (b)	Port Ins (c)	50058 Required (a-b+c)	50058 Received	Difference	Reporting Rate
12/31	3,337	3334	12/18	66	1	3,269	3,176	93	97.16
03/31	7,852	9771	12/18	109	277	9,939	9,844	95	99.04
09/30	15,281	13454	11/18	361	188	13,281	13,536	-255	101.92



VMS and PIC

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Acceptable Trends

- Overreporting when you are in "Lease-up" mode
- Underreporting when not leasing (*variance should not exceed your attrition rate*)



"VMS Units Leased (a)"

- This field is calculated by the most recent VMS submission
- If PIC Summarizes from data for the previous month, then the most recent VMS will be from a month prior to that.



"As of (MM/YY)"

This will tell you the date of the latest VMS Submission that is being used to populate the field of "VMS Units Leased"



Port Outs (b)

- This field counts the number of families that have ported out by looking at the Port Out fields on the form 50058
 - 12d= Y and 12e > 0
 - AND the PHA code billed is that of Initial PHA

Meaning this field is calculated by the accurate reporting of the Receiving PHA for portability families that you are currently being billed for, regardless of what is being reported on VMS.



Port- Ins (c)

- This field counts the number of families that have ported in and have not been absorbed.
 - 12d= Y and 12e > 0
 - AND 12f has no selected PHA

Meaning this field is calculated by all of the families that have ported INTO your agency that you are not absorbing and therefore you are the receiving PHA and are billing the agencies.



50058's Required

- Formula is:
- $VMS \text{ Units Leased} - \text{Port Outs} + \text{Port Ins} = 50058 \text{ Required}$
 - This field has PIC Adjustments for Portability
 - The Port Out and Port In Fields are not calculated by VMS so its important to ensure that both PIC & VMS are matching in this area.



50058s Received

- This report includes information from the most recent Form HUD-50058 with effective dates over the last 16 months and it will get compared to the field "50058's Required"



Action Types Included in 50058 Received

- New Admission
- Annual Reexamination,
- Interim Reexamination,
- Portability Move-In,
- Other Change of Unit,
- Annual Reexamination Searching, or
- Historical Adjustment

50058 field 2a = 1, 2, 3, 4, 7, 9, or 14).



Action Types Excluded in 50058 Received Field

- Portability Move Out
- Voucher Issuance
- Voucher Expiration
- HQS Only
- Void

50058 Field 2a= 5, 10, 11, 13, 15



Difference (diff)

- This field calculates the difference between the 50058's Required and the 50058 Received



Reporting Rate

- Formula
 - $50058 \text{ Received} \div 50058 \text{ Required}$
 - 50058 Required is calculated using a VMS number
 - If your VMS is wrong your PIC Reporting Rate is Wrong
 - If your PHA is not properly reporting 50058's then your PIC Reporting Rate is wrong.



Identifying Deficiencies

Identifying deficiencies begins with the PIC ADHOC report.



Adhoc Report

- Adhoc brings you the **most recent** transaction available in PIC.

- New Admission
- Annual Reexamination
- Interim Reexamination
- Portability Move-in
- Portability Move-out
- End of Participation
- Other Change of Unit
- Annual Reexamination Searching
- Historical Adjustment

Effective Date of Action:

From: *(MM/DD/YYYY)

To: *(MM/DD/YYYY)



Adhoc report

- HUD only includes transactions within the last 16 months. Therefore, run the adhoc report with a starting date much earlier than 16 months (example: 1/1/1900)
- Select your 50058 and remember to include "PHA use only" fields.



50058 Fields

<small>PHS</small>	<small>PHS</small>
2a. PHA use only	2a.
2r. PHA use only	2r.
2b. PHA use only	2b.
2c. PHA use only	2c.
2u. PHA use only	2u.
<small>PHS</small>	<small>PHS</small>

Be sensitive with reports and data that contains a family member's SSN. Therefore, leverage "PHA use only" fields for tracking and reconciliation.

Examples:

1. Client/Entity ID
2. Housing Specialist
3. Increment/Building Information
4. PBV Name



Truth

Finance doesn't need to know about PIC?

- Agency can be subject to sanctions with a low PIC Reporting Rate.
- Inaccurate reporting fields can affect renewal funding for special programs: VASH, Mainstream, ect. Finance must be involved with PIC.
 - Example: Family "set-up" as VASH but the 50058 is not. Your VMS is correct but your PIC is wrong. HUD uses PIC to measure utilization and other factors.



Effects on Two Year Tool



Purpose of TYT

- The purpose of the tool is to facilitate decision making by the PHA's in order to achieve optimal use of the HCV funds while stabilizing the program.



TYT and PIC

- HUD uses PIC data to determine your Attrition Rate and
- HUD also uses PIC data for the "Tool of Tools"

https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/Tools



Truth

- TYT is only for issuing Vouchers?
- Absolutely Not. In addition to a leasing information, the TYT provides reliable information to make informed decisions on the following topics:
 - Payment Standards
 - Utility Allowances
 - Administrative Budgets
 - Occupancy Standards
 - And more.



Tool of Tools

- **PDF:** Combining PIC, VMS, and a range of other data, this creates a four-page overview of the selected PHA's voucher program, with information comparing the PHA's performance to that of other PHAs in the state and the country, as well as information on such areas as demographics, rent burden, subsidy standards, and leasing/spending.



Tool of Tools

GR/PS	Overvouchered	Child Exp >40%	Child - No Inc; Child Exp	Income/Rent	UMA Over	Clear Filters
Min Rent	Overhoused	Medical Exp > 40%	Medical - No Inc; Med Exp	Unit Information		Show All Fields
HOH Last Name	HOH First Name (Initial)	Type of Action	Effective Date of Action	Projected Effective date of next re-exam	Type of Voucher?	

Drill Down: Primarily used by the Shortfall Prevention Team (SPT), but certainly used by others, this Excel file will allow the user to examine various oddities in their PIC data, as well as allowing an investigation of some of the data found in the four-page PDF, by examining family-specific information.

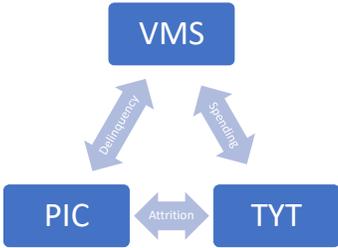


Accuracy of Projections

- Projections on the TYT will only be as good as the accuracy of the variables entered on the spreadsheet.
- Its critical for the accuracy to ensure that the PHA's are carefully tracking success rate, turnover rate, lease up time and per unit costs.
- Leave margin for error



Monitor the Data in ALL Tools that Affect Operations



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