

Blatt

N-1276-HUD

December 1979

ANALYZING ALLOWANCE PROGRAM ADMINISTRATIVE
COSTS: ACCOUNT STRUCTURES AND METHODOLOGY

G. Thomas Kingsley
Priscilla M. Schlegel

HOUSING ASSISTANCE SUPPLY EXPERIMENT

A RAND NOTE

This Note was prepared for the Office of Policy Development and Research, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, under Contract No. H 1789. Its views and conclusions do not necessarily reflect the opinions or policies of the sponsoring agency.

Rand
SANTA MONICA, CA. 90406

728.1

K45a

N-1276-HUD

December 1979

ANALYZING ALLOWANCE PROGRAM ADMINISTRATIVE
COSTS: ACCOUNT STRUCTURES AND METHODOLOGY

G. Thomas Kingsley
Priscilla M. Schlegel

HOUSING ASSISTANCE SUPPLY EXPERIMENT

A RAND NOTE

This Note was prepared for the Office of Policy Development and Research, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, under Contract No. H-1789. Its views and conclusions do not necessarily reflect the opinions or policies of the sponsoring agency.



STATE OF NEW YORK
IN SENATE
January 12, 1911.
REPORT
OF THE
COMMISSIONERS OF THE LAND OFFICE
IN RESPONSE TO A RESOLUTION PASSED BY THE SENATE
MAY 11, 1909.
ALBANY: JAMES BRONKHORST COMPANY, PRINTERS.
1911.

ALBANY: JAMES BRONKHORST COMPANY, PRINTERS.
1911.

1911

PREFACE

This note was prepared for the Office of Policy Development and Research, U.S. Department of Housing and Urban Development (HUD). It describes the data base and methodology used in analyzing housing allowance program administrative costs in the Housing Assistance Supply Experiment.

Cost and workload data were provided by the housing allowance offices (HAOs) of Brown County, Wisconsin and St. Joseph County, Indiana--the agencies that administer the allowance program. The authors are particularly indebted to Dianne Munley, of Rand, who structured the cost data for use in this research. All of this work was arduous, but the allocation of costs to administrative functions (described in Sec. III) required special care and diligence. Ms. Munley completed the task cheerfully and skillfully.

The work depended on many contributions by HAO staff as well. Most important were those made by the Chiefs of Finance and Administration at each site: Lars Larson in Brown County and Wazir Chand in St. Joseph County. Both played key roles in helping to design the methodology described in this note and managing the data systems required to support it. Other Brown County staff who worked with us in both design and analysis included W. Eugene Rizor, HAO Director, and Gerald Swartz, Operations Analyst. In St. Joseph County, similar contributions were made by Hollis Hughes, HAO Director, Timothy Corcoran, Deputy Director, and Mary Chrastil, Operations Analyst. Daniel J. Alesch, Rand Site Manager in Brown County, also provided many important ideas and comments.

We also thank all HAO supervisors for their efforts in collecting and reviewing operating statistics and ensuring that staff time sheets were filled out in accord with our specifications--tasks much more demanding in the HAOs than they are in typical operating agencies. The supervisors of the HAO Financial Management sections (Jarvis Woulf in Brown County and Arturo Garcia in St. Joseph County) and their staffs of course provided the most basic requirement for this purpose: thorough accounting data.

Rae Archibald, of Rand, and Howard M. Hammerman, HUD's Government Project Manager for the Supply Experiment, reviewed an earlier draft of this note and made many helpful suggestions.

CONTENTS

PREFACE iii

TABLES vii

Section

I. INTRODUCTION AND SUMMARY 1

 The Allowance Program, Supply Experiment, and
 Administrative Research 1

 Experimental Sites and Program Administration..... 2

 The Supply Experiment and the Role of Administrative
 Research..... 3

 Summary 4

 Account Structures (Sec. II) 4

 Allocating Costs to Functions (Sec. III) 5

 Relating Costs to Workload and Output (Sec. IV) 6

 Implications (Sec. V) 7

II. ACCOUNT STRUCTURES 8

 Object-Class Accounts 9

 Cost Center Accounts 11

 Function Accounts 13

 Client Intake 15

 Client Maintenance 16

 Uses of Cost Data by Function 17

III. ALLOCATING COSTS TO FUNCTION ACCOUNTS 18

 Personnel Costs 18

 The Staff-Time Accounting System 19

 Allocating Personnel Costs to Function Accounts 21

 Nonpersonnel Costs 22

 Definitions of Administrative and Experimental Support .. 23

 Administrative Support (Indirect Costs) 25

 Experimental Support Costs 25

IV. RELATING COSTS TO WORKLOAD AND OUTPUT 29

 Workload (Output) Data 29

 Purposes and Methods 29

 Costs of Individual Functions 29

 Total Cost Per Unit of Service 32

 Normalizing Intake Costs 33

V. IMPLICATIONS 36

 Essentials in Systems Design 36

 Implications for HUD 38

Appendix

A.	INSTRUCTIONS AND DEFINITIONS FOR HOUSING ALLOWANCE OFFICE STAFF-TIME ACCOUNTING SYSTEM	41
B.	CROSSWALK: STAFF-TIME ACCOUNTING CODES AND NONPERSONNEL ACCOUNTS BY FUNCTION ACCOUNT	50
C.	STAFF-TIME AND NONPERSONNEL EXPENDITURES DISTRIBUTED TO MORE THAN ONE FUNCTION ACCOUNT	61
D.	ALLOCATION OF APRIL-DECEMBER 1976 ADMINISTRATIVE COSTS TO FUNCTION ACCOUNTS	67
E.	FUNCTION COSTS PER OUTPUT UNIT, APRIL-DECEMBER 1976	80

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62

TABLES

2.1	HAO Object-Class Accounts with April-December Expenditures.....	10
2.2	HAO Function Accounts.....	14
3.1	Summary: HAO Administrative Costs by Function, April-December 1976.....	24
4.1	HAO Administrative Workloads for Brown County Housing Allowance Program, April-December 1976.....	30
4.2	HAO Administrative Workloads for St. Joseph County Housing Allowance Program, April-December 1976.....	31
4.3	Longterm HAO Intake Workload Requirements.....	35
D.1	Distribution of Work Hours and Personnel Costs to Function Accounts: Brown County Housing Allowance Office, April-December 1976.....	68
D.2	Distribution of Nonpersonnel and Total Costs to Function Accounts: Brown County Housing Allowance Office, April-December 1976.....	71
D.3	Distribution of Work Hours and Personnel Costs to Function Accounts: St. Joseph County Housing Allowance Office, April-December 1976.....	74
D.4	Distribution of Nonpersonnel and Total Costs to Function Accounts: St. Joseph County Housing Allowance Office, April-December 1976.....	77
E.1	Intake Costs per Case Processed: Brown County Housing Allowance Office, April-December 1976.....	81
E.2	Intake Costs per Enrollee and New Recipient: Brown County Housing Allowance Office, April-December 1976.....	82
E.3	Maintenance Costs per Case Processed and per Recipient-Year: Brown County Housing Allowance Office, April-December 1976.....	83
E.4	Intake Costs per Case Processed: St. Joseph County Housing Allowance Office, April-December 1976.....	84
E.5	Intake Costs per Enrollee and New Recipient: St. Joseph County Housing Allowance Office, April-December 1976.....	85

E.6 Maintenance Costs per Case Processed and per Recipient-
Year: St. Joseph County Housing Allowance Office,
April-December 1976..... 86

I. INTRODUCTION AND SUMMARY

The Housing Assistance Supply Experiment (HASE) is a component of the Experimental Housing Allowance Program, a major research program sponsored by the U.S. Department of Housing and Urban Development. In the experiment's Fourth Annual Report, we presented interim findings on housing allowance program administrative costs.* The purpose of this note is to document the data base and methodology used in that study. It has relevance for additional work, since the same accounting systems and research methods are now being applied to the analysis of more recent program costs.

In this section, we first describe the basic structure of the allowance program, the purposes of the Supply Experiment, and the role of administrative research. We then summarize the contents of this note.

THE ALLOWANCE PROGRAM, SUPPLY EXPERIMENT, AND ADMINISTRATIVE RESEARCH**

In most traditional federal housing programs, assisted households live at reduced rents in specific housing projects. Public funds are channeled through a local housing authority or a private landlord, developer, or mortgage lender. The Supply Experiment housing allowance programs work quite differently. Monthly payments are made directly to low- and moderate-income households to help with their expenses in existing private housing. The amount of the payment is calculated to

* *Fourth Annual Report of the Housing Assistance Supply Experiment*, The Rand Corporation, R-2302-HUD, May 1978. Results are also summarized in G. Thomas Kingsley, *Allowance Program Administration: Interim Findings*, The Rand Corporation, N-1277-HUD, December 1979.

** More detailed discussions of the topics covered in this section may be found in the *Fifth Annual Report of the Housing Assistance Supply Experiment*, The Rand Corporation, R-2434-HUD, June 1979, and the *Experimental Housing Allowance Program: A 1979 Report of Findings*, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, Washington, D.C., April 1979.

fill the gap between the "standard cost of adequate housing" in the community and one quarter of the household's adjusted gross income; thus, if income increases, the housing allowance is reduced. Payments are made to eligible homeowners as well as renters. Recipients can move anywhere within the program area and can change tenure without interruption in assistance. While they are receiving payments, however, they must live in housing that has been inspected and approved as meeting basic housing quality standards. This requirement earmarks the subsidy for housing and thus distinguishes the approach from that of direct cash transfer programs.

Experimental Sites and Program Administration

The Supply Experiment has been designed and operated by The Rand Corporation to test the market effects of a fullscale, longterm allowance program. Program enrollment is open to all eligible households in two metropolitan areas with contrasting market structures:

- o Brown County, Wisconsin (metropolitan Green Bay). The program began in this site in June 1974. Brown County then had about 170,000 inhabitants (48,000 households). It has had a persistently tight housing market because of rapid growth in employment and population. Its minority population is negligible. As of June 1979, the program was making monthly allowance payments, averaging \$79.76, to 3,563 Brown County households. At this rate, total yearly payments amount to \$3.6 million.
- o St. Joseph County, Indiana (metropolitan South Bend). Program enrollment began in this site in April 1975, when the County had a population of 240,000 (76,000 households). Manufacturing employment has declined sharply there since World War II, resulting in population losses. The central city has a large surplus of deteriorated housing, and suburban vacancy rates are rising. The minority population is significant. Blacks account for 18 percent of all South Bend households. By June 1979, the number of recipient households had risen

to 5,721. The average payment was \$80.97 per month, implying a total outlay of \$5.6 million per year.

In each site, the program is administered by a separate non-profit corporation--a housing allowance office (HAO)--established solely for this purpose by Rand. Program funding, under Section 23 of the U.S. Housing Act of 1937, has been committed for a ten-year operating period. During the experimental phase (the first five years, approximately) Rand employees occupy a majority position on the Board of Trustees of each HAO and control HAO activities to ensure conformance to experimental requirements. Thereafter, local community leadership will assume direct responsibility for program operations for the remainder of the funding period.

The Supply Experiment and the Role of Administrative Research

During the experimental phase, four annual metropolitan-wide surveys have been conducted in each site to collect data on tenants, homeowners, landlords, and the physical characteristics of properties and neighborhoods. Using HAO records, Rand has also assembled data on program participants and their housing on a quarterly basis.

The original charter for the Supply Experiment dealt solely with research on the housing market effects of the program, e.g., changes in housing quality, prices, residential mobility, and neighborhood conditions. HUD has since added other topics, including research on program administration.

The HAOs perform administrative functions that are similar to those required in many other public programs, e.g., interviewing applicants to determine their eligibility, inspecting housing, and distributing monthly benefit payments. The scale and duration of the allowance programs allowed for a more "real-life" environment than one would normally expect in an experiment. Formal analysis of HAO administration appeared warranted because of these conditions and several special features:

- o Experimental requirements prompted more elaborate record keeping than is usual for established programs. A rare amount of detail about clients and their transactions with the HAOs has been preserved in machine readable files.
- o Program rules and procedures have been carefully specified and monitored. Relationships between procedures and program outcomes can be identified more clearly than is typically possible in administrative studies.
- o The programs include a broader spectrum of clients--renters and homeowners, old and young, families and single persons, employed and unemployed--than do most housing or transfer programs. Procedures are consequently tested under a wide variety of circumstances.
- o The availability of parallel records from two experimental sites that differ in many program-relevant characteristics helps in assessing the generality of conclusions.

Much of the research agenda concerns detailing administrative experience in the two allowance programs, but findings of relevance for other programs receive emphasis.

SUMMARY

Sound information on administrative costs is central to a valid understanding of program performance. In this note we identify the sources of such information in the housing allowance programs and describe the way the data are structured and manipulated in our analysis.

Account Structures (Sec. II)

The HAOs maintain administrative cost data in three separate but interrelated account structures:

- o Object-Class Accounts. Expenditures are grouped by the types of goods and services purchased as *inputs* to HAO operations, e.g., staff salaries, office rent, equipment.

- o Cost Center Accounts. Expenditures are grouped according to the allocation of *responsibility* within the HAOs. Cost centers are the same as organizational units.
- o Function Accounts. Expenditures are grouped according to the *outputs* they support, e.g., completed enrollment interviews, housing evaluations.

In HAO administration analysis, allocating cost data by function is important because it provides the basis for determining productivity. Relating the cost of a given function to the number of output units produced for that cost provides a standard that can be used in planning, monitoring and making comparisons with other programs. The structure of HAO function accounts can be summarized as follows:

Direct Expenditures

- o Program Operations
 - Client Intake Functions: outreach, enrolling applicants, performing initial housing evaluations and housing related services.
 - Client Maintenance Functions: payment operations, recertifying eligibility, evaluating recipients' housing, and performing housing related services for recipients.
- o Experimental Support: e.g., conducting special studies and preparing computer files for submission to Rand.

Indirect Expenditures

- o Administrative Support: e.g., general management, accounting, office rent, and general supplies.

Allocating Costs To Functions (Sec. III)

When expenditures are entered into HAO accounting records they are coded by object-class and are subsequently audited in that form. Audited cost data in the object-class structure can then be allocated among function accounts.

Personnel costs (salaries and fringe benefits) are allocated via an intermediary staff-time accounting system (see Appendix A). Employees divide their work hours by activity on regular time sheets submitted for payroll purposes, and work hours (and related costs) can then

be aggregated by function. Although the system has a total of 88 different activity codes, only a few are applicable to any one staff member. Time sheets are reviewed by HAO supervisors to assure conformance to specifications.

Less effort is required in allocating nonpersonnel costs. Some are clearly chargeable to only one direct function. Others can be spread as direct charges among several functions based on related information; e.g., data on automobile mileage by purpose of trip permits a reasonable distribution of local travel costs. Yet others cannot appropriately be considered as direct charges, and must be grouped as indirect (Administrative Support) costs.

Detailed rules for the allocation are provided in Appendixes B and C. Appendix D provides the resulting allocation of April-December 1976 administrative expenditures for both HAOs. To date, the complete cost allocation has been performed only as a part of Rand's research; however, HAO managers routinely use the same system to track staff productivity in major client processing functions.

Relating Costs to Workload and Output (Sec. IV)

Once the allocation is complete, costs per unit of output for each client intake and client maintenance function can be calculated simply by dividing expenditures by appropriate workload measures from regular HAO management information reports.

To develop a stable measure of total administrative cost per recipient-year of service provided, we take the following steps: First, intake costs per new recipient are calculated after normalizing to eliminate distortion because of lag effects. Second, we calculate maintenance costs per recipient-year. Third, we estimate the time a recipient will remain in the program, the average period of reciprocity. Total cost per recipient-year will then be equal to intake cost per new recipient plus the product of maintenance cost per recipient-year and the average period of reciprocity (in years), all divided by the average period of reciprocity.

Implications (Sec. V)

The HAOs have now collected and used accounting data as described above for 3.5 years. These data form the basis for internal planning and management control as well as for interactions with HUD in budgeting and performance monitoring. Both HAOs plan to continue using the systems after the experimental phase of program operations is complete.

We believe that three factors have been most important in securing HAO management support for these systems. First, data collection and analysis tasks are not overly burdensome--most features are automated and efforts have been made to eliminate the maintenance of manual data series that are not actually used by management. Second, the measures have credibility within the HAOs. Accounts were defined with the participation of local staff and are understandable in the context of their daily activities. Also, data quality is controlled. Third, management at all levels have tried to use system results sensitively so that lower level managers experience more benefits than costs in continued systems maintenance.

Although the details of HAO accounting systems may not be directly transferable, their general design and the HAOs' experience with them should provide some guidelines for HUD in its efforts to improve management performance in other programs. HUD should explore possibilities for expanding reporting requirements for housing authorities to embody at least some elements of function cost allocation and productivity analysis.

II. ACCOUNT STRUCTURES

Recent literature points up the need of organizations--public as well as private--to structure financial data in several different ways to meet various management requirements.* In the HAO accounting system, expenditures are classified in three ways:

1. By Object-Class. In the object-class structure, expenditures are grouped according to the types of goods and services purchased by the HAOs as *inputs* to their operations. This will be recognized as a traditional accounting structure with separate classifications for personnel costs (salaries and fringe benefits) and a variety of nonpersonnel costs (office rental, equipment, supplies, computer time, etc.).
2. By Cost Center. Cost centers are equivalent to organizational units within the HAOs. This structure, therefore, relates costs to *responsibility*; i.e., it can display to top management the changing rates of expenditures generated by a section supervisor responsible for producing a given set of outputs.
3. By Function. In the function accounts, expenditures are grouped according to the intermediate or final *outputs* of HAO administration that they support, e.g., enrolling applicants, performing housing evaluations. HAO functions and sub-functions have distinct purposes, each of which is a necessary component in fulfilling the HAOs' overall mission.

In this section, we explain the uses of each of these three classifications and provide background information on their design and content.

* A particularly useful reference is Robert N. Anthony and Regina Herzlinger, *Management Control in Nonprofit Organizations*, Richard D. Irwin, Inc., Homewood, Illinois, 1975.

OBJECT-CLASS ACCOUNTS

Administrative expense accounts in the HAO object-class structure are listed in Table 2.1. Financial records have been maintained in accord with this accounting system since the HAOs were initially funded. As each expenditure is entered into formal HAO accounting records it is assigned an object-class account code.

The system was designed by Arthur Young and Company in conjunction with HAO and Field and Program Operations Group (FPOG) staff. Full instructions and account definitions are provided in financial management manuals prepared by the company.* In developing the system, Arthur Young and Company was instructed to conform as closely as possible to the accounting specifications used by HUD for the Section 23 and conventional public housing programs.** The resulting accounts have been used as the basis for annual budget submissions to HUD, as well as for the subsequent tracking of expenses.

As with all such systems, the primary purpose of the HAOs' object-class structure is financial accountability. Given clear and mutually exclusive account definitions, the proper classification of an expenditure in this structure is usually self-evident, and documentation exists (receipts, cancelled checks, etc.) to show that an expenditure was in fact made. Thus the system facilitates verifying that funds have been spent in accord with their intended purposes.

The system has been used as the basis for thorough audits of HAO financial records annually since the programs began. Both HAOs retained Arthur Young and Company to perform these audits. In each audit

* Arthur Young and Company, *Financial Management Manual: Brown County Housing Allowance Office*, Washington, D.C., April 1974; and *Financial Management Manual: St. Joseph County Housing Allowance Office*, Washington, D.C., February 1975.

** See *Low Rent Housing Accounting Handbook*, HM 7510.01, U.S. Department of Housing and Urban Development, Washington, D.C., various dates; and *Low Rent Housing Accounting Guide*, HM G 7511.1, U.S. Department of Housing and Urban Development, Washington, D.C., various dates. The codes and definitions for individual accounts shown in Table 2.1 were designed by Arthur Young and Company and by and large conform to traditional HUD usage. The groupings of accounts in the table were established by Rand and the HAOs to reflect particular presentation needs for the allowance programs.

Table 2.1

HAO OBJECT-CLASS ACCOUNTS WITH APRIL-DECEMBER 1976 EXPENDITURES

	Account No.	Expenditures			
		Brown County		St. Joseph County	
		\$	Percent	\$	Percent
<i>Personnel Costs</i>					
Salaries and Wages	4110.00	491,433	60.5	695,425	56.2
Employee Benefit Contributions	4540.00	90,857	11.2	133,028	10.8
Total Personnel Costs		582,290	71.7	828,453	67.0
<i>Nonpersonnel Costs</i>					
Professional Services					
Legal Expenses General	4130.01	8,094	1.0	16,908	1.4
Equal Opportunity Legal Expenses	4130.02	0	--	15,467	1.2
Accounting and Auditing Fees	4170.00	2,345	.3	0	2.6
Consultants	4190.25	25,933	3.2	31,814	--
Total		36,372	4.5	64,189	5.2
Outreach Media Advertising	4190.45	16,013	2.0	73,656	6.0
Travel					
Intercity Travel	4150.01	7,656	.9	10,877	.9
Local Travel	4150.02	3,758	.5	8,443	.7
Total		11,414	1.4	19,320	1.6
Computer Operations	4190.75	28,845	3.6	25,410	2.0
Office Rent and Equipment					
Telephone and Telegraph	4190.15	14,795	1.8	20,471	1.7
Office Rent	4190.30	46,758	5.8	55,437	4.5
Water	4310.00	264	--	489	--
Electricity	4320.00	5,388	.7	11,110	.9
Gas	4330.00	1,036	.1	0	--
Materials	4420.00	942	.1	806	.1
Contract Costs	4430.00	4,736	.6	11,680	.9
Rental of Equipment	4190.31	7,456	.9	7,490	.6
Insurance	4510.00	4,067	.5	3,321	.3
Total		85,442	10.5	110,804	9.0
Supplies, Postage, Printing, Misc.					
Copying	4190.35	12,827	1.6	22,329	1.8
Printing	4190.36	8,312	1.0	12,896	1.0
Postage	4190.37	10,808	1.3	17,643	1.4
Office Supplies	4190.39	4,268	.5	17,202	1.4
Bank Charges	4190.41	2,035	.3	484	--
Staff Training	4140.00	1,845	.2	1,712	.1
Publications	4190.05	3,220	.4	3,087	.3
Subscriptions	4190.07	880	.1	1,053	.1
Membership Dues and Fees	4190.10	269	--	344	--
Personnel Recruiting	4190.20	378	.1	96	--
Moving and Relocations	4190.23	0	--	8,014	.7
Collection Costs	4190.43	148	--	0	--
Collection Losses	4570.00	2,541	.3	17,000	1.4
Total		47,531	5.8	101,860	8.2
Purchase of Equipment, Cars and					
Office Renovation					
Computer Systems Design and Implement.	4190.70	56	--	51	--
Equipment Purchase	7540.01	3,905	.5	9,046	.7
Real Improvements	7540.02	68	--	3,478	.3
Procurement	4190.51	0	--	24	--
Total		4,029	.5	12,599	1.0
Total Nonpersonnel Costs		229,646	28.3	407,838	33.0
<i>Total Administrative Cost</i>					
Total Administrative Cost		811,936	100.0	1,236,291	100.0

SOURCE: HAO accounting records, April-December 1976.

conducted to date the company has certified that the HAOs have complied with the financial terms and conditions of legal agreements relating to the source of funds for HAO operations and with policies and procedures prescribed by HUD and the HAO Boards of Trustees. The company has also prepared yearly financial statements showing the HAOs' financial positions at year-end and the results for the previous year's operations.* We have relied solely on audited data in our analyses of HAO administrative costs, i.e., data that are consistent with these financial statements.

COST CENTER ACCOUNTS

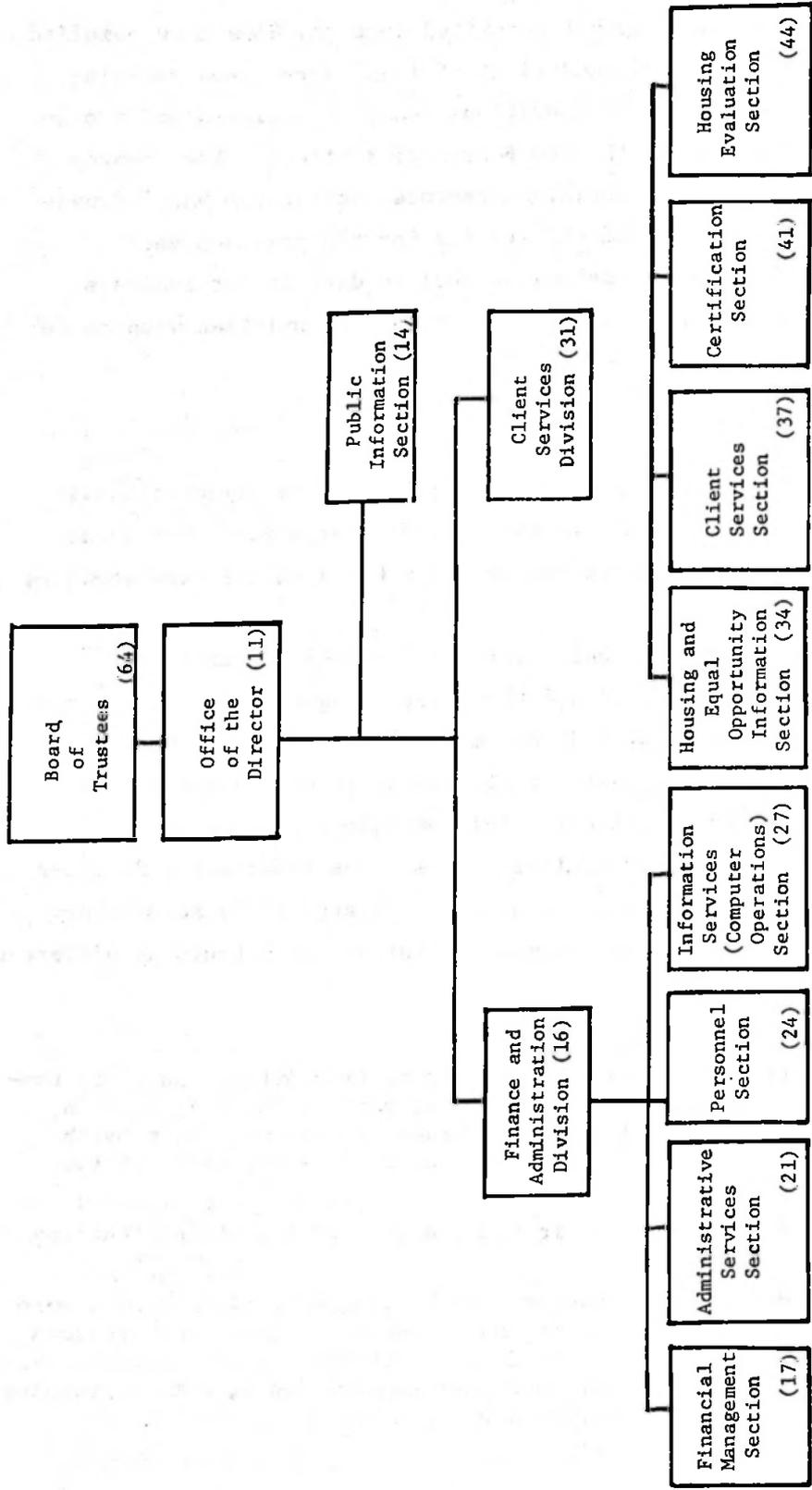
As noted earlier, cost centers are equivalent to organizational units within the HAOs. Both HAOs have the same organizational structure, shown in Figure 2.1; cost center codes for each unit are shown in parentheses.

Most HAO organizational units work on a number of functions; ** thus the cost center structure and the major categories of the function structure (shown in Table 2.2) do not match. And there is no reason that they should. As with most organizations, it made sense in the HAOs to create organizational units that performed similar types of activities with staff having similar skills. The Information Services (Computer Operations) Section, for example, is staffed by keypunchers and programmers who contribute to many different HAO outputs at different times. ***

* Audit results are documented in letters from Arthur Young and Company to the HAO Boards of Trustees dated 12 March 1975, 7 April 1976, 3 March 1977, and 6 April 1978 for the Brown County HAO, and 6 March 1975, 30 January 1976, 28 January 1977, and 24 February 1978 for the St. Joseph County HAO.

** See pp. 13-17 for a description and explanation of HAO function accounts.

*** The two structures, however, can be precisely related at a more detailed level. Detailed subfunctions in Table 2.2 have been designed so that for all but experimental and administrative support activities, each represents the work of only one cost center. Thus, with regrouping, function cost data can be aggregated by cost center.



Note: Numbers in parentheses are cost center codes.

Fig. 2.1--HAO organization/cost center structure

The purpose of cost center accounting is to provide an orderly basis for delegating authority to lower level managers and holding them accountable for performance. With data on expenditures and workloads by subfunction within cost centers, supervisors can actively participate in agency planning. They can assess what appear to be reasonable production targets and resource requirements for their units and negotiate agreements about them with top management in the budget process. They then have a clear understanding of what will be expected from their staff and a natural motivation to secure that level of performance.

This theory has been put into practice with reasonable success at the HAOs, although it has been applied with considerable flexibility. Some expenditures have always been assigned cost center as well as object-class codes when initially entered in the books. The prime example is personnel expenditures, which account for a very large portion of all HAO costs and require continued scrutiny by section supervisors. Some other costs have never been allocated to cost centers, e.g., office rent and janitorial service. Since section supervisors cannot independently influence costs in these accounts, estimating the shares allocated to their units would serve no purpose. For other accounts, practices have varied over time and between HAOs. The St. Joseph County HAO, for example, keeps track of photocopying and postage expenses by cost center and has used the data to identify opportunities for cost reduction. The Brown County HAO, with a smaller staff, has not attempted regular cost center reporting in these areas.

FUNCTION ACCOUNTS

A complete listing of HAO function accounts appears in Table 2.2. Data collection to support this system was not initiated until April 1976 in both sites, 21 months after enrollment began in Brown County and 12 months after it began in St. Joseph County.

Individual expenditures are not assigned function codes at the time they are first entered in HAO financial records. Rather, data

Table 2.2

HAO FUNCTION ACCOUNTS

<i>Intake Functions</i>	<i>Maintenance Functions (Continued)</i>
11. <u>OUTREACH</u>	22.3 <u>Special Recertification</u>
12. <u>ELIGIBILITY CERTIFICATION</u>	22.31 SR Interview
12.1 <u>Screening and Scheduling</u>	22.32 SR Data Review
12.11 Receipt and Screening of Contacts	22.33 SR Verification
12.12 Application Computer Processing	22.34 SR Computer Processing
12.13 Interview Scheduling	23. <u>HOUSING RECERTIFICATION</u>
12.2 <u>Program Information and Interview</u>	23.1 <u>Housing Reevaluation</u>
12.21 Program Information Sessions	23.11 Housing Reevaluation
12.22 Enrollment Interview	23.12 Housing Requirements Processing
12.3 <u>Error Control and Data Processing</u>	23.2 <u>Recipient Services</u>
12.31 Enrollment Data Review	23.21 Housing Information Services
12.32 Enrollment Verification	23.22 Equal Opportunity Services
12.33 Enrollment Computer Processing	
13. <u>HOUSING CERTIFICATION</u>	<i>Experimental Support Functions</i>
13.1 <u>Housing Evaluation</u>	30.1 Site Monitoring
13.11 Housing Evaluation	30.2 Special Studies
13.12 Housing Requirements Processing	30.3 Design and Policy Changes
13.2 <u>Enrollee Services</u>	30.4 Housing Evaluation Computer System
13.21 Housing Information Services	30.5 External Program Review
13.22 Equal Opportunity Services	30.6 Nonpersonnel Support
	<i>Administrative Support Functions</i>
<i>Maintenance Functions</i>	51. <u>GENERAL MANAGEMENT</u>
21. <u>PAYMENTS OPERATIONS</u>	51.1 Statistics and Reporting
21.1 Payment Authorization	51.2 Staff Training
21.2 Suspensions, Terminations, Misc.	51.3 General Quality Control
21.3 Financial Management Processing	51.4 Community Meetings
21.4 Payments Computer Processing	51.5 Press and Community Relations
22. <u>ELIGIBILITY RECERTIFICATION</u>	51.6 General Management
22.1 <u>Semiannual Recertification</u>	51.7 Program Research and Development
22.11 SAR Client Contact and Processing	52. <u>FINANCIAL MANAGEMENT</u>
22.12 SAR Data Review	52.1 Budgeting and Cost Analysis
22.13 SAR Verification	52.2 Financial Management - General
22.14 SAR Computer Processing	53. <u>PERSONNEL AND ADMINISTRATIVE SERVICES</u>
22.2 <u>Annual Recertification</u>	53.1 Personnel Services
22.21 AR Interview Scheduling	53.2 Secretarial
22.22 AR Interview	53.3 Clerical
22.23 AR Data Review	53.4 Purchasing and Maintenance
22.24 AR Verification	54. <u>NONPERSONNEL SUPPORT</u>
22.25 AR Computer Processing	

presented in the object-class and cost center structures are later allocated among function accounts by methods described in Sec. III of this note. The complete cost allocation has been performed only for Rand research purposes to date, but HAO managers use the same allocation rules to track staff productivity in key processing functions on a quarterly basis.

The nature of all HAO functions is not immediately apparent from their titles, so some explanation is warranted. The HAOs have two basic missions: first, to operate the housing allowance program, and second, to support the Experiment's research agenda by such activities as preparing computer files for transmission to Rand, conducting special studies, and preparing special reports and presentations for HUD. Program operations involve intake functions (those required to bring new clients into the program) and maintenance functions (those required to maintain clients as allowance recipients once they have achieved that status). These activities provide the HAOs' direct outputs. They are dependent, however, on the performance of additional, indirect activities: administrative support functions such as general management, training, press and community relations, and accounting. In summary, the superstructure of HAO functions is as follows:

Direct Functions

- o Program Operations
 - Client Intake
 - Client Maintenance
- o Experimental Support

Indirect Functions

- o Administrative Support

The components of intake and maintenance account for the largest share of all HAO expenditures and have the greatest influence on the character of HAO administration. They are defined below:

Client Intake

Outreach. Using advertising and other techniques to inform eligibles about the program.

Eligibility Certification (Enrollment). Arranging and administering means tests for households that submit an application. The enrollment process includes the following:

Screening and scheduling. Preliminary screening of applicants and scheduling enrollment interviews for those not screened out as clearly ineligible.

Program information and enrollment interview. Providing information to applicants about program rules and conducting interviews with them to obtain information on household status and income; determining whether the household is eligible; if eligible, determining the amount of its allowance entitlement; and signing participation agreements with eligibles who choose to enroll.

Error control and data processing. Checking enrollment forms to detect and correct errors; verifying undocumented information with employers, banks, public agencies, etc.; and creating client records in the HAO computer system.

Housing certification. This function distinguishes the allowance program from a pure income transfer program. It has two components:

Housing evaluation. Inspecting enrollees' housing units; informing them of the results; reevaluating units after repairs are attempted; processing evaluation results and lease agreements and authorizing payments to those whose housing qualifies.

Enrollee services. Providing services to help enrollees obtain certifiable housing. In the Supply Experiment, such services have consisted mainly of voluntary group counseling sessions and legal services in discrimination cases.

Client Maintenance

Payment operations. Generating and mailing monthly allowance checks; suspending or terminating payments; adjusting payment amounts to reflect recertification results, previous underpayments or overpayments, or security deposit advances.

Eligibility recertification. Periodically conducting three types of means tests to monitor client eligibility and allowance entitlement:

Semiannual recertification. Processing mailback questionnaires on household status and income, prepared halfway between enrollment anniversaries. Includes followup to obtain additional information when questionnaire responses are inadequate, plus error control and data processing.

Annual recertification. Activities are similar to those in enrollment certification: scheduling, interviewing, error control, and data processing. The interview is conducted in the month of the client's enrollment anniversary.

Special recertification. Administering means tests by telephone or interview in special circumstances between semiannual and annual recertifications.

Housing recertification. Monitoring to assure that recipients continue to meet housing requirements.

Housing reevaluation. Annually inspecting dwellings occupied by recipients; inspecting units to which recipients plan to move; informing recipients of evaluation results; reevaluating failed units after repairs have been attempted; and processing results.

Recipient services. Conducting voluntary group counseling sessions; providing literature on housing maintenance; and providing legal services for discrimination cases.

Uses of Cost Data by Function

Credible data on the costs of the functions an agency performs provide powerful support for management. Dividing such costs by the number of workload units performed (or output units produced) yields measures of the productivity of each function at any time. In planning and budgeting, managers can use these measures to estimate future funding requirements once they have projected workload and output volumes. In subsequent monitoring and control, they can watch for productivity variations and adjust resources, or take other steps as necessary when they occur.

Because extensive computations are required, HAO managers have not used the full capability of the function cost structure discussed in this report on a regular basis. However, they have used the most important part of the system intensively. Each quarter since April 1976, the HAOs have tabulated the staff-hours (rather than dollars) devoted to key client intake and maintenance functions, and have used the data in both planning and control. The resulting data series on function productivity has provided the basis for staffing and budget requests to HUD and for many initiatives to improve operating efficiency.

III. ALLOCATING COSTS TO FUNCTION ACCOUNTS

To effect our analysis, HAO expenditures in each object-class account must be allocated among the different administrative functions they support. The precise rules for the allocation are given in Appendix B, a "crosswalk" that specifies relationships between accounts in the two structures. In this section, we describe the steps followed in making the allocation and the reasons for the approach we have taken.

PERSONNEL COSTS

Personnel costs include staff salaries and fringe benefit payments. They are more difficult to distribute among functions than are nonpersonnel costs, yet much more important to the result. The HAOs are highly labor-intensive organizations. Of all HAO April-December 1976 administrative expenses, 71.7 percent in Brown County and 67.0 percent in St. Joseph County were personnel costs (see Table 2.1).

The difficulty in making allocations arises from the need to collect additional data on the amount of time HAO employees devote to different functions. If we know that in a given week an employee spent 25 hours conducting enrollment interviews, 12 hours conducting annual recertification interviews, etc., we can easily calculate the correct portion of salary and fringe benefit payments to be allocated to each function. But how are data on the time distribution to be obtained?

A traditional tool in management analysis is the stopwatch, but we judge that its use would have been infeasible in the HAOs. The primary reason was that the many timers required to watch the diverse activities of HAO staff would have been prohibitively expensive. But there would have been reliability problems as well. We believe that observer interference would have been more serious in an HAO analysis than one would expect in organizations with simpler, more routinized operations, like those of checkout clerks in grocery stores or drill

press operators on assembly lines. Given the complexity of HAO staff activities, it would have been much harder for the timer to measure unobtrusively.

Instead, we chose to implement a staff-time accounting system in which HAO employees distribute their own time among activities on the time sheets they fill out for payroll purposes (see Fig. 3.1; instructions and definitions are provided in Appendix A).

The Staff-Time Accounting System

Appendix A contains complete instructions and definitions for the use of the system, as delivered to the staffs of both HAOs. Systems like this are often fraught with inaccuracy. We took a number of steps to reduce the possibility of error in this one.

Most important were precautions taken in defining the activity categories that make up the system. Errors are likely when employees have too many choices in distributing their time and when categories are not clearly defined, absolutely distinct, and readily understandable to the people who have to use them. HAO activity categories were not designed until early 1976, after we had substantial experience with the work assigned to each HAO staff position. Categories were then established to fit positions. HAO employees do not need to be familiar with all of the codes in the system, just a limited number that apply to them directly. Most can charge all of their time to two or three categories. Few ever use more than five in any given week. They are not permitted to charge time to activities not listed for their position without special approval from supervisors. The written definitions of the categories are brief in cases where the content can easily be understood, but fairly elaborate where more information is required to eliminate ambiguity.

The system had to recognize that staff do not spend all of their time in the office on activities that are directly productive. Therefore, Code 24 (indirect time) was established as an allowable code for all nonmanagerial employees to use in accounting for time spent in meetings, attending training sessions, etc. There should be no incentive for them to distort the amount of time devoted to this

activity, however. Management would be concerned if a particular staff member's charges to this code were either unusually high or unusually low.

Several other steps were taken to control error. First, the staff were asked to note time distributions at the end of each day, when they could remember them clearly, rather than wait to add them up at the end of the week. We know they did not always do this, but we think our exhortations helped to promote accuracy. Second, we required that supervisors review the time sheets of their staff members before they were turned in to the Personnel Section. Third, HAO management and Rand staff reviewed assembled time distribution data periodically to look for unreasonable patterns.

Allocating Personnel Costs to Function Accounts

Taking the above precautions to promote accuracy meant that the activity categories used to record time would not be exactly the same as function accounts. However, direct activity categories were designed so they could be mapped cleanly into function accounts. The allocation is made as follows:

1. The number of hours worked by HAO staff during the period under study is tabulated by activity code within cost centers.

2. Hours distributed to the indirect code (defined above) and certain other "general" categories are isolated from the total and then redistributed proportionally among the remaining direct activity categories within the cost center. For example, suppose that 44 hours had been charged to direct activity code 25 (Enrollment Processing) in cost center 41 (Certification Section) and that this represented 10 percent of all direct time charged. Suppose further that 20 hours had been charged to code 41-24 (indirect time in the same cost center). In this case, the adjusted total for Enrollment Processing would be 46 hours (the original 44 plus 10 percent of the unit's 20 hours of indirect time). A complete description of this process appears in the note at the end of Appendix A.

3. Activity code totals thus adjusted are then allocated to function accounts in accord with the crosswalk (Appendix B). Most are

allocated in full to only one account. For example, the crosswalk indicates that our hypothetical 46-hour total for Enrollment Processing would be allocated to function 12.31 (Enrollment Data Review). A few (8) activity code totals, however, have to be split among two or more functions. A good example is code 44-26 (Processing Failed Unit Re-evaluations--Housing Evaluation Section). Early studies showed that the time required for evaluations of this type was quite uniform. There was no reason to expect that it takes any more or less time to process these evaluations for enrollees (intake phase) than it does for households already receiving payments (maintenance phase). Although evaluators were able to divide their work hours between Failed Unit Reevaluations and other types of evaluations, they found it difficult to remember well enough to divide the hours in either group into intake vs. maintenance subgroups. Thus the system does not ask them to do the latter. Analysts subsequently divide the total for code 44-26 into intake and maintenance categories in proportion to the number of evaluations of each type completed during the period (data available from HAO workload records). Appendix C identifies all 8 activity categories whose hours are allocated to more than one function account, and describes the basis for the distribution in each case.

4. When this process is complete we have a vector with total staff hours during the period distributed across all function accounts. The data for the April-December 1976 study period are shown in the first columns of Tables D.1 and D.3 in Appendix D. As the next step, pay rates for the staff in each group are used to create a vector of total salaries by function account (second columns of Tables D.1 and D.3).

5. Finally, total fringe benefit payments during the period are distributed in proportion to salaries to yield the vector for total personnel costs (third columns, Tables D.1 and D.3).

NONPERSONNEL COSTS

For purposes of the allocation, nonpersonnel costs (specified in object-class accounts) fall into three groups. First, a number of costs

clearly contribute to only one function; e.g., expenses for outreach advertising (object-class account 4190.45) obviously support the outreach function (function account 11). The second group includes costs that cannot legitimately be distributed as direct charges to direct functions at all. These are simply grouped as indirect charges (function 54 in the Administrative Support category). Examples include Office Rent (4190.30), Electricity (4320.00), and Office Supplies (4190.39).

The third group includes expenditures that must be distributed as direct charges to more than one function. There are 9 object-class accounts in this group. An example is Equipment Rental (4190.31). To distribute total costs in this account, we examined detailed HAO accounting records to note the nature and purpose of each item that had been rented. It was then possible to clearly allocate the item costs to the functions that they had supported. We explain the method of distribution for each of the 9 accounts in this group in Appendix C. The allocation for accounts in the first two groups is specified in the crosswalk (Appendix B).

The resulting allocation of nonpersonnel costs in the April-December 1976 study period is given in the first columns of Tables D.2 and D.4 in Appendix D. The second columns on those tables show the allocation of total HAO costs among functions during the period--the sum of the nonpersonnel costs and the personnel costs (Tables D.1 and D.2) that had been allocated to each function.

The final column in Tables D.2 and D.4 shows the distribution of total costs among direct functions only. This is calculated by distributing the total for indirect costs (Administrative Support) among direct functions (client intake, client maintenance, and experimental support functions) in proportion to the direct charges in those accounts. A summary of the full allocation for major function subgroups is provided in Table 3.1.

DEFINITIONS OF ADMINISTRATIVE AND EXPERIMENTAL SUPPORT

Most of the allocation rules specified in the crosswalk are straightforward, but in the administrative and experimental support

Table 3.1

SUMMARY: HAO ADMINISTRATIVE COSTS BY FUNCTION, APRIL-DECEMBER 1976
(\$000s)

	Brown County				St. Joseph County			
	Initial Allocation		Total with Indirect Allocated	Initial Allocation		Total with Indirect Allocated		
	Per-sonnel	Non-personnel		Per-sonnel	Non-personnel			
	Per-sonnel	Non-personnel	Total	Per-sonnel	Non-personnel	Total		
<i>Direct Costs</i>								
<u>CLIENT INTAKE</u>								
Outreach	13.5	16.2	29.7	54.1	23.5	76.6	100.1	180.6
Eligibility Certifications	74.1	9.8	83.9	153.4	142.4	10.2	152.6	275.5
Housing Certification	39.4	1.6	41.0	74.9	85.1	17.4	102.5	184.9
Total	127.0	27.6	154.6	282.4	251.0	104.2	355.2	641.0
<u>CLIENT MAINTENANCE</u>								
Payments Operations	20.6	3.2	23.8	43.3	30.5	4.1	34.6	62.6
Eligibility Recertification	93.6	8.0	101.6	185.6	100.7	6.8	107.5	194.1
Housing Recertification	36.5	1.9	38.4	70.2	48.9	5.3	54.2	97.7
Total	150.7	13.1	163.8	299.1	180.1	16.2	196.3	354.4
<u>EXPERIMENTAL SUPPORT</u>								
Total	79.7	46.3	126.0	230.4	75.3	58.1	133.4	240.9
	357.4	87.0	444.4	811.9	506.4	178.5	684.9	1236.3
<i>Indirect Costs</i>								
<u>ADMINISTRATIVE SUPPORT</u>								
General Management	145.2	9.1	154.3	--	217.7	4.5	222.2	--
Financial Management	21.0	--	21.0	--	39.3	--	39.3	--
Personnel/Admin. Services	58.7	--	58.7	--	65.1	--	65.1	--
Nonpersonnel Support	--	133.5	133.5	--	--	224.8	224.8	--
Total	224.9	142.6	367.5	--	322.1	229.3	551.4	--
<i>Total Costs</i>								
<u>TOTAL ADMINISTRATIVE COST</u>	582.3	229.6	811.9	811.9	828.5	407.8	1236.3	1236.3

SOURCE: Appendix D.

categories some arbitrary choices had to be made that deserve further explanation.

Administrative Support (Indirect Costs)

In our studies of HAO expenditures, we have attempted to define indirect costs consistently with definitions used in the Administrative Agency Experiment, another component of HUD's Experimental Housing Allowance Program. Generally, the approach is consistent with conventional practice, but one variation should be noted. The method implies that portions of salary payments for time not worked (vacations, sick leave, etc.) and HAO fringe benefit expenditures are distributed as direct charges.

Even without this variation we would have urged that caution be exercised in comparing HAO ratios of indirect to direct costs with those of other organizations. Few organizations follow exactly the same rules. What can and cannot be distributed as a direct cost usually depends on agency-specific needs and circumstances.

Experimental Support Costs

The HAOs incur many expenses that are required to support research goals and would not be required in a regular operational setting. To allocate these expenses over intake and maintenance functions would distort the true costs of performing these functions. Yet the line between what is and what is not an experimental support expense cannot be drawn easily. In a special study of the St. Joseph County HAO in 1976, Touche Ross and Company attempted to define experimental support expenses and concluded:

We believe that (our estimate of experimental support costs) does not fully account for the impact of research responsibilities on HAO costs. During our review it became apparent that the HAO was created to serve a research purpose. Consequently, research is an integral part of the HAO rather than an additional function imposed on an existing organization.... Without a defined structure for a non-experimental program, the delineation of research versus

routine administrative costs depends on assumptions made concerning the operation of an ongoing program.*

The Touche Ross approach was to adopt a conservative definition; i.e., they included in the experimental support category only those expenses that clearly would not be required in a nonexperimental program, and they left expenses with regular program functions in the total where any doubts might have been raised about allocation assumptions. Their estimates of regular operating costs, therefore, were definitionally on the high side.

We have adopted a similar approach and definition in our allocation. Although there are some differences in items charged to experimental support, the list is basically the same as that used by Touche Ross. In the points below, we identify the types of expenses that are charged to experimental support, and also other research related costs that we were unable to sort out from program operations.

Costs Charged to Experimental Support

- o *Site Monitoring.* During the experimental phase, one HAO staff member was assigned to assist Rand in collecting data on changes in community conditions (increases in local utility prices, progress in other community development activities, government and institutional changes, etc.) that might not be picked up in Rand's surveys.
- o *Special Studies.* Many HAO staff have worked on data collection, tabulation, computer runs and report preparation to support the research. Charges include personnel costs and some computer time.
- o *Design and Policy Changes.* Charges include the costs of staff and attorneys doing research on basic policy change options and new regulations and laws affecting the program.

* Touche Ross and Company, *Operations Review of the South Bend Housing Allowance Office: Final Report*, Washington, D.C., submitted to HUD on 21 October 1976. The main purpose of this study was to provide an independent management review of HAO operations for HUD. However, since early data from our function based accounting system had

- o *External Audits and Reviews.* The HAOs have operated in a fishbowl. The U.S. General Accounting Office (GAO) conducted a major audit of the program in Brown County, and there have been several other independent audits and studies by HUD staff and contractors. Charges include HAO personnel costs associated with supporting these reviews.
- o *Housing Evaluation Computer System.* The HAO housing evaluation function was initially designed to operate without computer support. A computer system was developed and implemented solely to provide research data for Rand. Experimental support charges here include the personnel costs and computer time involved.
- o *Nonpersonnel Costs.* In analyzing detailed accounting records, we identified expenditures that could clearly be allocated to experimental support in the following accounts: consultants, intercity travel, telephone and telegraph, and personnel moving and relocation.

Research Costs That Could Not Be Isolated as Charges
to Experimental Support

- o *Collecting research data in enrollment and recertification interviews.* There are only a few purely research questions asked in the interviews, but costs are not insignificant, considering the thousands of interviews that have been performed.
- o *Certification and computer processing costs related to the additional data noted above, and all of the data provided by ineligible households.* We assume most operating agencies would not bother with the latter.
- o *Storing additional data in the computer system.* In the study noted earlier, Touche Ross estimated that the St. Joseph County HAO Client Master File could be reduced to nearly a fourth of its actual size without degrading program operations; the extra data are there to meet research needs.

just been made available, the firm was able to conduct a preliminary study of HAO administrative costs as well.

- o *Conducting evaluations of applicants' preenrollment housing units, even when the household plans to move.*
- o *Collecting, processing, and storing research data for all housing evaluations. This includes one page of descriptive characteristics, special items required for The Urban Institute Comparability Panel, and a housing repair log. To complete the latter, HAO evaluators ask the occupants about the scope, nature, and cost of repairs made to the unit.*
- o *Preparing monthly reports to HUD. These reports include much more detail and analysis than is required for agencies administering regular HUD programs.*
- o *Computer programming to develop any reports of use to HAO management, even if the primary purpose is experimental support.*

IV. RELATING COSTS TO WORKLOAD AND OUTPUT

Data on the full costs of individual administrative functions are of little interest until they are related to output measures (i.e., until one can see how much was accomplished by the expenditure) and the reciprocal relationship, the cost per unit of work or service provided. In this section, we first identify the source of HAO workload data and measures used in our analysis of HAO expenditures, and then explain our purposes and methods.

WORKLOAD (OUTPUT) DATA

Since the programs were initiated, the HAOs have maintained elaborate data series on monthly work performed by most HAO functions, i.e., on their outputs. Most of the data are generated automatically by the central HAO data processing system, but some come from manual counts of activity recorded by HAO staff.

Tables 4.1 and 4.2 list the measures used in analyzing HAO costs and provide data for each for the April-December 1976 study period. Complete definitions, sources, and tabulation methods are specified in the instruction manual for HAO management reporting (issued to the HAOs by Rand as Policy Clarification Memorandum No. 149, 9 April 1976).

PURPOSES AND METHODS

Our initial analysis of HAO costs for April-December 1976 had two purposes: first, to identify the costs of individual administrative functions per unit of output in the two Supply Experiment sites, and second, to calculate total administrative cost per unit of service provided.

Costs of Individual Functions

Given the assembly of cost and workload data as discussed above, this need is met by a series of simple division problems. The results appear in Appendix E (Tables E.1 and E.4 for intake functions

Table 4.1

HAO ADMINISTRATIVE WORKLOADS FOR BROWN
COUNTY HOUSING ALLOWANCE PROGRAM,
APRIL-DECEMBER 1976

	As Reported	Adjusted ^a
<i>Intake Workloads</i>		
I1	4,931	4,857
I2	2,455	2,418
Interviews Conducted		
I3	2,160	2,128
I4	2,028	1,998
I5	1,625	1,600
I6	982	967
I7	2,528	2,490
I8	1,347	1,327
<i>Maintenance Workloads</i>		
M1	2,911	2,867
M2	195	192
M3	2,493	2,456
M4	1,894	1,866
M5	1,662	1,637
M6	970	955
M7	1,619	1,595
M8	182	179
M9	325	320
M10	2,175	2,142
M11	26,891	26,891
M12	2,241	2,241

SOURCE: HAO Management Information Reports.

^aMost workload data were reported for the period from 29 March 1976 through 31 December 1976. Adjusted entries represented workloads for the exact analysis period, 1 April 1976 through 31 December 1976. The number of work days in the analysis period represented .985 of the total in the original reporting period. Adjusted entries are thus .985 of the reported workloads. Data for variables M11 and M12 were originally reported for the 1 April 1976 through 31 December 1976 period, so adjustments for them were not required.

Table 4.2

HAO ADMINISTRATIVE WORKLOADS FOR ST. JOSEPH
COUNTY HOUSING ALLOWANCE PROGRAM,
APRIL-DECEMBER 1976

	As Reported	Adjusted ^a
<i>Intake Workloads</i>		
I1 Contacts from potential applicants	8,729	8,598
I2 Applications submitted	6,090	5,999
Interviews Conducted		
I3 As of time of interview	5,127	5,050
I4 As of time of final case processing	4,269	4,205
I5 Enrolled	3,005	2,960
I6 Intake verifications	746	735
I7 Intake housing evaluations	4,603	4,534
I8 New recipients	2,400	2,364
<i>Maintenance Workloads</i>		
M1 Semiannual recertification initiated	3,821	3,764
M2 Semiannual recertification verified	138	136
M3 Semiannual recertification processed	3,274	3,225
M4 Annual recertification initiated	2,588	2,549
M5 Annual recertification interview	2,062	2,031
M6 Annual recertification verified	414	408
M7 Annual recertification processed	2,195	2,162
M8 Special recertification verified	213	210
M9 Special recertification processed	530	522
M10 Maintenance housing evaluations	2,466	2,429
M11 Recipient-months	32,030	32,030
M12 Recipient-years	2,669	2,669

SOURCE: HAO Management Information Reports.

^aMost workload data were reported for the period from 29 March 1976 through 31 December 1976. Adjusted entries represented workloads for the exact analysis period, 1 April 1976 through 31 December 1976. The number of work days in the analysis period represented .985 of the total in the original reporting period. Adjusted entries are thus .985 of the reported workloads. Data for variables M11 and M12 were originally reported for the 1 April 1976 through 31 December 1976 period, so adjustments for them were not required.

and Tables E.3 and E.6 for maintenance functions). The first columns of those tables identify which workload measure is assigned as the appropriate output for each function. The second columns display the number of cases completed during the study period (from Tables 4.1 and 4.2). The third and fourth columns show, respectively, the direct costs only and the total costs, which include appropriate shares of indirect costs for each function. The fifth and sixth columns show the costs per case, direct and total.

Comparisons of HAO function costs with those of similar functions in the Administrative Agency Experiment have been analyzed by HUD.* Our initial study included some discussion of variations between function costs in the Brown County and St. Joseph County HAOs.** We expect to analyze this topic more comprehensively and examine cost variations over time in subsequent research.

Total Cost Per Unit of Service

The task of determining a stable measure of overall cost per unit of service is more complicated. It is first necessary to define a denominator that will permit interprogram comparisons. We chose to calculate administrative cost per "recipient-year": e.g., if four clients receive allowance payments over a six-month period, two recipient-years of service have been provided.

Simply dividing total administrative costs during a period by the number of recipient-years logged in over the same period, however, will not yield an estimate that remains stable over the long term. Intake costs are significant. When a program begins enrollment, for example, it will spend a considerable amount of money on intake, but will have

*"Housing Allowance Program Costs," in *Experimental Housing Allowance Program, A 1979 Report of Findings*, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, Washington, D.C., 1979, Chapter V.

**G. Thomas Kingsley, *Allowance Program Administration: Interim Findings*, The Rand Corporation, N-1277-HUD, December 1979, Section II.

very few recipient-years on the record to show for it. Administrative cost per recipient-year will drop dramatically as the recipient population grows and the ratio of intake to maintenance expenditures declines.

To create a better measure, we first identify the administrative cost required to bring a new recipient into the program (intake cost per new recipient) and then amortize that cost over the average period of reciprocity. In Brown County, for example, we found that intake cost amounted to \$222 per new recipient, and that maintenance cost was \$134 per recipient-year. We assumed that on the average, a client would continue to receive payments for 3 years.* Over that period, administrative costs would include \$222 for intake plus \$402 for maintenance (3 times \$134)--a total of \$624. Administrative cost per recipient-year would thus be one third of that amount, or \$208.

For maintenance functions, we divided each element of the vector of April-December 1976 costs by the number of recipient-years of service provided during the period (last columns of Tables E.3 and E.6 in Appendix E). Because of lag effects, intake cost factors had to be normalized in order to establish a sound measure for intake cost per new recipient.

Normalizing Intake Costs

The HAO intake process can take several months from the time a household first contacts the HAO until it is finally authorized to receive allowance payments--much of the time being required for meeting program housing requirements. Thus in any short period, staff work in the early phases of the process (e.g., screening preliminary applications) will be done for households that will not enter HAO records as new recipients until a later period. During a period in which a large number of clients are authorized for payments but little screening activity is required because of a low rate of initial contacts,

* Data available at the time of the initial study were insufficient to support reliable estimates of the average period of reciprocity. This topic is being examined in research now under way. We believe that 3 years remains a reasonable guess, but findings should be interpreted with caution until firm estimates are made.

dividing total intake costs by the number of new recipients authorized would lead to an underestimate of the longterm cost of intake.

An example should help to clarify this point. From April through December 1976, the St. Joseph County HAO spent \$10,889 for function 12.11 (Receipt and Screening of Contacts), or \$4.61 for every new recipient authorized during those months. In that period, however, the HAO had to handle only 3.64 contacts per new recipient, whereas longterm workload data show that, ultimately, 3.73 contacts are required to yield one new recipient. To calculate the proper longterm cost, we multiply the cost per case for this function (\$1.27, Table E.4) by the longterm workload requirement (3.73). This results in a cost of \$4.74, about 3 percent higher than the result of the simpler method.

The same process was applied to all functions in the intake process to derive the cost of each per new recipient, and the results were summed to establish total intake cost per new recipient (Tables E.2 and E.5 in Appendix E; on those tables costs are also calculated on a per enrollee basis).

Data used to calculate longterm workload requirements for these functions are provided in Table 4.3. These data represent full workload counts for both programs from the beginning of enrollment through December 1976. To illustrate, the St. Joseph County HAO has had to enroll 1.348 households to yield one recipient over its history. It has had to conduct 1.449 enrollment interviews for every household enrolled; thus it performs 1.953 interviews per new recipient (1.348×1.449).

Table 4.3

LONGTERM HAO INTAKE WORKLOAD REQUIREMENTS

	Brown County	St. Joseph County
<i>Calculation of Base Workload Ratios</i>		
1. Contacts from potential applicants ^a	20,480	22,062
Applications submitted ^a	11,034	16,143
Contacts per application submitted	1.856	1.367
2. Applications submitted ^b	10,623	14,761
Interviews conducted ^b	7,864	10,555
Applications submitted per interview	1.351	1.398
3. Interviews conducted ^b	7,864	10,555
Enrolled ^b	5,872	7,286
Interviews conducted per enrollee	1.339	1.449
4. Verifications conducted ^c	3,450	700
Enrolled ^b	5,872	2,771
Verifications conducted per enrollee	.588	.253
5. Housing evaluations conducted ^d	8,460	10,687
Enrolled ^b	5,872	7,286
Housing evaluations per enrollee	1.441	1.467
6. Enrolled ^b	5,872	7,286
New recipients authorized for payment ^e	4,781	5,406
Enrolled per new recipient authorized	1.228	1.348
<i>Derived Longterm Intake Workload Requirements</i>		
<u>Workload Units Per New Enrollee</u>		
Contacts from potential applicants	3.358	2.770
Applications submitted	1.809	2.026
Interviews conducted	1.339	1.449
Enrolled	1.000	1.000
Verifications conducted	.588	.253
Housing evaluations conducted	1.441	1.467
New recipients authorized	.814	.742
<u>Workload Units Per New Recipient</u>		
Contacts from potential applicants	4.124	3.734
Applications submitted	2.221	2.731
Interviews conducted	1.644	1.953
Enrolled	1.228	1.348
Verifications conducted	.722	.341
Housing evaluations conducted	1.770	1.978
New recipients authorized	1.000	1.000

SOURCE: Tabulation from HAO Management Information Reports through December 1976.

^aCounted when the client initially contacts the HAO.

^bCounted when final computer processing for applicant cases is complete.

^cCounted when verification is complete.

^dCounted when housing evaluation forms are computer processed.

^eCounted when payment authorization is computer processed.

V. IMPLICATIONS

The central purpose of HAO administrative cost analysis is to provide an understanding of cost determinants that may help other regular programs improve their operating efficiency. Findings from our earlier analysis have been published,^{*} and more can be expected from research now under way.

We believe, however, that some implications of broader interest can be drawn from the material discussed in this note as well: the design, operation, and use of HAO accounting systems.

ESSENTIALS IN SYSTEMS DESIGN

Virtually all public agencies use input based accounting systems like the HAOs' object-class structure. The public sector has been urged to develop output oriented systems in addition, but the record has been mixed at best. Few agencies have first implemented procedures that measure function productivity in a credible manner and then institutionalized them, i.e., ensured their continued use over time.

The HAO systems appear successful in this regard. At this writing, they have been in operation for 3.5 years in both sites. Data on staff-time distributions are collected and reviewed prior to each payroll. Work hours are regularly allocated among functions, albeit in a more simplified form than specified in Sec. III, and related to output data to yield productivity measures. An analysis of the results, along with revised projections of workloads and staffing needs, is submitted to HUD at the end of each quarter. More complete analyses of the data form the basis for annual HUD-HAO budget negotiations. These processes are now institutional habits. Both HAOs plan to continue them after the end of the experimental periods, when they will no longer be explicit Rand-HUD requirements.

^{*} See G. Thomas Kingsley, *Allowance Program Administration: Interim Findings*, The Rand Corporation, N-1277-HUD, December 1979.

The Brown County HAO is now using the data more intensively. Productivity rates are calculated monthly for individual staff members in the Client Services and Housing Evaluation sections, and management relies on them for recurrent employee performance evaluations.

Why have these systems taken hold as they have? Certainly, part of the answer is that Rand needed the data and Rand controlled the HAOs. It seems unlikely that similar procedures could be implemented in most local agencies today without external pressure being brought to bear. We believe, though, that such pressure is neither necessary nor sufficient for implementing these procedures.

The essential requirement in our view is that local agency managers believe the systems to be useful for their own purposes, regardless of external mandates. If this condition had not been met in the HAOs, nothing else Rand and HUD might have done would have led to the same favorable result.

In fact, powerful incentives to secure data on output and productivity are built into the position of the local agency manager. A manager who knows the numbers and the way they are changing will be seen as, and perhaps actually be, a person who is on top of the job. If the trends are in the right direction, so much the better. If they are not, the manager will at least know about the problems before others do and, hopefully, will be able to remedy them before they become too serious.

We believe that inertia in developing realistic productivity measurement systems is explained by three obstacles that have offset these natural advantages. First, the staff work required to collect and manipulate the data has been overly burdensome. Advancing computer technology is making the job easier, but systems designers still need to be concerned. The willingness of staff to collect data carefully will decline if they have to maintain many data series that are subsequently never used by anyone. In designing the HAO accounting systems, we were acutely aware that a limit existed. We strained it, but kept listening to staff reactions so we would not exceed it.*

*The HAOs have been urged to refine and cut back on the number of data series maintained after the experimental period.

Second, either the data or the measures defined have lacked internal credibility. This has most often been true in systems imposed from the outside. A recognition of this problem explains the apparent complexity of the coding structure in the HAO staff-time accounting system. Activity definitions had to be cut and fit so they would be meaningful to both staff and management. This meant that HAO supervisors as well as top management had to be partners in the design process. It also meant that account definitions had to be carefully structured so that staff would not be called upon to make complicated coding or time allocation decisions that would be beyond their intuitive grasp.

Controls to assure accuracy of input and output data within reasonable tolerance limits are mandatory. Ideally, this involves regular internal quality control plus some external auditing. Controls depend, of course, on complete system documentation with clear and understandable account definitions and allocation rules.

The third obstacle has been the fear of insensitive use of productivity data by superiors. At any level in any agency, managers would probably like a system that gave them considerable information about the performance of subordinates but did not require that the findings be passed on to those above. Few are so designed. If superiors have a history of overreacting to bad news, "killing the messenger" may sound like an appealing solution. This basic tension is constant in management, public or private. We recognized it in day-to-day operations of the HAOs and sought to create an environment in which those at each level had reason to believe that the personal benefits of obtaining good performance data generally outweighed the costs.

IMPLICATIONS FOR HUD

Local housing authorities maintain object-class accounting systems and regularly report selected performance variables to HUD. HUD, however, does not require management reporting systems with data on function costs and productivity.

Given a variety of barriers, we do not believe HUD could design detailed systems of this kind for the programs operated by housing authorities, and successfully implement them. The administrative functions of the allowance program are quite similar to those of the Section 8 Existing Housing program, a growing part of the activity of most local authorities. But even so, we doubt that the HAO accounting systems, as designed, would be useful to many Section 8 managers. As noted, they were structured to fit not only the general functions of a housing allowance program, but also the particular characteristics of the HAOs. As we have argued, design sensitive to the particular institution at hand is important at this level.

However, while it would not be reasonable to impose entire systems, HUD might consider steps to encourage more function-productivity oriented management reporting by local authorities. In our view, the potential benefits could be substantial and, considering the dramatic reduction in data processing costs over the past decade, the tasks would not be as expensive as they have been in the past.

Two approaches should be considered. First, HUD could simply provide encouragement, technical assistance, and some funding to help authorities develop new systems that fit their own circumstances well. The principles based on HAO experience that we outlined in the previous section should be relevant in planning for this approach.

Second, HUD could design and impose comparatively simple new reporting requirements on all housing authorities that would capture at least the most important benefits of more complete systems. In Section 8, for example, it might be possible to control allocations that would isolate basic function costs (intake, maintenance, and administrative support), if not the costs of more detailed sub-functions. HUD could then encourage the authorities to implement more detailed supporting accounts consistent with their own internal management needs.

APPENDIX A

INSTRUCTIONS AND DEFINITIONS FOR HOUSING ALLOWANCE OFFICE
STAFF-TIME ACCOUNTING SYSTEM*

(1) Instructions - General

This document provides instructions for filling out time sheets. Employees should note the allocation of their time in accord with these instructions at the end of each working day. This is important since you are likely to forget the true allocations if you wait to fill the sheet out at the end of the week or pay period. Supervisors will review all time sheets carefully before they are submitted to the Personnel Section.

In allocating your time, round off to the nearest quarter hour (.25, .5, or .75) for each separate allocation of time, but proportion it out so that the entries for each day add up to the full work day.

(2) Cost Center Codes

All time must be allocated to a specific Cost Center (organizational unit). Cost Center codes are entered in the left-hand column of the time sheet. All employees are assigned to only one Cost Center. Usually the code for that Cost Center should be entered for each separate time entry on the sheet. However, if you are assigned to do work on a temporary basis for a different Cost Center from your regular one, you should enter the code for that Center related to all of the hours you worked there. Cost Center codes are as follows:

- 11 - Office of the Director (excluding Public Information)
- 14 - Public Information
- 16 - Finance and Administration Division - General
- 17 - Financial Management Section
- 21 - Administrative Services Section
- 24 - Personnel Section
- 27 - Information Services Section
- 31 - Client Services Division - General
- 34 - Housing Information and Equal Opportunity Section
- 37 - Client Services Section
- 41 - Certification Section
- 44 - Housing Evaluation Section
- 64 - Board of Trustees

*This appendix reproduces previously issued HAO materials; thus there may be style discrepancies between it and the rest of this note.

(3) Activity Codes - Time Off

Activity codes are entered in the column immediately to the right of the Cost Center column on the timesheet as before. The first step is to identify any time off, using the appropriate codes as follows:

- 90 - Holiday Time Off
- 91 - Sick Time Off
- 92 - Military Time Off
- 93 - Vacation Time Off
- 94 - Other Paid Time Off - (specify purpose on time sheet - see Personnel Manual)
- 95 - Unpaid Time Off - Excused
- 96 - Unpaid Time Off - Unexcused

(4) Indirect and Special Purpose Activity Codes for Non-Managerial Staff

Sections (4) and (5) of these instructions apply to non-managerial personnel only. Managerial personnel should skip to instructions in Section (6).

After time off has been sorted out, non-managerial staff should next identify any time spent during the day on special purpose activities listed and defined in Section (7) of these instructions. It is expected that non-managerial staff will not use these codes often. Any use of special purpose codes requires the approval of your Supervisor.

Next you should identify all "indirect" time during the day. Direct time is defined to include direct work on the major assignments indicated by your job description, as noted under Section (5) to follow. Indirect time includes everything else, e.g., the time you spend attending meetings, attending training sessions, working on regular reports, discussing program issues not related to a specific client case you are processing, discussing personnel questions with your Supervisor. The code for indirect time for all non-managerial employees is:

- 24 - Indirect Time

If you have questions about whether a particular activity should be charged to direct or indirect time, ask your Supervisor.

(5) Direct Activity Codes for Non-Managerial Staff

Allowable activity codes for direct time differ for each HAO position in the non-managerial staff. Codes below indicate the Cost Center (to left of dash) and the Function code (to the right). Except for categories noted above, the lists below indicate all the accounts an employee in a given position may use. The only time you may use other Cost Center and activity codes is if you are temporarily assigned to work for another section with the approval of that section's Supervisor.

Assistant Site Monitor

64 - 23 Site Monitoring

Note: Employees other than the Assistant Site Monitor may charge time to the Board of Trustees Cost Center only when doing work directly for the Board of Trustees. Approval by the Chairman of the Board of Trustees is required before such charges may be made.

Public Information Specialist

- 14 - 24 Indirect Time
- 14 - 25 Outreach - includes preparation of materials, making presentations, discussions with contractors and staff. Use this code only when the primary purpose of the activity at hand is outreach, i.e., informing potential eligibles about the program so that they may apply.
- 14 - 26 Press and Community Relations - includes preparation of materials, making presentations, discussion with contractors and staff, i.e., all direct work except for outreach.

All Non-Managerial Staff in Financial Management

- 17 - 24 Indirect Time
- 17 - 25 Payments Check Processing for Enrollees - involves only the preparation of the first checks sent to clients and related payment reconciliations.
- 17 - 26 Payments Check Processing for Recipients - all direct work in preparing and checking payments made subsequent to the initial payment and related payment reconciliation.
- 17 - 27 Financial Management General - includes accounting, preparation for audit, payroll processing, preparation of financial statements and reports, budget preparation, budget and expenditure analysis, preparation of checks for all expenditures except allowance payments and all other direct work in Financial Management.

Secretaries

- 21 - 24 Indirect Time
- 21 - 20 Secretarial Direct - includes all direct work done by secretaries.

Note: If work being done by a secretary is for a Cost Center other than Administrative Services, indicate that Cost Center code combined with Function code 20. For example, if a secretary works a full day for the Office of the Director, that time should be charged to 11 - 20.

Clerical Personnel

- 21 - 24 Indirect Time
- 21 - 25 Reception/Switchboard
- 21 - 26 Mailing
- 21 - 27 Copying
- 21 - 28 Filing
- 21 - 29 Other Direct

Personnel Specialists and Technicians

- 24 - 24 Indirect Time
- 24 - 25 Personnel Direct - includes all direct work performed by Personnel Specialists and Technicians.

Information Services Specialists and Data Processing Technicians

- 27 - 24 Indirect Time
- 27 - 25 Preliminary Applications Processor Regular Processing
- 27 - 26 Enrollment Applications Processor Regular Processing
- 27 - 27 File Maintenance Processor Regular Processing
- 27 - 28 Selective Listing System Regular Processing
- 27 - 29 Payments Processor Regular Processing
- 27 - 30 Housing Evaluation Processor Regular Processing
- 27 - 31 Special Program Runs
- 27 - 32 Systems Development/Maintenance/Testing
- 27 - 33 Information Services Direct, General - includes all time spent in direct work that cannot be allocated fully to one of the above categories.

Records Technician

- 27 - 24 Indirect Time
- 27 - 34 Records Technician Direct - includes all direct work done by Records Technicians.

Housing Information Specialists and Technicians

- 34 - 24 Indirect Time
- 34 - 25 Housing Information - includes all direct work in preparing and presenting housing information sessions or presenting such information to clients individually. Include time spent preparing or acquiring service materials such as brochures, lists of units on the market, etc.
- 34 - 26 Equal Opportunity Support - includes all direct work related to equal opportunity support services and processing equal opportunity cases.
- 34 - 27 Response to Program Inquiries - discussions with walk-ins and responses to telephone inquiries from potential applicants. (Do not include requests for participant services here.)
- 34 - 28 Program Information - includes all direct work in preparing and presenting program information sessions.
- 34 - 29 Client Newsletter - preparation of client newsletters and other information sent to all clients about housing matters.
- 34 - 30 HUCF processing - includes all direct work by Housing Information relating to taking information from clients about moves and changes in housing expenses and related processing.
- 34 - 76 Possible Misreporting - includes all direct work in identifying, following-up and related processing for possible cases of misreporting.

- 34 - 77 Service Needs Identification - includes all direct work related to contacting clients to find out about the need for service. Includes setting up and working with files and tracking systems, etc. The actual provision of service should not be coded here, however.

Client Services Technicians

- 37 - 24 Indirect Time
- 37 - 25 Enrollment Interview Scheduling - includes contacts with clients, record keeping and communications within staff related to scheduling enrollment interviews.
- 37 - 26 Recertification Interview Scheduling - includes same as above for recertification interviews.
- 37 - 27 Other Direct Client Services Technician Activities - includes all other direct work by Client Services Technicians.

Client Services Specialists I

- 37 - 24 Indirect Time
- 37 - 28 Enrollment Processing - includes all direct work related to enrolling and reinstating clients: preparing for interview, conducting interview, post-interview processing, correcting applications, post-interview discussions with clients, discussions with Certification on specific enrollment cases, etc.
- 37 - 29 Special Recertification Processing - includes all direct work related to special recertifications.
- 37 - 30 Semi-Annual Recertification Processing - includes all direct work related to semi-annual recertifications.
- 37 - 31 Annual Recertification Processing - includes all direct work related to annual recertifications.
- 37 - 32 HUCF Processing - includes all direct work by Client Services relating to taking information from clients about moves and changes in housing expenses, and related processing.
- 37 - 33 Response to General Client Inquiries. Use this code only for discussions with clients about general program questions and complaints that do not relate to regular workload processing. Initial contacts with potential applicants should be charged to 34-27. Discussions with clients that are a part of enrollment processing should be charged to 37-28. Discussions related to recertification should be charged to the appropriate recertification code.

Certification Specialists I and Certification Technicians

- 41 - 24 Indirect Time
- 41 - 25 Enrollment Processing - includes all direct work in processing enrollment and reinstatement cases prior to the time the package has been finally accepted from Client Services through computer processing, including all work on edit lists.
- 41 - 26 Special Recertification Processing - includes all direct work in processing special recertifications.

- 41 - 27 Semi-Annual Recertification - includes all direct work in processing semi-annual recertifications.
- 41 - 28 Annual Recertification Processing - includes all direct work on annual recertification cases.
- 41 - 29 Enrollment Verification - includes all direct work in verification of enrollments and reinstatements after selection for verification has been made. Includes processing of any adjustments resulting from verification.
- 41 - 30 Special Recertification Verification - includes all direct work as above in processing special recertification verifications.
- 41 - 31 Semi-Annual Recertification Verification - includes all direct work as above in processing semi-annual recertification verifications.
- 41 - 32 Annual Recertification Verification - includes all direct work as above in processing annual recertification verifications.
- 41 - 33 Initial Payments Processing - includes all direct work on enrollment cases excluding verification after the enrollment application has been accepted by the computer; e.g., includes processing related to HUCF and Lease Agreements and initial payment authorization.
- 41 - 34 Other HUCF Processing - includes all direct work in processing HUCFs excluding work related to initial HUCF processing or changes allocable to recertification results; i.e., primarily includes client moves and changes in housing expenses.
- 41 - 35 Suspensions, Terminations, Payments Reconciliations and Other Payments Processing - includes all direct work on these operations.
- 41 - 36 Certification, General - includes all direct work in Certification where it is not possible for the staff member to divide time among other Certification functions above. This code should be used as little as possible.

Housing Evaluation Technician

- 44 - 24 Indirect Time
- 44 - 25 Housing Evaluation Technician Direct - includes all direct work by Housing Evaluation Technicians.

Housing Evaluation Specialist I

- 44 - 24 Indirect Time
- 44 - 26 Processing Failed Unit Reevaluations - includes all direct time spent on Failed Unit Reevaluations: scheduling, preparation in the office, travel to the unit, conducting the evaluation, post-evaluation paper work in the office, discussing the specific case with management or the client, etc.
- 44 - 27 Processing All Other Evaluations - includes all direct time spent on all other types of evaluations. Same types of activities as above.

(6) Activity Codes for Managerial Staff

Managerial staff include all Specialists II, all Section Supervisors and Division Chiefs, and all employees in the Office of the Director (except for the Public Information Specialist).

First (after time off has been sorted out) calculate any time you may have spent doing direct processing work normally done by non-managerial employees. Use non-managerial direct time codes defined above as appropriate. We expect that Specialists II will have a considerable amount of such time, but Supervisors and other managerial employees may also have some.

Second, identify any time you have spent during the day on any of the special purpose activities listed and defined in Section (7) of these instructions.

Third, allocate any time you have spent in conducting quality control or preparing quality control reports to the following activity code:

11 - Quality Control

All of the remaining time should be charged to:

14 - General Management

Note: You should charge your time to General Management when you are managing the work of others in any of the special purpose activities defined in Section (7). Charge your time to those activities only when you are working on them directly; e.g., conducting a special study or participating in discussions of program standards changes yourself.

(7) Special Purpose Activity Codes

Special purpose activity codes may be used by non-managerial and managerial personnel as noted above. These activity codes may be used with any cost center code.

21 - Outreach

70 - Discussing Program Definitions and Policy Clarifications

71 - Compiling and Reviewing Operating Statistics

72 - Preparing Monthly and Quarterly Program Reports

73 - Staff Training

74 - Preparing Materials for HAO Board Meetings

75 - Preparing Budgets and Cost/Staffing Analyses

76 - Possible Misreporting Identification and Follow-Up

77 - Service Needs Identification

79 - Housing Information Assistance

- 80 - Assisting in Special Studies and Reports for Rand/FPOG
- 81 - Assisting in Special Studies and Reports for Rand/DAG
- 82 - Preparing Other Special Studies and Reports
- 83 - Preparing For and Attending Community Meetings
- 84 - Assisting in Financial, Payments, and End-Use Audits
- 85 - Assisting in Federal Government Program Reviews and Audits
- 86 - Implementing Adjustments to the Standard Cost of Adequate Housing

* * * *

NOTE: ACTIVITY TIME NOT DIRECTLY ALLOCATED TO FUNCTIONS

Time charged to certain activity codes listed above is not directly allocated to functions in the allocation of time accounting data specified in the crosswalk (Appendix B).

- (1) Time charged to codes 90 through 96 (time off--e.g., vacations, sick leave--in all cost centers) is eliminated from the allocation. It thus does not appear as a part of the totals in the first columns of Tables D.1 and D.3. Its effects are picked up later, however, since full salaries, including portions covering time off, are distributed based on hours actually worked.
- (2) Time charged to several "general" activity codes is distributed among remaining codes within cost centers before the allocation is made (see step 2 under "Allocating Personnel Costs to Function Accounts" in Sec. 3). The process is explained below, by cost center. Time charged to code 14 (General Management) is eliminated in this step; it is charged directly to function codes in accord with the crosswalk.

Cost Center 27 - Information Services. Time charged to codes 28 and 34 is distributed between codes 26 and 27 in proportion to the amounts charged to those codes. When that is done, time charged to codes 11, 24, and 33 are distributed among all remaining direct codes in proportion to the amounts then charged to those codes. After the distribution, then, the totals in codes 26 and 27 will include the time originally charged to them plus appropriate shares of the amounts originally charged to 28, 34, 11, 24, and 33. All other remaining codes will contain the time originally charged to them plus shares of accounts 11, 24, and 33 only.

Cost Center 37 - Client Services. Time charged to codes 11, 24, and 27 is first distributed proportionally among all remaining direct activities except 33. After that, the original total from 33 is distributed proportionally among 28, 29, 30, 31, and 32.

All Other Cost Centers. Time charged to code 11 (Cost Centers 34, 41, and 44 only), 25 (Cost Center 44), 36 (Cost Center 41 only), and 24 (in all Cost Centers) is distributed proportionally among remaining direct activities.

APPENDIX B

CROSSWALK: STAFF-TIME ACCOUNTING CODES AND NONPERSONNEL ACCOUNTS,
BY FUNCTION ACCOUNT*

On the following pages, function accounts are listed in numerical order. The staff-time accounting codes and nonpersonnel expenditure accounts that are allocated to each function account are listed under its title. Amounts in some staff-time and nonpersonnel accounts are distributed among several functions. All are listed, and distribution methods are explained, in Appendix C. The examples below show how these are identified in the crosswalk:

- 44-26A Processing Failed Unit Reevaluations, Housing Evaluation
Section (part)
- 4190.05A Publications (part)

FUNCTION ACCOUNTS

11. OUTREACH

Staff time codes:

- 14-25 Outreach, Public Information Section
- All-21 Outreach, all cost centers

Non-Personnel accounts:

- 4190.05A Publications (part)
- 4190.25A Consultants (part)
- 4190.31J Equipment Rental (part)
- 4190.45 Outreach Media Advertising

12. ELIGIBILITY CERTIFICATION

12.1 Screening and Scheduling

12.11 Receipt and Screening of Contacts

Staff time codes:

- 34-27 Response to Program Inquiries, Housing Information and
Equal Opportunity Section

* This appendix reproduces previously issued HAO materials; thus there may be style discrepancies between it and the rest of this note.

12.12 Application Computer Processing

Staff time codes:

27-25 P.A. Processor, Information Services Section

Non-Personnel accounts:

4190.31A Equipment Rental (part)

4190.75A Computer Operations (part)

12.13 Interview Scheduling

Staff time codes:

37-25 Enrollment Interview Scheduling, Client Services Section

12.2 Interview and Program Information

12.21 Program Information Sessions

Staff time codes:

34-28 Program Information, Housing Information and Equal Opportunity Section

12.22 Enrollment Interview

Staff time codes:

37-28 Enrollment Processing, Client Services Section

Non-Personnel accounts:

4150.02A Local Travel (part)

4190.05B Publications (part)

12.3 Error Control and Data Processing

12.31 Enrollment Data Review

Staff time codes:

41-25 Enrollment Processing, Certification Section

12.32 Enrollment Verification

Staff time codes:

41-29 Enrollment Verification, Certification Section

12.33 Enrollment Computer Processing

Staff time codes:

27-26 Enrollment Applications Processor, Information Services Section

Non-Personnel accounts:

4190.31B Equipment Rental (part)

4190.75B Computer Operations (part)

13. HOUSING CERTIFICATION

13.1 Housing Evaluation

13.11 Housing Evaluation

Staff time codes:

- 44-26A Processing Failed Unit Reevaluations, Housing Evaluation Section (part)
- 44-27A Processing All Other Evaluations, Housing Evaluation Section (part)

Non-Personnel accounts:

- 4150.02B Local Travel (part)

13.12 Housing Requirements Processing

Staff time codes:

- 41-33 Initial Payments Processing, Certification Section

13.2 Enrollee Services

13.21 Housing Information Services

Staff time codes:

- 34-25A Housing Information, Housing Information and Equal Opportunity Section (part)
- All-77A Service Needs Identification, all cost centers (part)
- All-79A Housing Information Assistance, all cost centers (part)

13.22 Equal Opportunity Services

Staff time codes:

- 34-26A Equal Opportunity Support, Housing Information and Equal Opportunity Section (part)

Non-Personnel accounts:

- 4130.02A Equal Opportunity Legal Expenses (part)

21. PAYMENTS OPERATIONS

21.1 Payment Authorization

Staff time codes:

- 41-34 Other HUCF Processing, Certification Section

21.2 Suspensions, Terminations, Misc.

Staff time codes:

- 41-35 Suspensions, Terminations, Payments Reconciliations and Other Payments Processing, Certification Section

21.3 Financial Management Processing

Staff time codes:

- 17-25 Payments Check Processing for Enrollees, Financial Management Section
- 17-26 Payments Check Processing for Recipients, Financial Management Section

21.4 Payments Computer Processing

Staff time codes:

- 27-27A File Maintenance Processor, Information Services Section (part)
- 27-29 Payments Processor, Information Services Section

Non-Personnel accounts:

- 4190.31C Equipment Rental (part)
- 4190.75C Computer Operations (part)

22. ELIGIBILITY RECERTIFICATION

22.1 Semi-Annual Recertification

22.11 SAR Client Contact and Processing

Staff time codes:

- 37-30 SAR Processing, Client Services Section

22.12 SAR Data Review

Staff time codes:

- 41-27 SAR, Certification Section

22.13 SAR Verification

Staff time codes:

- 41-31 SAR Verification, Certification Section

22.14 SAR Computer Processing

Staff time codes:

- 27-27B File Maintenance Processor, Information Services Section (part)

Non-Personnel accounts:

- 4190.31D Equipment Rental (part)
- 4190.75D Computer Operations (part)

22.2 Annual Recertification

22.21 AR Interview Scheduling

Staff time codes:

37-26 Recertification Interview Scheduling, Client Services
Section

22.22 AR Interview

Staff time codes:

37-31 AR Processing, Client Services Section

Non-Personnel accounts:

4150.02C Local Travel (part)

22.23 AR Data Review

Staff time codes:

41-28 AR Processing, Certification Section

22.24 AR Verification

Staff time codes:

41-32 AR Verification, Certification Section

22.25 AR Computer Processing

Staff time codes:

27-27C File Maintenance Processor, Information Services
Section (part)

Non-Personnel accounts:

4190.31E Equipment Rental (part)

4190.75E Computer Operations (part)

22.3 Special Recertification

22.31 SR Interview

Staff time codes:

37-29 SR Processing, Client Services Section

22.32 SR Data Review

Staff time codes:

41-26 SR Processing, Certification Section

22.33 SR Verification

Staff time codes:

41-30 SR Verification, Certification Section

22.34 SR Computer Processing

Staff time codes:

27-27D File Maintenance Processor, Information Services
Section (part)

Non-Personnel accounts:

4190.31F Equipment Rental (part)
4190.75F Computer Operations (part)

23. HOUSING RECERTIFICATION

23.1 Housing Reevaluation

23.11 Housing Reevaluation

Staff time codes:

44-26B Processing Failed Unit Reevaluations, Housing Evaluation
Section (part)
44-27B Processing All Other Evaluations, Housing Evaluation
Section (part)

Non-Personnel accounts:

4150.02D Local Travel (part)

23.12 Housing Requirements Processing

Staff time codes:

34-30 HUCF Processing, Housing Information and Equal
Opportunity Section
37-32 HUCF Processing, Client Services Section

23.2 Recipient Services

23.21 Housing Information Services

Staff time codes:

34-25B Housing Information, Housing Information and Equal
Opportunity Section (part)
34-29 Client Newsletter, Housing Information and Equal
Opportunity Section
All-77B Service Needs Identification, all cost centers (part)
All-79B Housing Information Assistance, all cost centers (part)

Non-Personnel accounts:

4190.05C Publications (part)

23.22 Equal Opportunity Services

Staff time codes:

34-26B Equal Opportunity Support, Housing Information and
Equal Opportunity Section (part)

Non-Personnel accounts:

4130.02B Equal Opportunity Legal Expenses (part)

30. EXPERIMENTAL SUPPORT

30.1 Site Monitoring

Staff time codes:

64-23 Site Monitoring, Board of Trustees

Non-Personnel accounts:

4190.25B Consultants (part)

30.2 Special Studies

Staff time codes:

27-31 Special Program Runs, Information Services Section
All-80 Assisting in Special Studies and Reports for Rand/FPOG,
all cost centers
All-81 Assisting in Special Studies and Reports for Rand/DAG,
all cost centers
All-82 Preparing Other Special Studies and Reports, all cost
centers
All-86 Implementing Adjustments to the Standard Cost of
Adequate Housing, all cost centers

Non-Personnel accounts:

4190.70 Computer Systems Design and Implementation

30.3 Design and Policy Changes

Staff time codes:

All-70A Discussing Program Definitions and Policy Clarifica-
tions, all cost centers (part)

Non-Personnel accounts:

4130.01A General Legal Expenses (part)

30.4 Housing Evaluation Computer System

Staff time codes:

27-30 Housing Evaluations Processor, Information Services
Section

Non-Personnel accounts:

- 4190.31H Equipment Rental (part)
- 4190.75H Computer Operations (part)

30.5 External Program Review

Staff time codes:

- All-84 Assisting in Financial, Payments, and End-Use Audits, all cost centers
- All-85 Assisting in Federal Government Program Reviews and Audits, all cost centers

Non-Personnel accounts:

- 4170 Accounting and Auditing Fees

30.6 Non-Personnel Support

Non-Personnel accounts:

- 4150.01A Intercity Travel (part)
- 4190.05D Publications (part)
- 4190.15A Telephone and Telegraph (part)
- 4190.23 Moving and Relocation
- 4190.25C Consultants (part)

51. GENERAL MANAGEMENT

51.1 Statistics and Reporting

Staff time codes:

- All-71 Compiling and Reviewing Operating Statistics, all cost centers
- All-72 Preparing Monthly and Quarterly Program Reports, all cost centers

51.2 Staff Training

Staff time codes:

- All-73 Staff Training, all cost centers

51.3 General Quality Control

Staff time codes:

- *-11 Quality Control, cost centers 11-24, 31, and 64.
- All-76 Possible Misreporting Identification and Follow-Up, all cost centers

51.4 Community Meetings

Staff time codes:

- All-83 Preparing for and Attending Community Meetings, all cost centers

51.5 Press and Community Relations

Staff time codes:

14-26 Press and Community Relations, Public Information
Section

51.6 General Management

Staff time codes:

11-14 General Management, Office of the Director
14-14 General Management, Public Information
16-14 General Management, Finance and Administration Division
17-14 General Management, Financial Management Section
27-14 General Management, Information Services Section
31-14 General Management, Client Services Division
34-14 General Management, Housing Information and Equal
Opportunity Section
37-14 General Management, Client Services Section
41-14 General Management, Certification Section
44-14 General Management, Housing Evaluation Section
64-14 General Management, Board of Trustees
All-74 Preparing Materials for HAO Board Meetings, all cost
centers

51.7 Program Research and Development

Staff time codes:

27-32 System Development/Maintenance/Testing, Information
Services Section
All-70B Discussing Program Definitions and Policy Clarifications,
all cost centers (part)

Non-Personnel accounts:

4190.31G Equipment Rental (part)
4190.75G Computer Operations (part)

52. FINANCIAL MANAGEMENT

52.1 Budgeting and Cost Analysis

Staff time codes:

All-75 Preparing Budgets and Cost/Staffing Analyses, all cost
centers

52.2 Financial Management - General

Staff time codes:

17-27 Financial Management, General; Financial Management
Section

53. PERSONNEL AND ADMINISTRATIVE SERVICES

53.1 Personnel Services

Staff time codes:

24-14 General Management, Personnel Section
24-25 Personnel Direct, Personnel Section

53.2 Secretarial

Staff time codes:

All-20 Secretarial, all cost centers

53.3 Clerical

Staff time codes:

21-25 Reception/Switchboard, Administrative Services Section
21-26 Mailing, Administrative Services Section
21-27 Copying, Administrative Services Section
21-28 Filing, Administrative Services Section
21-29 Other Direct, Administrative Services Section

53.4 Purchasing/Maintenance

Staff time codes:

21-14 General Management, Administrative Services Section

54. NON-PERSONNEL EXPENDITURES

Non-Personnel accounts:

4130.01B General Legal Expenses (part)
4140 Staff Training
4150.01B Intercity Travel (part)
4150.02E Local Travel (part)
4190.05E Publications (part)
4190.07 Subscriptions
4190.10 Membership Dues and Fees
4190.15B Telephone and Telegraph (part)
4190.20 Personnel Recruiting
4190.25D Consultants (part)
4190.30 Office Rent
4190.31I Equipment Rental (part)
4190.35 Copying
4190.36 Printing
4190.37 Postage
4190.39 Office Supplies
4190.41 Bank Charges
4190.43 Collection Costs
4190.51 Procurement

4190.75I	Computer Operations (part)
4310	Water
4320	Electricity
4330	Gas
4420	Materials
4430	Contract Costs
4510	Insurance
4570	Collection Losses
7540.01	Equipment Purchase
7540.02	Real Improvements

APPENDIX C

STAFF-TIME AND NONPERSONNEL EXPENDITURES DISTRIBUTED
TO MORE THAN ONE FUNCTION ACCOUNT*

Below we list the staff-time codes and nonpersonnel object-class accounts that require distribution to more than one function account. Under the code and title for each we list the function codes to which hours and costs were distributed and describe the method for allocation used in the analysis of April-December 1976 data.

STAFF-TIME CODES

27-27 - File Maintenance Processor, Regular Processing

Distribution:

27-27A to 21.4 - Payments Computer Processing, Maintenance
27-27B to 22.14 - SAR Computer Processing, Maintenance
27-27C to 22.25 - AR Computer Processing, Maintenance
27-27D to 22.34 - SR Computer Processing, Maintenance

Method: The time charged to this code was distributed in proportion to the amount of time HAO noncomputer staff devoted to the functions served by the File Maintenance Processor. Direct hours charged to the following codes were summed: 41-34, 41-35, 17-25, 17-26, 37-30, 41-27, 37-31, 41-28, 37-29 and 41-26. The percent accounted for by 41-34, 41-35, 17-25 and 17-26 was distributed to function 21.4. The percent accounted for by 37-30 and 41-27 was distributed to function 22.14. The percent accounted for by 37-21 and 41-28 was distributed to function 22.25. The percent accounted for by 37-29 and 41-26 was distributed to function 22.34

34-25 - Housing Information

Distribution:

34-25A to 13.21 - Housing Information Services, Intake
34-25B to 23.21 - Housing Information Services, Maintenance

Method: Distribution made by HAO supervisors based on estimated division of workload between enrollees (intake) and recipients (maintenance).

*This appendix reproduces previously issued HAO materials; thus there may be style discrepancies between it and the rest of this note.

34-26 - Equal Opportunity Support

Distribution:

34-26A to 13.22 - Equal Opportunity Services, Intake
34-26B to 23.22 - Equal Opportunity Services, Maintenance

Method: Distribution made by HAO supervisors based on estimated division of workload between enrollees (intake) and recipients (maintenance).

44-26 - Processing Failed Unit Reevaluations

Distribution:

44-26A to 13.11 - Housing Evaluation, Intake
44-26B to 23.11 - Housing Reevaluation, Maintenance

Method: Distributed in proportion to number of completed evaluations of each type processed during the period (from HAO Management Information reports).

44-27 - Processing All Other Evaluations

Distribution:

44-27A to 13.11 - Housing Evaluation, Intake
44-27B to 23.11 - Housing Reevaluation, Maintenance

Method: Distributed in proportion to the number of evaluation forms of each type processed during the period (from HAO Management Information reports).

All-70 - Discussing Program Definitions and Policy Clarifications

Distribution:

All-70A to 30.3 - Design and Policy Changes, Experimental Support
All-70B to 51.7 - Program Research and Development, Administrative Support

Method: HAO management estimated 70 percent in Brown County and 64 percent in St. Joseph County could be distributed to function 30.3. The percentage was arbitrarily set at 50 percent in both sites, however, to assure a conservative estimate for Experimental Support.

All-77 - Service Needs Identification

Distribution:

All-77A to 13.21 - Housing Information Services, Intake
All-77B to 23.21 - Housing Information Services, Maintenance

Method: Distribution made by HAO supervisors based on estimated division of workload between enrollees (intake) and recipients (maintenance).

All-79 - Housing Information Assistance

Distribution:

All-79A to 13.21 - Housing Information Services, Intake
All-79B to 23.21 - Housing Information Services, Maintenance

Method: Distribution made by HAO supervisors based on estimated division of workload between enrollees (intake) and recipients (maintenance).

NON-PERSONNEL EXPENDITURES

4130.01 - General Legal Expenses

Distribution:

4130.01A to 30.3 - Design and Policy Changes, Experimental Support
4130.01B to 54 - Non-Personnel Expenditures, Administrative Support

Method: Detailed accounting records were examined. Payments made to the HAO General Counsel (Foley and Lardner, Milwaukee) were distributed. The firm estimated that approximately 75 percent of their work was devoted to experimental issues. The share charged to function 30.3, however, was arbitrarily set at 50 percent to assure a conservative estimate for Experimental Support. The remaining payments to the General Counsel and all payments to local attorneys were charged to Administrative Support.

4130.02 - Equal Opportunity Legal Expenses

Distribution:

4130.02A to 13.22 - Equal Opportunity Services, Intake
4130.02B to 23.22 - Equal Opportunity Services, Maintenance

Method: Distributed in proportion to salaries allocated to these functions.

4150.01 - Intercity Travel

Distribution:

4150.01A	to	30.6	- Non-Personnel Support, Experimental Support
4150.01B	to	54	- Non-Personnel Expenditures, Administrative Support

Method: Detailed accounting records were examined. Costs of trips by HAO staff to The Rand Corporation offices in Washington, D.C., and Santa Monica, California, were allocated to Experimental Support. All other costs were allocated to Administrative Support.

4150.02 - Local Travel

Distribution:

4150.02A	to	12.22	- Enrollment Interview, Intake
4150.02B	to	13.11	- Housing Evaluation, Intake
4150.02C	to	22.22	- AR Interview, Maintenance
4150.02D	to	23.11	- Housing Reevaluation, Maintenance
4150.02E	to	54	- Non-Personnel Expenditures, Administrative Support

Method: This account includes expenditures required to operate HAO automobiles. Auto mileage records are maintained by purpose of trip. Expenditures were allocated among functions in proportion to mileage generated by those functions.

4190.05 - Publication

Distribution:

4190.05A	to	11	- Outreach, Intake
4190.05B	to	12.22	- Enrollment Interview, Intake
4190.05C	to	23.21	- Housing Information Services, Maintenance
4190.05D	to	30.6	- Non-Personnel Support, Experimental Support
4190.05E	to	54	- Non-Personnel Expenditures, Administrative Support

Method: Detailed accounting records were examined. The purpose of each expenditure was identified. On the basis of that information, individual expenditures could be uniquely assigned to one of the functions above.

4190.15 - Telephone and Telegraph

Distribution:

4190.15A to 30.6 - Non-Personnel Support, Experimental Support
4190.15B to 54 - Non-Personnel Expenditures, Administrative Support

Method: Charges for long-distance calls were analyzed by HAO staff, who then estimated the share that could justifiably be allocated to Experimental Support. All other long distance charges and other telephone costs were allocated to Administrative Support.

4190.25 - Consultants

Distribution:

4190.25A to 11 - Outreach, Intake
4190.25B to 30.1 - Site Monitoring, Experimental Support
4190.25C to 30.6 - Non-Personnel Support, Experimental Support
4190.25D to 54 - Non-Personnel Expenditures, Administrative Support

Method: Detailed accounting records were examined. The purpose of each expenditure was identified. On the basis of that information, individual expenditures could be uniquely assigned to one of the functions above.

4190.31 - Equipment Rental

Distribution:

4190.31A to 12.12 - Application Computer Processing, Intake
4190.31B to 12.33 - Enrollment Computer Processing, Intake
4190.31C to 21.4 - Payments Computer Processing, Maintenance
4190.31D to 22.14 - SAR Computer Processing, Maintenance
4190.31E to 22.25 - AR Computer Processing, Maintenance
4190.31F to 22.34 - SR Computer Processing, Maintenance
4190.31G to 51.7 - Program Research and Development, Administrative Support
4190.31H to 30.4 - Housing Evaluation Computer System, Experimental Support
4190.31I to 54 - Non-Personnel Expenditures, Administrative Support
4190.31J to 11 - Outreach, Intake

Method: Detailed accounting records were examined. The purpose of each expenditure was identified. On the basis of that information, individual expenditures could be uniquely assigned to one of the following functions: Administrative Support (54), Outreach (11),

or Computer Operations. The share allocated to Computer Operations was further distributed among the individual computer functions listed above in proportion to staff salaries allocated to those functions.

4190.75 - Computer Operations

Distribution:

4190.75A	to	12.12	- Application Computer Processing, Intake
4190.75B	to	12.33	- Enrollment Computer Processing, Intake
4190.75C	to	21.4	- Payments Computer Processing, Maintenance
4190.75D	to	22.14	- SAR Computer Processing, Maintenance
4190.75E	to	22.25	- AR Computer Processing, Maintenance
4190.75F	to	22.34	- SR Computer Processing, Maintenance
4190.75G	to	51.7	- Program Research and Development, Administrative Support
4190.75H	to	30.4	- Housing Evaluation Computer System, Experimental Support
4190.75I	to	54	- Non-Personnel Expenditures, Administrative Support

Method: Detailed accounting records were examined. Expenditures for the HAO payroll and other administrative activities were assigned to function 54. All remaining costs were distributed among the individual computer functions listed above in proportion to staff salaries allocated to those functions.

APPENDIX D

ALLOCATION OF APRIL-DECEMBER 1976 ADMINISTRATIVE
COSTS TO FUNCTION ACCOUNTS

This appendix contains the results of the function account cost allocations for both HAOs for April-December 1976 following methods specified in Sec. III. Its organization is:

Brown County HAO

- o Table D.1 -- Distribution of Work Hours and Personnel Costs
- o Table D.2 -- Distribution of Nonpersonnel and Total Costs

St. Joseph County HAO

- o Table D.3 -- Distribution of Work Hours and Personnel Costs
- o Table D.4 -- Distribution of Nonpersonnel and Total Costs

One variation from the specified method in this analysis should be noted. During this reporting period, final definitions of staff-time codes for the Housing Information Section, as they appear in Appendix A, had not yet been implemented. Specifically, work hours then charged only to code 34-25 (Housing Information) would be distributed among the following codes under the final definitions: 34-25 (Housing Information), 34-28 (Program Information), 34-29 (Client Newsletter), 34-30 (Housing Unit Certification Form Processing), and 34-76 (Possible Misreporting).

For this analysis, HAO supervisors distributed the April-December 1976 hours charged to 34-25 among all the codes above based on their estimates of workloads in each area. This distribution may be less accurate than other direct allocations made by staff; however, errors here have little effect on the overall analysis. Hours charged to 34-25 accounted for only .4 percent of all work hours in Brown County and 2.5 percent of the St. Joseph County total during those months.

Table D.1

DISTRIBUTION OF WORK HOURS AND PERSONNEL COSTS
TO FUNCTION ACCOUNTS: BROWN COUNTY HOUSING
ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Work Hours	Total Salaries	Total Personnel Costs
<i>Intake Functions</i>			
11. <u>OUTREACH</u>	1,506	11,382	13,486
12. <u>ELIGIBILITY CERTIFICATION</u>	11,165	62,560	74,126
12.1 <u>Screening and Scheduling</u>	2,196	11,607	13,753
12.11 Receipt and Screening of Contacts	1,346	7,927	9,392
12.12 Application Computer Processing	296	1,346	1,595
12.13 Interview Scheduling	554	2,334	2,766
12.2 <u>Interview and Program Information</u>	5,177	30,470	36,103
12.21 Program Information Sessions	39	231	274
12.22 Enrollment Interview	5,138	30,239	35,829
12.3 <u>Error Control and Data Processing</u>	3,792	20,483	24,270
12.31 Enrollment Data Review	1,906	11,195	13,264
12.32 Enrollment Verification	531	3,116	3,692
12.33 Enrollment Computer Processing	1,355	6,172	7,314
13. <u>HOUSING CERTIFICATION</u>	5,376	33,212	39,352
13.1 <u>Housing Evaluation</u>	5,301	32,564	38,584
13.11 Housing Evaluation	4,128	25,684	30,432
13.12 Housing Requirements Processing	1,173	6,880	8,152
13.2 <u>Enrollee Services</u>	75	648	768
13.21 Housing Information Services	70	604	716
13.22 Equal Opportunity Services	5	44	52
<u>TOTAL INTAKE</u>	18,047	107,154	126,964

SOURCE: Allocation of data from HAO accounting records (see Sec. III).

NOTE: Work hours and salaries were originally reported for payroll periods covering all work days from 22 March 1976 through 31 December 1976. Entries were then adjusted so that data in the table would represent the exact analysis period 1 April 1976 through 31 December 1976. The number of work days in the analysis period represented .961 of the total in the original reporting period; thus all original entries were multiplied by that factor.

Table D.1 (Continued)

DISTRIBUTION OF WORK HOURS AND PERSONNEL COSTS
TO FUNCTION ACCOUNTS: BROWN COUNTY HOUSING
ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Work Hours	Total Salaries	Total Personnel Costs
<i>Maintenance Functions</i>			
21. <u>PAYMENTS OPERATIONS</u>	3,234	17,348	20,554
21.1 Payment Authorization	218	1,278	1,514
21.2 Suspensions, Terminations, Misc.	327	1,917	2,271
21.3 Financial Management Processing	2,107	11,504	13,631
21.4 Payments Computer Processing	582	2,649	3,138
22. <u>ELIGIBILITY RECERTIFICATION</u>	13,898	79,017	93,626
22.1 <u>Semiannual Recertification</u>	4,827	27,673	32,789
22.11 SAR Client Contact and Processing	3,076	18,114	21,463
22.12 SAR Data Review	1,089	6,389	7,570
22.13 SAR Verification	120	703	833
22.14 SAR Computer Processing	542	2,467	2,923
22.2 <u>Annual Recertification</u>	7,246	40,872	48,428
22.21 AR Interview Scheduling	486	2,049	2,428
22.22 AR Interview	4,216	24,827	29,417
22.23 AR Data Review	1,223	7,175	8,501
22.24 AR Verification	613	3,597	4,262
22.25 AR Computer Processing	708	3,224	3,820
22.3 <u>Special Recertification</u>	1,825	10,472	12,409
22.31 SR Interview	944	5,558	6,586
22.32 SR Data Review	549	3,219	3,814
22.33 SR Verification	137	806	955
22.34 SR Computer Processing	195	889	1,054
23. <u>HOUSING RECERTIFICATION</u>	4,940	30,781	36,473
23.1 <u>Housing Reevaluation</u>	4,811	29,665	35,151
23.11 Housing Reevaluation	3,930	24,476	29,002
23.12 Housing Requirements Processing	881	5,189	6,149
23.2 <u>Recipient Services</u>	129	1,116	1,322
23.21 Housing Information Services	129	1,116	1,322
23.22 Equal Opportunity Services	0	0	0
<u>TOTAL MAINTENANCE</u>	22,072	127,146	150,653

Table D.1 (Continued)

DISTRIBUTION OF WORK HOURS AND PERSONNEL COSTS
TO FUNCTION ACCOUNTS: BROWN COUNTY HOUSING
ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Work Hours	Total Salaries	Total Personnel Costs
<i>Experimental Support Functions</i>			
30.1	37	408	483
30.2	4,356	51,802	61,379
30.3	352	4,192	4,967
30.4	834	3,799	4,501
30.5	534	7,106	8,420
30.6	0	0	0
<u>TOTAL EXPERIMENTAL SUPPORT</u>	6,113	67,307	79,750
<i>Administrative Support Functions</i>			
51.	<u>GENERAL MANAGEMENT</u>	11,711	122,558
51.1	Statistics and Reporting	644	7,126
51.2	Staff Training	499	5,081
51.3	General Quality Control	153	1,558
51.4	Community Meetings	22	290
51.5	Press and Community Relations	302	4,531
51.6	General Management	9,041	92,065
51.7	Program Research and Development	1,050	11,907
52.	<u>FINANCIAL MANAGEMENT</u>	2,813	17,692
52.1	Budgeting and Cost Analysis	510	5,116
52.2	Financial Management - General	2,303	12,576
53.	<u>PERSONNEL AND ADMINISTRATIVE SERVICES</u>	10,406	49,576
53.1	Personnel Services	1,122	9,720
53.2	Secretarial	5,145	20,095
53.3	Clerical	3,111	10,409
53.4	Purchasing and Maintenance	1,028	9,352
54.	<u>NONPERSONNEL EXPENDITURES</u>	0	0
	<u>TOTAL ADMINISTRATIVE SUPPORT</u>	24,930	189,826
	<u>TOTAL HAO</u>	71,162	491,433
			582,290

Table D.2

DISTRIBUTION OF NONPERSONNEL AND TOTAL COSTS
TO FUNCTION ACCOUNTS: BROWN COUNTY HOUSING
ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Nonpersonnel Costs	Total Direct Costs	Total Cost with Indirect Allocated
<i>Intake Functions</i>			
11. <u>OUTREACH</u>	16,158	29,644	54,164
12. <u>ELIGIBILITY CERTIFICATION</u>	9,829	83,955	153,396
12.1 <u>Screening and Scheduling</u>	1,601	15,354	28,049
12.11 Receipt and Screening of Contacts	0	9,392	17,158
12.12 Application Computer Processing	1,601	3,196	5,839
12.13 Interview Scheduling	0	2,766	5,052
12.2 <u>Interview and Program Information</u>	904	37,007	67,617
12.21 Program Information Sessions	0	274	502
12.22 Enrollment Interview	904	36,733	67,115
12.3 <u>Error Control and Data Processing</u>	7,324	31,594	57,730
12.31 Enrollment Data Review	0	13,264	24,235
12.32 Enrollment Verification	0	3,692	6,750
12.33 Enrollment Computer Processing	7,324	14,638	26,745
13. <u>HOUSING CERTIFICATION</u>	1,642	40,994	74,886
13.1 <u>Housing Evaluation</u>	1,642	40,226	73,482
13.11 Housing Evaluation	1,642	32,074	58,589
13.12 Housing Requirements Processing	0	8,152	14,893
13.2 <u>Enrollee Services</u>	0	768	1,404
13.21 Housing Information Services	0	716	1,308
13.22 Equal Opportunity Services	0	52	96
<u>TOTAL INTAKE</u>	27,629	154,593	282,446

SOURCE: Allocation of data from HAO accounting records (see Sec. III).

Table D.2 (Continued)

DISTRIBUTION OF NONPERSONNEL AND TOTAL COSTS
TO FUNCTION ACCOUNTS: BROWN COUNTY HOUSING
ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Nonpersonnel Costs	Total Direct Costs	Total Cost with Indirect Allocated
<i>Maintenance Functions</i>			
21. <u>PAYMENTS OPERATIONS</u>	3,147	23,701	43,302
21.1 Payment Authorization	0	1,514	2,767
21.2 Suspensions, Terminations, Misc.	0	2,271	4,149
21.3 Financial Management Processing	0	13,631	24,904
21.4 Payments Computer Processing	3,147	6,285	11,482
22. <u>ELIGIBILITY RECERTIFICATION</u>	7,971	101,597	185,628
22.1 <u>Semiannual Recertification</u>	2,929	35,718	65,263
22.11 SAR Client Contact and Processing	0	21,463	39,216
22.12 SAR Data Review	0	7,570	13,830
22.13 SAR Verification	0	833	1,524
22.14 SAR Computer Processing	2,929	5,852	10,693
22.2 <u>Annual Recertification</u>	3,989	52,417	95,770
22.21 AR Interview Scheduling	0	2,428	4,435
22.22 AR Interview	161	29,578	54,042
22.23 AR Data Review	0	8,501	15,532
22.24 AR Verification	0	4,262	7,787
22.25 AR Computer Processing	3,828	7,648	13,974
22.3 <u>Special Recertification</u>	1,053	13,462	24,595
22.31 SR Interview	0	6,586	12,033
22.32 SR Data Review	0	3,814	6,968
22.33 SR Verification	0	955	1,745
22.34 SR Computer Processing	1,053	2,107	3,849
23. <u>HOUSING RECERTIFICATION</u>	1,947	38,420	70,214
23.1 <u>Housing Reevaluation</u>	978	36,129	66,026
23.11 Housing Reevaluation	978	29,980	54,790
23.12 Housing Requirements Processing	0	6,149	11,236
23.2 <u>Recipient Services</u>	969	2,291	4,188
23.21 Housing Information Services	969	2,291	4,188
23.22 Equal Opportunity Services	0	0	0
<u>TOTAL MAINTENANCE</u>	13,065	163,718	299,144

Table D.2 (Continued)

DISTRIBUTION OF NONPERSONNEL AND TOTAL COSTS
TO FUNCTION ACCOUNTS: BROWN COUNTY HOUSING
ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Nonpersonnel Costs	Total Direct Costs	Total Cost with Indirect Allocated
<i>Experimental Support Functions</i>			
30.1 Site Monitoring	10,772	11,255	20,565
30.2 Special Studies	56	61,435	112,246
30.3 Design and Policy Changes	4,586	9,553	17,455
30.4 Housing Evaluation Computer System	4,509	9,010	16,464
30.5 External Program Review	2,345	10,765	19,667
30.6 Nonpersonnel Support	24,053	24,053	43,949
<u>TOTAL EXPERIMENTAL SUPPORT</u>	46,321	126,071	230,346
<i>Administrative Support Functions</i>			
51. <u>GENERAL MANAGEMENT</u>	9,160	154,378	--
51.1 Statistics and Reporting	0	8,443	--
51.2 Staff Training	0	6,021	--
51.3 General Quality Control	0	1,846	--
51.4 Community Meetings	0	344	--
51.5 Press and Community Relations	0	5,369	--
51.6 General Management	0	109,086	--
51.7 Program Research and Development	9,160	23,269	--
52. <u>FINANCIAL MANAGEMENT</u>	0	20,963	--
52.1 Budgeting and Cost Analysis	0	6,062	--
52.2 Financial Management - General	0	14,901	--
53. <u>PERSONNEL AND ADMINISTRATIVE SERVICES</u>	0	58,742	--
53.1 Personnel Services	0	11,518	--
53.2 Secretarial	0	23,810	--
53.3 Clerical	0	12,333	--
53.4 Purchasing and Maintenance	0	11,081	--
54. <u>NONPERSONNEL EXPENDITURES</u>	133,471	133,471	--
<u>TOTAL ADMINISTRATIVE SUPPORT</u>	142,631	367,554	--
<u>TOTAL HAO</u>	229,646	811,936	811,936

Table D.3

DISTRIBUTION OF WORK HOURS AND PERSONNEL COSTS TO
FUNCTION ACCOUNTS: ST. JOSEPH COUNTY HOUSING
ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Work Hours	Total Salaries	Total Personnel Costs
<i>Intake Functions</i>			
11. <u>OUTREACH</u>	2,429	19,715	23,487
12. <u>ELIGIBILITY CERTIFICATION</u>	23,621	119,536	142,403
12.1 <u>Screening and Scheduling</u>	4,093	17,504	20,852
12.11 Receipt and Screening of Contacts	1,004	5,063	6,031
12.12 Application Computer Processing	451	1,843	2,195
12.13 Interview Scheduling	2,638	10,598	12,626
12.2 <u>Interview and Program Information</u>	11,868	64,396	76,715
12.21 Program Information Sessions	213	1,078	1,284
12.22 Enrollment Interview	11,655	63,318	75,431
12.3 <u>Error Control and Data Processing</u>	7,660	37,636	44,836
12.31 Enrollment Data Review	3,955	21,224	25,284
12.32 Enrollment Verification	1,001	5,369	6,396
12.33 Enrollment Computer Processing	2,704	11,043	13,156
13. <u>HOUSING CERTIFICATION</u>	13,433	71,386	85,041
13.1 <u>Housing Evaluation</u>	12,457	66,226	78,894
13.11 Housing Evaluation	10,215	54,195	64,562
13.12 Housing Requirements Processing	2,242	12,031	14,332
13.2 <u>Enrollee Services</u>	976	5,160	6,147
13.21 Housing Information Services	838	4,228	5,037
13.22 Equal Opportunity Services	138	932	1,110
<u>TOTAL INTAKE</u>	39,483	210,637	250,931

SOURCE: Allocation of data from HAO accounting records (see Sec. III).

NOTE: Work hours and salaries were originally reported for payroll periods covering all work days from 29 March 1976 through 31 December 1976. Entries were then adjusted so that the data in the table would represent the exact analysis period 1 April 1976 through 31 December 1976. The number of work days in the analysis period represented .985 of the total in the original reporting period; thus all original entries were multiplied by that factor.

Table D.3 (Continued)

DISTRIBUTION OF WORK HOURS AND PERSONNEL COSTS TO
FUNCTION ACCOUNTS: ST. JOSEPH COUNTY HOUSING
ALLOWANCE OFFICE, APRIL-DECEMBER 1976

		Work Hours	Total Salaries	Total Personnel Costs
<i>Maintenance Functions</i>				
21.	<u>PAYMENTS OPERATIONS</u>	5,151	25,619	30,520
21.1	Payment Authorization	1,252	6,718	8,003
21.2	Suspensions, Terminations, Misc.	1,152	6,182	7,365
21.3	Financial Management Processing	1,344	6,989	8,326
21.4	Payments Computer Processing	1,403	5,730	6,826
22.	<u>ELIGIBILITY RECERTIFICATION</u>	16,523	84,550	100,723
22.1	<u>Semiannual Recertification</u>	5,068	26,402	31,453
22.11	SAR Client Contact and Processing	2,910	15,807	18,831
22.12	SAR Data Review	1,343	7,205	8,583
22.13	SAR Verification	46	247	294
22.14	SAR Computer Processing	769	3,143	3,745
22.2	<u>Annual Recertification</u>	9,237	46,580	55,489
22.21	AR Interview Scheduling	1,312	5,271	6,280
22.22	AR Interview	4,578	24,868	29,625
22.23	AR Data Review	1,977	10,609	12,638
22.24	AR Verification	184	988	1,176
22.25	AR Computer Processing	1,186	4,844	5,770
22.3	<u>Special Recertification</u>	2,218	11,568	13,781
22.31	SR Interview	1,255	6,819	8,123
22.32	SR Data Review	528	2,830	3,372
22.33	SR Verification	112	598	712
22.34	SR Computer Processing	323	1,321	1,574
23.	<u>HOUSING RECERTIFICATION</u>	7,836	41,016	48,862
23.1	<u>Housing Reevaluation</u>	6,829	35,908	42,777
23.11	Housing Reevaluation	5,714	30,282	36,075
23.12	Housing Requirements Processing	1,115	5,626	6,702
23.2	<u>Recipient Services</u>	1,007	5,108	6,085
23.21	Housing Information Services	991	5,000	5,957
23.22	Equal Opportunity Services	16	108	128
	<u>TOTAL MAINTENANCE</u>	29,510	151,185	180,105

Table D.3 (Continued)

DISTRIBUTION OF WORK HOURS AND PERSONNEL COSTS TO
FUNCTION ACCOUNTS: ST. JOSEPH COUNTY HOUSING
ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Work Hours	Total Salaries	Total Personnel Costs	
<i>Experimental Support Functions</i>				
30.1	Site Monitoring	450	3,790	4,515
30.2	Special Studies	4,260	46,955	55,937
30.3	Design and Policy Changes	292	3,074	3,662
30.4	Housing Evaluation Computer System	1,797	7,337	8,740
30.5	External Program Review	163	2,052	2,444
30.6	Nonpersonnel Support	0	0	0
	<u>TOTAL EXPERIMENTAL SUPPORT</u>	6,962	63,208	75,298
<i>Administrative Support Functions</i>				
51.	<u>GENERAL MANAGEMENT</u>	17,978	182,730	217,684
51.1	Statistics and Reporting	2,156	22,685	27,024
51.2	Staff Training	2,207	22,594	26,916
51.3	General Quality Control	1,129	11,558	13,769
51.4	Community Meetings	84	1,057	1,259
51.5	Press and Community Relations	490	6,064	7,224
51.6	General Management	11,005	109,404	130,332
51.7	Program Research and Development	907	9,368	11,160
52.	<u>FINANCIAL MANAGEMENT</u>	4,872	33,025	39,343
52.1	Budgeting and Cost Analysis	733	7,260	8,649
52.2	Financial Management - General	4,139	25,765	30,694
53.	<u>PERSONNEL AND ADMINISTRATIVE SERVICES</u>	11,493	54,640	65,092
53.1	Personnel Services	1,890	13,700	16,321
53.2	Secretarial	4,230	17,789	21,192
53.3	Clerical	4,335	14,820	17,654
53.4	Purchasing and Maintenance	1,038	8,331	9,925
54.	<u>NONPERSONNEL EXPENDITURES</u>	0	0	0
	<u>TOTAL ADMINISTRATIVE SUPPORT</u>	34,343	270,395	322,119
	<u>TOTAL HAO</u>	110,298	695,425	828,453

Table D.4

DISTRIBUTION OF NONPERSONNEL AND TOTAL COSTS TO FUNCTION
 ACCOUNTS: ST. JOSEPH COUNTY HOUSING ALLOWANCE
 OFFICE, APRIL-DECEMBER 1976

	Nonpersonnel Costs	Total Direct Costs	Total Cost with Indirect Allocated
<i>Intake Functions</i>			
11. <u>OUTREACH</u>	76,545	100,032	180,583
12. <u>ELIGIBILITY CERTIFICATION</u>	10,200	152,603	275,489
12.1 <u>Screening and Scheduling</u>	1,325	22,177	40,038
12.11 Receipt and Screening of Contacts	0	6,031	10,889
12.12 Application Computer Processing	1,325	3,520	6,354
12.13 Interview Scheduling	0	12,626	22,795
12.2 <u>Interview and Program Information</u>	927	77,642	140,160
12.21 Program Information Sessions	0	1,284	2,315
12.22 Enrollment Interview	927	76,358	137,845
12.3 <u>Error Control and Data Processing</u>	7,948	52,784	95,291
12.31 Enrollment Data Review	0	25,284	45,644
12.32 Enrollment Verification	0	6,396	11,547
12.33 Enrollment Computer Processing	7,948	21,104	38,100
13. <u>HOUSING CERTIFICATION</u>	17,415	102,456	184,964
13.1 <u>Housing Evaluation</u>	3,557	82,451	148,851
13.11 Housing Evaluation	3,557	68,119	122,977
13.12 Housing Requirements Processing	0	14,332	25,874
13.2 <u>Enrollee Services</u>	13,858	20,005	36,113
13.21 Housing Information Services	0	5,037	9,090
13.22 Equal Opportunity Services	13,858	14,968	27,023
<u>TOTAL INTAKE</u>	104,160	355,091	641,036

SOURCE: Allocation of data from HAO accounting records (see Sec. III).

Table D.4 (Continued)

DISTRIBUTION OF NONPERSONNEL AND TOTAL COSTS TO FUNCTION
 ACCOUNTS: ST. JOSEPH COUNTY HOUSING ALLOWANCE
 OFFICE, APRIL-DECEMBER 1976

	Nonpersonnel Costs	Total Direct Costs	Total Cost with Indirect Allocated
<i>Maintenance Functions</i>			
21. <u>PAYMENTS OPERATIONS</u>	4,125	34,645	62,538
21.1 Payment Authorization	0	8,003	14,444
21.2 Suspensions, Terminations, Misc.	0	7,365	13,293
21.3 Financial Management Processing	0	8,326	15,032
21.4 Payments Computer Processing	4,125	10,951	19,769
22. <u>ELIGIBILITY RECERTIFICATION</u>	6,816	107,539	194,133
22.1 <u>Semiannual Recertification</u>	2,261	33,714	60,862
22.11 SAR Client Contact and Processing	0	18,831	33,996
22.12 SAR Data Review	0	8,583	15,493
22.13 SAR Verification	0	294	531
22.14 SAR Computer Processing	2,261	6,006	10,842
22.2 <u>Annual Recertification</u>	3,603	59,092	106,677
22.21 AR Interview Scheduling	0	6,280	11,337
22.22 AR Interview	115	29,740	53,690
22.23 AR Data Review	0	12,638	22,812
22.24 AR Verification	0	1,176	2,124
22.25 AR Computer Processing	3,488	9,258	16,714
22.3 <u>Special Recertification</u>	952	14,733	26,594
22.31 SR Interview	0	8,123	14,663
22.32 SR Data Review	0	3,372	6,085
22.33 SR Verification	0	712	1,285
22.34 SR Computer Processing	952	2,526	4,561
23. <u>HOUSING RECERTIFICATION</u>	5,271	54,133	97,715
23.1 <u>Housing Reevaluation</u>	1,950	44,727	80,732
23.11 Housing Reevaluation	1,950	38,025	68,631
23.12 Housing Requirements Processing	0	6,702	12,101
23.2 <u>Recipient Services</u>	3,321	9,406	16,983
23.21 Housing Information Services	1,712	7,669	13,845
23.22 Equal Opportunity Services	1,609	1,737	3,138
<u>TOTAL MAINTENANCE</u>	16,212	196,317	354,386

Table D.4 (Continued)

DISTRIBUTION OF NONPERSONNEL AND TOTAL COSTS TO FUNCTION
 ACCOUNTS: ST. JOSEPH COUNTY HOUSING ALLOWANCE
 OFFICE, APRIL-DECEMBER 1976

	Nonpersonnel Costs	Total Direct Costs	Total Cost with Indirect Allocated
<i>Experimental Support Functions</i>			
30.1 Site Monitoring	0	4,515	8,149
30.2 Special Studies	51	55,988	101,069
30.3 Design and Policy Changes	9,684	13,346	24,094
30.4 Housing Evaluation Computer System	5,283	14,023	25,317
30.5 External Program Review	0	2,444	4,413
30.6 Nonpersonnel Support	43,113	43,113	77,827
<u>TOTAL EXPERIMENTAL SUPPORT</u>	58,131	133,429	240,869
<i>Administrative Support Functions</i>			
51. <u>GENERAL MANAGEMENT</u>	4,532	222,216	--
51.1 Statistics and Reporting	0	27,024	--
51.2 Staff Training	0	26,916	--
51.3 General Quality Control	0	13,769	--
51.4 Community Meetings	0	1,259	--
51.5 Press and Community Relations	0	7,224	--
51.6 General Management	0	130,332	--
51.7 Program Research and Development	4,532	15,692	--
52. <u>FINANCIAL MANAGEMENT</u>	0	39,343	--
52.1 Budgeting and Cost Analysis	0	8,649	--
52.2 Financial Management - General	0	30,694	--
53. <u>PERSONNEL AND ADMINISTRATIVE SERVICES</u>	0	65,092	--
53.1 Personnel Services	0	16,321	--
53.2 Secretarial	0	21,192	--
53.3 Clerical	0	17,654	--
53.4 Purchasing and Maintenance	0	9,925	--
54. <u>NONPERSONNEL EXPENDITURES</u>	224,803	224,803	--
<u>TOTAL ADMINISTRATIVE SUPPORT</u>	229,335	551,454	--
<u>TOTAL HAO</u>	407,838	1,236,291	1,236,291

APPENDIX E

FUNCTION COSTS PER OUTPUT UNIT, APRIL-DECEMBER 1976

This appendix details the costs per unit of output for each HAO administrative function in client intake and client maintenance. It is organized as follows:

Brown County HAO

- o Table E.1 -- Intake Costs Per Case Processed
- o Table E.2 -- Intake Costs Per Enrollee and New Recipient
- o Table E.3 -- Maintenance Costs Per Case Processed and Per Recipient-Year

St. Joseph County HAO

- o Table E.4 -- Intake Costs Per Case Processed
- o Table E.5 -- Intake Costs Per Enrollee and New Recipient
- o Table E.6 -- Maintenance Costs Per Case Processed and Per Recipient-Year

Methods followed in developing these tables are described in Sec. IV.

Table E.1

INTAKE COSTS PER CASE PROCESSED: BROWN COUNTY HOUSING
ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Workload		Cost (\$)		Cost Per Case (\$)	
	Code	No. of Cases	Direct	Total	Direct	Total
11. <u>OUTREACH</u>	I1	4,857	29,644	54,164	6.10	11.15
12. <u>ELIGIBILITY CERTIFICATION</u>						
12.1 <u>Screening and Scheduling</u>	I1	4,857	9,392	17,158	1.93	3.53
12.11 <u>Receipt and Screening of Contacts</u>	I2	2,418	3,196	5,839	1.32	2.42
12.12 <u>Application Computer Processing</u>	I2	2,418	2,766	5,052	1.14	2.09
12.13 <u>Interview Scheduling</u>						
12.2 <u>Interview and Program Information</u>	I3	2,128	274	502	.13	.24
12.21 <u>Program Information Sessions</u>	I3	2,128	36,733	67,115	17.26	31.54
12.22 <u>Enrollment Interview</u>						
12.3 <u>Error Control and Data Processing</u>	I5	1,600	13,264	24,235	8.29	15.15
12.31 <u>Enrollment Data Review</u>	I6	967	3,692	6,750	3.82	6.98
12.32 <u>Enrollment Verification</u>	I4	1,998	14,638	26,745	7.33	13.39
12.33 <u>Enrollment Computer Processing</u>						
13. <u>HOUSING CERTIFICATION</u>						
13.1 <u>Housing Evaluation</u>	I7	2,490	32,074	58,589	12.88	23.53
13.11 <u>Housing Evaluation</u>	I7	2,490	8,152	14,893	3.27	5.98
13.12 <u>Housing Requirements Processing</u>						
13.2 <u>Enrollee Services</u>	T5	1,600	716	1,308	.45	.82
13.21 <u>Housing Information Services</u>	T5	1,600	52	96	.03	.06
13.22 <u>Equal Opportunity Services</u>	--	--	154,593	282,446	--	--
<u>TOTAL INTAKE</u>						

Table E.2
 INTAKE COSTS PER ENROLLEE AND NEW RECIPIENT: BROWN COUNTY
 HOUSING ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Total Cost Per Case	Cases Per Enrollee	Total Cost Per Enrollee	Cases Per New Recipient	Total Cost Per New Recipient
11. <u>OUTREACH</u>	11.15	3.358	37.44	4.124	45.98
12. <u>ELIGIBILITY CERTIFICATION</u>	--	--	99.75	--	122.49
12.1 <u>Screening and Scheduling</u>	--	--	20.01	--	24.58
12.11 <u>Receipt and Screening of Contacts</u>	3.53	3.358	11.85	4.124	14.56
12.12 <u>Application Computer Processing</u>	2.42	1.809	4.38	2.221	5.38
12.13 <u>Interview Scheduling</u>	2.09	1.809	3.78	2.221	4.64
12.2 <u>Interview and Program Information</u>			42.55		52.25
12.21 <u>Program Information Sessions</u>	.24	1.339	.32	1.644	.40
12.22 <u>Enrollment Interview</u>	31.54	1.339	42.23	1.644	51.85
12.3 <u>Error Control and Data Processing</u>			37.19		45.66
12.31 <u>Enrollment Data Review</u>	15.15	1.000	15.15	1.228	18.61
12.32 <u>Enrollment Verification</u>	6.98	.588	4.11	.722	5.04
12.33 <u>Enrollment Computer Processing</u>	13.39	1.339	17.93	1.644	22.01
13. <u>HOUSING CERTIFICATION</u>	--	--	43.41	--	53.31
13.1 <u>Housing Evaluation</u>	--	--	42.53	--	52.23
13.11 <u>Housing Evaluation</u>	23.53	1.441	33.91	1.770	41.65
13.12 <u>Housing Requirements Processing</u>	5.98	1.441	8.62	1.770	10.58
13.2 <u>Enrollee Services</u>	--	--	.88	--	1.08
13.21 <u>Housing Information Services</u>	.82	1.000	.82	1.228	1.01
13.22 <u>Equal Opportunity Services</u>	.06	1.000	.06	1.228	.07
<u>TOTAL INTAKE</u>	--	--	180.60	--	221.78

Table E.3

MAINTENANCE COSTS PER CASE PROCESSED AND PER RECIPIENT-YEAR: BROWN COUNTY HOUSING ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Workload		Cost (\$)		Cost Per Case (\$)		Total Cost Per Recipient-Year
	Code	No. of Cases	Direct	Total	Direct	Total	
21.0							
	<u>PAYMENTS OPERATIONS</u>						
21.1	M11	26,891	1,514	2,767	.06	.10	19.32
21.2	M11	26,891	2,271	4,149	.08	.15	1.24
21.3	M11	26,891	13,631	24,904	.51	.93	1.85
21.4	M11	26,891	6,285	11,482	.23	.43	11.11
22.0							5.12
	<u>ELIGIBILITY RECERTIFICATION</u>						
22.1							82.85
22.11	M1	2,867	21,463	39,216	7.49	13.68	29.12
22.12	M3	2,456	7,570	13,830	3.08	5.63	17.50
22.13	M2	192	833	1,524	4.34	7.94	6.17
22.14	M3	2,456	5,852	10,693	2.38	4.35	.68
22.2							4.77
	<u>Annual Recertification</u>						
22.21	M4	1,866	2,428	4,435	1.30	2.38	42.75
22.22	M5	1,637	29,578	54,042	18.07	33.01	1.98
22.23	M7	1,595	8,501	15,532	5.33	9.74	24.12
22.24	M6	955	4,262	7,787	4.46	8.15	6.93
22.25	M7	1,595	7,648	13,974	4.80	8.76	3.48
22.3							6.24
	<u>Special Recertification</u>						
22.31	M9	320	6,586	12,033	20.58	37.60	10.98
22.32	M9	320	3,814	6,968	11.92	21.78	5.37
22.33	M8	179	955	1,745	5.34	9.75	3.11
22.34	M9	320	2,107	3,849	6.59	12.03	.78
23.0							1.72
	<u>HOUSING RECERTIFICATION</u>						
23.1							31.33
23.11	M10	2,142	29,980	54,790	14.00	25.58	29.46
23.12	M10	2,142	6,149	11,236	2.87	5.25	24.45
23.2							5.01
	<u>Recipient Services</u>						
23.21	M12	2,241	2,291	4,188	1.02	1.87	1.87
23.22	M12	2,241	0	0	0	0	0
	<u>TOTAL MAINTENANCE</u>						
			163,718	299,144			133.50

Table E.4

INTAKE COSTS PER CASE PROCESSED: ST. JOSEPH COUNTY
HOUSING ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Workload		Cost (\$)		Cost Per Case (\$)	
	Code	No. of Cases	Direct	Total	Direct	Total
11. <u>OUTREACH</u>	I1	8,598	100,032	180,583	11.63	21.00
12. <u>ELIGIBILITY CERTIFICATION</u>						
12.1 <u>Screening and Scheduling</u>						
12.11 Receipt and Screening of Contacts	I1	8,598	6,031	10,889	.70	1.27
12.12 Application Computer Processing	I2	5,999	3,520	6,354	.59	1.06
12.13 Interview Scheduling	I2	5,999	12,626	22,795	2.10	3.80
12.2 <u>Interview and Program Information</u>						
12.21 Program Information Sessions	I3	5,050	1,284	2,315	.25	.46
12.22 Enrollment Interview	I3	5,050	76,358	137,845	15.12	27.30
12.3 <u>Error Control and Data Processing</u>						
12.31 Enrollment Data Review	I5	2,960	25,284	45,644	8.54	15.42
12.32 Enrollment Verification	I6	735	6,396	11,547	8.70	15.71
12.33 Enrollment Computer Processing	I4	4,205	21,104	38,100	5.02	9.06
13. <u>HOUSING CERTIFICATION</u>						
13.1 <u>Housing Evaluation</u>						
13.11 Housing Evaluation	I7	4,534	68,119	122,977	15.02	27.12
13.12 Housing Requirements Processing	I7	4,534	14,332	25,874	3.16	5.69
13.2 <u>Enrollee Services</u>						
13.21 Housing Information Services	I5	2,960	5,037	9,090	1.70	3.07
13.22 Equal Opportunity Services	I5	2,960	14,968	27,023	5.06	9.13
<u>TOTAL INTAKE</u>	--	--	355,091	641,036	--	--

Table E.5
 INTAKE COSTS PER ENROLLEE AND NEW RECIPIENT: ST. JOSEPH
 COUNTY HOUSING ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Total Cost Per Case	Cases Per Enrollee	Total Cost Per Enrollee	Cases Per New Recipient	Total Cost Per New Recipient
11. <u>OUTREACH</u>	21.00	2.770	58.17	3.734	78.41
12. <u>ELIGIBILITY CERTIFICATION</u>	--	--	86.12	--	116.07
12.1 <u>Screening and Scheduling</u>	--	--	13.37	--	18.01
12.11 <u>Receipt and Screening of Contacts</u>	1.27	2.770	3.52	3.734	4.74
12.12 <u>Application Computer Processing</u>	1.06	2.026	2.15	2.731	2.89
12.13 <u>Interview Scheduling</u>	3.80	2.026	7.70	2.731	10.38
12.2 <u>Interview and Program Information</u>	--	--	40.23	--	54.22
12.21 <u>Program Information Sessions</u>	.46	1.449	.67	1.953	.90
12.22 <u>Enrollment Interview</u>	27.30	1.449	39.56	1.953	53.32
12.3 <u>Error Control and Data Processing</u>	--	--	32.52	--	43.84
12.31 <u>Enrollment Data Review</u>	15.42	1.000	15.42	1.348	20.79
12.32 <u>Enrollment Verification</u>	15.71	.253	3.97	.341	5.36
12.33 <u>Enrollment Computer Processing</u>	9.06	1.449	13.13	1.953	17.69
13. <u>HOUSING CERTIFICATION</u>	--	--	60.34	--	81.34
13.1 <u>Housing Evaluation</u>	--	--	48.14	--	64.89
13.11 <u>Housing Evaluation</u>	27.12	1.467	39.79	1.978	53.64
13.12 <u>Housing Requirements Processing</u>	5.69	1.467	8.35	1.978	11.25
13.2 <u>Enrollee Services</u>	--	--	12.20	--	16.45
13.21 <u>Housing Information Services</u>	3.07	1.000	3.07	1.348	4.14
13.22 <u>Equal Opportunity Services</u>	9.13	1.000	9.13	1.348	12.31
<u>TOTAL INTAKE</u>	--	--	204.63	--	275.82

Table E.6

MAINTENANCE COSTS PER CASE PROCESSED AND PER RECIPIENT-YEAR: ST. JOSEPH COUNTY HOUSING ALLOWANCE OFFICE, APRIL-DECEMBER 1976

	Workload		Cost (\$)		Cost Per Case (\$)		Total Cost Per Recipient-Year
	Code	No. of Cases	Direct	Total	Direct	Total	
<u>PAYMENTS OPERATIONS</u>							
21.1	M11	32,030	8,003	14,444	-.25	.45	23.43
21.2	M11	32,030	7,365	13,293	.23	.42	5.41
21.3	M11	32,030	8,326	15,032	.26	.47	4.98
21.4	M11	32,030	10,951	19,769	.34	.62	5.63
21.4	M11	32,030	10,951	19,769	.34	.62	7.41
<u>ELIGIBILITY RECERTIFICATION</u>							
22.1	M1	3,764	18,831	33,996	5.00	9.00	72.73
22.11	M3	3,225	8,583	15,493	2.66	4.80	22.80
22.12	M2	136	294	531	2.16	3.90	12.74
22.13	M3	3,225	6,006	10,842	1.86	3.36	5.80
22.14	M4	2,549	6,280	11,337	2.46	4.45	.20
22.2	M5	2,031	29,740	53,690	14.64	26.44	4.06
22.21	M7	2,162	12,638	22,812	5.85	10.55	39.97
22.22	M6	408	1,176	2,124	2.88	5.21	4.25
22.23	M7	2,162	9,258	16,714	4.28	7.73	20.11
22.24	M9	522	8,123	14,663	15.56	28.09	8.55
22.25	M9	522	3,372	6,085	6.46	11.66	.80
22.3	M8	210	712	1,285	3.39	6.12	6.26
22.31	M9	522	2,526	4,561	4.84	8.74	9.96
22.32	M9	522	8,123	14,663	15.56	28.09	5.49
22.33	M8	210	712	1,285	3.39	6.12	2.28
22.34	M9	522	2,526	4,561	4.84	8.74	.48
22.34	M9	522	2,526	4,561	4.84	8.74	1.71
<u>HOUSING RECERTIFICATION</u>							
23.1	M10	2,429	38,025	68,631	15.65	28.25	36.61
23.11	M10	2,429	6,702	12,101	2.76	4.98	30.24
23.12	M12	2,669	7,669	13,845	2.87	5.19	25.71
23.2	M12	2,669	1,737	3,138	.65	1.18	4.53
23.21	M12	2,669	1,737	3,138	.65	1.18	6.37
23.22	M12	2,669	1,737	3,138	.65	1.18	5.19
<u>TOTAL MAINTENANCE</u>							
			196,317	354,386	-.00	-.00	132.77

