



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

November 14, 2024

Dear Executive Director,

CY 2024 Housing Choice Voucher Program (HCV) Program:

The purpose of this letter is to inform Public Housing Agencies (PHAs) administering the Housing Choice Voucher (HCV) Program of actions that PHAs must take to support the HCV Program's cash reconciliation and funding process.

Required PHA Activities to Support the Funding Process:

The Uniform Financial Reporting Standards (UFRS), at 24 C.F.R. § 5.801, require Public Housing Agencies (PHAs), as defined under 24 C.F.R. § 982.4, that administer the Housing Choice Voucher (HCV) Program, including the Mainstream Vouchers, to submit financial information to the Department of Housing and Urban Development (HUD) electronically. PHAs are required by regulation to submit their fiscal year end (FYE) financial information to HUD through the Financial Assessment Subsystem for Public Housing (FASS-PH), and to submit certain leasing and cost data through the Voucher Management System (VMS).

In supporting the accuracy and timeliness of the HAP and Administrative Fee reconciliation process, it is imperative that PHAs comply with reporting requirements and timelines for reporting through VMS, ensuring that the information submitted is both timely and accurate. The data submitted in VMS is subject to verification, which includes hard edits for misreporting and variances, review and approval of prior month corrections (PMCs), and overall review and validation by the Financial Management Center (FMC) Financial Analysts, and the Housing Voucher Quality Assurance Division (QAD), and Financial Management Division (FMD) staff.

The calendar year-end VMS data reporting is time sensitive; therefore, the submission deadline will not be extended. PHAs that are unable to meet the reporting deadline due to circumstances beyond the PHAs control should contact their **designated FMC Financial Analyst for further instruction.**

VMS Costs and Leasing Review Period

PHAs should begin reviewing the completeness and accuracy of their CY 2023 and CY 2024 costs and leasing data reported in VMS at this time. The deadline to enter December 2024 VMS costs and leasing data, and any prior month adjustments in CY 2024 is **January 22, 2025.**

The deadline for entering CY 2023 prior-months corrections in VMS is **December 23, 2024. Adjustments made CY 2023 data after December 23, 2024 will not be applied to the CYE 2024 reconciliation.**

Except for the initial MTW PHAs, PHA CY 2025 renewal eligibility for the HCV Program, Mainstream Vouchers and the EHV Program will be based on actual and eligible HAP costs incurred and reported in VMS during CY 2024 except for the initial MTW PHAs.

Notwithstanding these deadlines, HUD encourages PHAs to begin making the necessary VMS submissions and corrections before December 23, 2024, and January 22, 2025 deadlines to ensure timely input.

Moving to Work

Expansion MTW PHA, HAP renewal eligibility will also be based on eligible HAP and non-HAP costs incurred and reported in VMS (the HAP renewal eligibility formula is provided in the [Operations Notice for the Expansion of the Moving to Work Demonstration Program at FR-5994-N-05](#)). For the original MTW PHAs, their HAP renewal eligibility will continue to be in accordance with the terms of their individual MTW agreements.

Emergency Housing Vouchers

As a reminder, the EHV CY 2025 renewals calculation will be processed under guidance in PIH Notice 2021-15. The EHV renewal funding is in Section 6(c) and 7(b), which states that HAP renewals will be based on VMS costs through CY 2024 as the baseline and inflation factor. PHAs administering EHV can anticipate an offset for reallocation from accumulated and unspent program reserves.

Non-compliance & Administrative Fee Sanctions

PIH Notice 2021-08 and Title 24 C.F.R. § 982.152(d) provides that HUD may reduce or offset any administrative fee to the PHA, in the amount determined by HUD, if the PHA fails to perform PHA administrative responsibilities correctly or adequately under the program reporting noncompliance in VMS non-submission. Administrative fee sanctions are considered permanent, meaning once a reduction of ongoing administrative fees earned has been imposed, the amount of fees withheld while the sanction is in place will not be restored to the PHA at a later date. However, upon lifting this sanction, the PHA will again be entitled to receive actual administrative fees earned (subject to pro-ration) from that point forward.

Important Dates to Remember:

- PHA must submit all CY 2023 prior-month corrections into VMS by **December 23, 2024**.
- PHA must submit December 2024's cost and leasing, and other CY 2024 adjustments, into VMS by **January 22, 2025**.

Please ensure that your VMS support team receives this letter and place particular attention to these deadlines. PHAs failing to adhere to the VMS submission requirements in general will be considered in non-compliance, and may be subject to administrative actions, which include reduction or offsets of administrative fee eligibility in the amount determined by HUD.

Sincerely,

Steven R. Durham

Digitally signed by Steven R. Durham
DN: CN = Steven R. Durham C = US.
O = Office of Housing Voucher Programs.
OU = Director.
Reason: I am approving this document

Steven Durham
Director
Office of Housing Voucher Programs