

**PREPARATION AND CONTROL
OF CONSOLIDATED REGIONAL BUDGETS
FOR THE OPERATION OF WAR HOUSING PROJECTS.**

Constructed Under Public Nos. 849, 781, and 9, As Amended

(Instructions to Regional Offices)

~~Federal~~ Public Housing Authority - National Housing Agency

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BASIC POLICY

The purpose and scope of this bulletin^{1/} is to set forth procedures which implement the Commissioner's Order 1623:1 which reads as follows:

"Section 1623:1 Budgeting the Operation of Federally Owned War Housing Projects

The purpose of this order is to state the budgetary policy applicable to those federally owned war housing projects for which the Congress has authorized a common fund account (Symbol 86X6518) for management purposes. This includes projects constructed with funds from PA 849, PA 9, and PA 781. The increasing scope and complexity of management operations and the rapid expansion of the management program make it necessary to strengthen existing procedures for budgeting, accounting, and reporting on management operations. Instructions and procedures, which are to be effective as of July 1, 1943 are being issued to accomplish this objective.

1. Consolidated Budgets. Under the new budgetary procedure each regional office will prepare a consolidated regional budget and the Central Office will prepare a consolidated FPMA budget for management operations. Such regional and FPMA budgets will be in two parts covering:
 - a. Federally operated and agency projects
 - b. Leased projects
2. Federally Operated and Agency Projects. In respect to federally operated and agency projects, each regional office shall request from the Central Office lump-sum authorizations on a quarterly basis, to provide funds for the operation of all such projects under the jurisdiction of the regional office. After approval of the consolidated FPMA budget, the Central Office shall make lump-sum authorizations to each regional office. Allotments to individual projects within such lump-sum authorizations shall be the responsibility of the regional offices.

^{1/} This bulletin rescinds all prior instructions and procedures issued on the same subject.

3. Leased Projects. In respect to leased projects, expenditures will be controlled through the approval and continuing review of Operating Budgets prepared by the lessees, with such modifications as circumstances demand. Since expenditures on leased projects are expenditures of the lessee rather than of the FFHA, the Central Office will not make authorizations, nor will the Regional Office make allotments in connection therewith. The review of budgets constitutes an essential control in connection with leased projects, and it is, therefore, necessary that such budgets be subjected to most careful review and be re-examined each quarter.
4. Responsibilities. The preparation and review of operating budgets for individual projects is primarily a management responsibility. The preparation of consolidated budgets for the various regions and for the FFHA as a whole is primarily a budgetary responsibility. As a part of such responsibility for consolidated budgets, regional budget officers shall review the budgets of individual projects prior to their approval. Such budgetary review shall be from the point of view of general reasonableness as to over-all income and expense and conformity to established fiscal policy, but shall not duplicate the detailed review of the regional management division."

OPERATING BUDGETS AND ESTIMATES FOR INDIVIDUAL PROJECTS

Preparation and Review of Operating Budgets

Operating Budgets for individual projects shall be prepared by the lessee or agent in the case of projects under lease or agency contract, or by the housing manager in the case of federally operated projects. In the case of projects not yet in management, Operating Budgets may, when necessary, be prepared in the regional management division. All Operating Budgets of individual projects (including budgets prepared in the regional offices) shall receive an independent review in the regional management division before presentation to the Assistant Director for Management.

Upon approval by the Assistant Director for Management, Operating Budgets for individual projects shall be transmitted to the Assistant Director for Administration for review and comment. Such review shall be from the point of view of general reasonableness as to over-all income and expense and conformity to established fiscal policy, but shall not duplicate the detailed review of the regional management division.

If the Assistant Director for Administration concurs in the Operating Budget of an individual project, he shall transmit it to the Regional Director for approval. If the Assistant Director for Administration questions any Operating Budget, he shall return it to the Assistant Director for Management with his comments; in no event shall the Administration Division contact local housing authorities or housing managers in connection with Operating Budgets. If after consultation between the Assistant Directors for Management and Administration, there are unresolved differences of opinion, the Operating Budget, as approved by the Assistant Director for Management, shall be submitted to the Regional Director together with such comments as the Assistant Directors for Administration and Management wish to make.

Preparation and Review of Estimates

In order that consolidated regional budgets may cover all projects which will be under management at any time during the current fiscal year, information will be necessary as to the estimated income and expense on projects for which operating budgets have not yet been prepared. In order to provide this information, estimates shall be prepared by the Management Division for all such projects. Such estimates shall cover the entire fiscal year and shall be prepared on the budget form FHHA 848 but shall give only the summary income and expense information called for in Exhibit II. The Administration Division shall review such estimates in the same manner as Operating Budgets before utilizing the estimates in compiling the consolidated regional budgets. It is important to note that such estimates do not constitute approved budgets; detailed operating Budgets must be prepared, reviewed and approved for all projects prior to the commencement of management operations.

Segregation of Operating Budgets and Estimated by Type of Project

A separate budget or an estimate must be prepared for every individual project or for every permissible combined project. Certain types of projects which are of necessity kept separate in development can be combined for management purposes. Further details as to the combination of

projects for management purposes will be given in a forthcoming release in the Manual of Policy and Procedure. Pending the publication of such release, it should be noted that separate operating budgets or estimates must be prepared for each of the following types of accommodations:

1. Family dwelling units
2. Dormitories
3. Trailers
4. Trailer sites

Since the consolidated regional budget statements (see Exhibit II) segregate estimates by type of accommodation, it will be necessary to split up those Operating Budgets which, in violation of the above stated policy, combine projects of different type under one budget. Basic and scheduled projects, as defined below, which may be combined in one Operating Budget also must be split up. The regional management division should take immediate steps to prepare revised Operating Budgets which conform with permissible combinations.

Inclusion of Payments in Lieu of Taxes

Preliminary instructions on preparing estimates for payments in lieu of taxes were sent to the Regional Tax Analysts by the Office of Taxation Analysis in a memorandum dated June 17, 1943. The annual estimate prepared by the Tax Analysts for each project should be shown on the Operating Budget of the project if the assessment date (tax day) on which the FPMA had title falls within the 1944 fiscal year.

Since the tax liability falls upon the holder of the property on the assessment date, it shall hereafter be the policy to record the total annual amount of estimated taxes as obligations in the accounting records as of the assessment date. At such time the tax liability shall be obligated on the basis of the prior year's tax rate. This obligation will be adjusted on the accounting records when the actual tax rate is set by the local government, and the final amount determined.

Accounting instructions to be issued subsequently will deal with the accrual of payments in lieu of taxes as an expense.

CONSOLIDATED REGIONAL OPERATING BUDGET

Based on the Operating Budgets of individual projects, and on estimates covering projects on which Operating Budgets have not yet been completed, the regional administration division shall prepare a consolidated regional operating budget. This budget shall be in two parts covering (a) federally-operated and agency projects, and (b) leased projects. The administration division with the assistance of the management division also shall prepare a justification for the budget. The consolidated regional budget and justification as approved by the Assistant Director for Administration shall be reviewed by the Assistant Director for Management. Differences of opinion between the Assistant Directors for Management and Administration shall if possible be reconciled between them. Unreconcilable differences shall be submitted to the Regional Director for determination. The consolidated regional budget and justification, as approved by the Assistant Directors for Management and Administration, shall be submitted to the Regional Director for approval before submission to the Central Office Budget Division.

Each consolidated regional budget shall cover only projects which are operated under the consolidated fund symbol 86X6516 and are under the jurisdiction of the regional office. The Central Office will prepare estimates for projects under the jurisdiction of the Special Projects Management Division in the Central Office. The consolidated regional budget will not include war housing projects located in the region and operated by the War or Navy Departments, the Maritime Commission, the Defense Homes Corporation, the TVA and the PBA, projects operated by the FPFA as agent for the Defense Plants Corporation and the Maritime Commission, or projects, under Public Acts 412 and 671.

Consolidated regional budgets shall cover the entire 1944 fiscal year, irrespective of the fact that tentative authorizations have been made available to the regional offices for the quarter beginning July 1, 1943.

The attached Exhibits I, II and III show the primary data which must be submitted to the Central Office as part of the consolidated regional budget. These exhibits should be reviewed carefully before beginning the development of budget estimates in order to obtain a summary picture of what will be required for the consolidated regional budget.

Distinction Between "Basic" and "Scheduled" Projects

A fundamental segregation for the purposes of the fiscal 1944 consolidated operating budget is the distinction between "basic" and "scheduled" projects. This distinction is being made in order that the projects on which reasonably firm estimates can be prepared (i.e., basic projects) be separated for control purposes from those projects on which estimates are of necessity less accurate.

Basic projects are those wherein all units were available for occupancy prior to July 1, 1943. The list of these projects for the 1944 fiscal year should be checked against column 18 of the latest S-100 and S-100A reports.

Scheduled projects are those expected to be under management during the 1944 fiscal year but which were not completely available for occupancy prior to July 1, 1943. Scheduled projects include those which were partially completed as of July 1, 1943. The classification of a project as to basic or scheduled depends, therefore, upon its status on July 1, 1943. A project which was partially completed as of July 1 and becomes fully completed and under management during the fiscal year, will continue to be classified as a scheduled project until the end of the fiscal year.

In certain cases projects listed as scheduled, which are additions to basic projects, will upon completion be combined with a basic project for management purposes. Before such addition is ready for occupancy, a revised Operating Budget shall be prepared for the entire combined project and the combined project shall henceforth be classified as scheduled. Subsequent instructions will be issued on modification of consolidated regional budgets in respect to these and other changes.

Classification of Income and Expense Accounts

The classification of income and expense to be used for budgeting, accounting, and reporting on management operations is now being revised. The revised classification together with complete definitions will be distributed to the regions in the near future. The fiscal 1944 consolidated regional operating budget, however, will be prepared almost entirely on the basis of the classification now in use. The several minor exceptions to the present classification which are reflected in the consolidated budget are explained fully below in the instructions for preparing Exhibits II and III.

Even though the consolidated budget is submitted largely on the basis of the old classification, the regions will be

required to maintain accounts and submit reports on the basis of the revised classification in accordance with instructions to be issued shortly. Thus the budget will gradually be converted to the new classification through analysis of actual experience data.

It will be noted by reference to Exhibit II that the consolidated regional budget is to be prepared in less detail than the complete classification now in use. The consolidated budget will show only major expenditure groups such as Management Expense, Operating Services, etc.

Listing Projects

The first step in preparing the consolidated regional budgets is the separate listing of basic and scheduled projects by type of accommodation (See Exhibit I). These lists shall reflect only projects under management or programmed as of the date the lists are prepared. Exhibit I (B) illustrates the lists to be prepared for basic projects, and Exhibit I (S) illustrates the lists to be prepared for scheduled projects.

Separate lists must be prepared for each type of accommodation under (a) federally operated and agency projects, and (b) leased projects. These lists will be of constant use for purposes of budget preparation and control, and will be particularly useful when actual income and expense data on individual projects are analyzed and reported by type of management and by type of accommodation.

The lists must show in column 1 the project number for all projects under the jurisdiction of the region as of the date the lists are prepared. If jurisdiction of a project is to be transferred to another agency upon completion, enter the project number but leave all other columns blank and footnote to indicate the pertinent facts. In cases where projects are combined for management purposes under one Operating Budget, the numbers of the individual projects thus combined must be shown in column 1. Projects thus combined must be of the same type in accordance with these instructions (see above under "Segregation of Operating Budgets and Estimates by Type of Project")

Before listing scheduled projects, it is necessary to estimate probable completion dates. The services of the Regional Statistician should be utilized at this point since much of the data on estimated completion dates are available to him. In the case of projects now under construction, reference should be made to the latest Construction Status Report (Form 377) prepared by the project engineer. The lists of scheduled projects (Exhibit I (S) columns 3 to 14 inclusive) must show only the number of units estimated to be available at the beginning of each month. Thus the number available on July 1 plus completions during the month of July will be the number shown in the August

The sum of columns 3 to 14 inclusive should be entered in column 15 as the total number of unit months estimated for the year on scheduled projects.

As indicated on Exhibit II, the consolidated regional budget estimates shall show per unit month (P.U.M.) figures as well as totals for the year. The procedure for computing unit months shall be uniform in all regions and is explained below.

The number of unit months shall be based on the units available for dwelling use (see Exhibit I (B), column 3) as distinguished from the total number of units in the project (see Exhibit I, column 2). The number of units available for dwelling use excludes only the units set aside for nondwelling purposes. In the case of trailer site projects, the number of units shown in both columns 2 and 3 shall be the number of trailers for which sites are provided.

Each list of basic and scheduled projects shall be summarized at the bottom as follows:

	<u>Annual Total</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
No. of projects					
No. of units					
No. of unit months					

The above summary data will be entered on the related statement prepared in accordance with Exhibit II. Projects of the same type which are combined under a single Operating Budget, as permitted for management purposes, shall be counted as one in determining the number of projects.

For basic projects the number of units is the sum of column 3, Exhibit I (B), and will be the same for each quarter and for the annual total. The number of unit months for basic projects is the number of units multiplied by 3 for each quarter and multiplied by 12 for the annual total.

For scheduled projects the number of projects and number of units shall be the number expected to be under management during the last month of each quarter and during June, 1944 for the annual total. The number of unit months for scheduled projects shall be the sum of units under management during each month in any quarter and the sum of column 15 for the annual total.

Copies of all lists (Exhibit I) prepared for basic and scheduled projects as instructed above must be submitted to the Central Office as part of the consolidated regional budget.

Preparation of Statements of Budgets

Based on approved Operating Budgets or on estimates for each project shown on the respective lists prepared as instructed above (Exhibit I), separate statements in the form of Exhibit II shall be prepared for each of the following classes of projects:

Federally operated and agency projects:

- Family dwelling units
- Dormitories
- Trailers
- Trailer sites

Leased projects:

Similar statements by type as for federally operated and agency projects

On certain leased projects, the fiscal year of the local housing authority may be different from the federal fiscal year. In such cases, use the most recent approved Operating Budgets for such projects and rearrange the quarterly estimates as indicated in the following example of a local housing authority's budget for a fiscal year beginning January 1, 1943.

1944 Federal Fiscal Year

Quarter Ending <u>9-30-43</u>	Quarter Ending <u>12-31-43</u>	Quarter Ending <u>3-31-44</u>	Quarter Ending <u>6-30-44</u>
Include estimates appearing in the project budget for these same periods.		Include estimates appearing in the project budget for these same quarterly periods for the calendar year 1943 after making such adjustments as are considered necessary.	

The principle illustrated above also will be applied for project budgets whose fiscal year begins on any other date.

The annual estimates are to be shown as per unit month figures (P.U.M.) as well as in total. These unit income and expense figures, particularly for "total operating income" and "total operating expense," should be compared with similar data obtained from an analysis of income and expense statements (FPHA Form 621) as a check against the propriety of the 1944 estimates.

The items shown in the budget classification on Exhibit II are in accordance with present usage unless otherwise defined below. The data required as to number of projects, number of units, and number of unit months should be shown in each of the columns.

Cafeteria Net Revenue and Cafeteria Deficit shall reflect separately the net revenue from those cafeterias expected to be operated at a profit and the net deficit from those cafeterias expected to be operated at a loss. These separate entries are necessary because under federal government fiscal procedure, net revenues are deposited in the Treasury as income, whereas the operator of a cafeteria must be reimbursed for deficits incurred. Such deficits, therefore, must be included in the authorizations made to the regional office by the Central Office, and in the allotments made to the projects by the regional office.

Collection Loss is shown separate from other operating expense items. This is necessary for budgetary purposes since collection losses are not met through cash payments and no budgetary authorization or allotment is necessary for this expense item.

Operating Improvements generally includes the expenditures heretofore classified as "alterations and betterments." The policy on the use of management funds is now being revised to provide that initial operating equipment and all comeback work, alterations and additions shall be charged to development funds as long as such funds are available. When this change in the policy on the use of development and management funds becomes effective, expenditures for operating improvements during the 1944 fiscal year will be reduced to a negligible amount.

The required data as to number of projects, number of units, and number of unit months on Exhibit II must be shown in all columns and will be taken from the summary shown at the bottom of each list of projects.

Exhibit III summarizes the detailed data shown on Exhibit II. Two summary statements shall be prepared covering each of the following:

- (a) Federally operated and agency projects
- (b) Leased projects

The expenditure estimates shown on Exhibit III are, in effect, requests from the regional office for authorizations for each quarter of the 1944 fiscal year. Even though authorizations will not be made for expenditures on leased projects (except for payments in lieu of taxes), the statement covering leased projects should be prepared as illustrated by Exhibit III in order to provide comparability between the two statements. The data as to number of projects, number of units, and number of unit months must be entered in all columns.

Submission of Consolidated Regional Budget

The Administration Division, with the assistance of the Management Division, shall prepare a justification for the regional budget. The justification should discuss special problems applicable to the particular region. Factors such as the existence of area offices, increased public services which must be provided by the FPFA because large projects are located in rural areas, trends in war production in the region, and other factors which affect occupancy, income and expense should be discussed. Complete justifications are necessary to make certain that the regional offices' requests for funds are given full consideration by the Central Office.

The consolidated regional budget and justification, as prepared by the Administration Division and approved by the Assistant Director for Administration, shall be reviewed by the Assistant Director for Project Management. Differences of opinion between the Directors for Management and Administration should, if possible, be reconciled between them. Unreconcilable differences shall be submitted to the Regional Director for determination. The consolidated regional budget and justification, when approved by the Assistant Directors for Management and Administration, shall be submitted to the Regional Director for approval.

The Regional Director shall submit an original and two copies of the consolidated regional budget to the Central Office Budget Division. Such submissions shall consist of the following:

- (a) List of projects (Exhibit I)
- (b) Exhibit II (each Exhibit II shall follow the related Exhibit I. Show first all lists, Exhibit I (B), and statements for basic projects followed by lists Exhibit I (S), and statements for scheduled projects).
- (c) Exhibit III
- (d) Justification

The consolidated regional budget submission must be received by the Budget Division in Washington not later than Monday, September 30, 1943.

CONSOLIDATED FPMA OPERATING BUDGET

The Central Office Budget Division, upon receipt of the consolidated regional budget, shall transmit one copy to the Management Review Division. These two divisions will review the regional budgets and consult with each other as necessary. If additional information or explanation is required from the regional offices, either the Budget Division or Management Review Division will contact the regional offices with prior knowledge of the other. If the Central Office deems it necessary to change the consolidated regional budget, such changes shall be submitted to the Regional Director for concurrence or comment. Differences of opinion between the Central Office and the regional offices or between the Management and Administrative branches shall be resolved by the Commissioner.

Estimates for projects under the jurisdiction of the Central Office shall be prepared initially by the Special Projects Management Division and reviewed by the Budget Division. Differences of opinion between these two divisions shall be resolved by the Commissioner.

On the basis of the consolidated regional budgets, and the estimates submitted by the Special Projects Management Division, the Budget Division shall prepare the consolidated FPMA budget covering management operations. This shall be submitted for approval of the Commissioner by the Assistant Commissioner for Administration with the concurrence of the Assistant Commissioner for Project Management.

BUDGETARY CONTROL

Budgetary control with respect to federally operated and agency projects shall be exercised through quarterly lump-sum authorizations to the regions and through quarterly allotments to the projects.

Since expenditures on leased projects are made by the lessee on the basis of a contractual relationship, the Central Office will not make authorizations, nor will the regional office make allotments in connection therewith, except for payments in lieu of taxes and property loss replacements as explained below. Expenditures for leased projects shall be controlled through a careful review of individual Operating Budgets prior to approval. Such budgets shall be reexamined each quarter and shall be modified as circumstances demand.

After approval of the consolidated FPMA budget, the Central Office Budget Division shall inform each regional office^{1/} of its approved consolidated budget for the fiscal year and for each quarter thereof. Such approval shall be based on agreements between the Management and Administration branches.

Authorizations to Regions

Prior to the beginning of each quarter, the Budget Division shall issue quarterly "Authorizations for Project Management Operations" (See Exhibit IV) to each Regional Director. Such lump-sum authorizations shall cover all expenditures on federally operated and agency projects but shall cover only payments in lieu of taxes and property loss replacements on leased projects. Authorizations will be prepared in quintuplicate and distributed as follows:

- 2 copies to Regional Director^{1/}
- 1 copy to Finance and Accounts Division
- 1 copy to Management Review Division
- 1 copy retained by Budget Division

Lump-sum authorizations (see Exhibit IV) will be based upon the approved regional budgets and will be made for the following purposes:

- A. Operation of basic projects
 - 1. Operating expense (before collection loss)
 - 2. Operating improvements
- B. Operation of scheduled projects
 - 1. Operating expense (before collection loss)
 - 2. Operating improvements
- C. Payments in lieu of taxes
- D. Cafeteria deficits

The authorizations limit the amounts which may be allotted by the region to projects under its jurisdiction. Such authorizations shall be cumulative so that the unallotted balance at the end of any period shall be available for allotment during subsequent periods. Authorizations made for one purpose shall not be allotted for any other purpose without prior approval by the Central Office Budget Division.

^{1/} For purposes of budgetary control, the projects under the jurisdiction of the Special Projects Management Division will be considered as an additional region.

Changes in regional authorizations shall be made only by the Budget Division with the concurrence of the Project Management Branch, or with the approval of the Commissioner in case of unreconcilable differences between the Budget Division and Project Management Branch.

Authorizations for "property loss replacements" shall be made for leased as well as federally operated and agency projects to cover major losses resulting from fire, hurricane, tornado and similar causes. Authorizations shall be specifically made for this purpose upon request by the region and justification to the Project Management Branch and after approval by the latter and review by the Budget Division. Authorizations for this purpose will designate the specific project for which the funds may be expended.

Amounts for property loss replacements shall not be included in the budgets of individual projects or in the consolidated regional budgets, nor will authorizations for the purpose be included in the regular authorizations issued prior to the beginning of each quarter. Major property loss replacements will be financed from operating income of the FPHA as a whole and will not be charged against the income of an individual project. Such replacements will be accounted for and paid by the region under whose jurisdiction the project is operated. Subsequent instructions will explain the procedure to be followed in accounting for such replacements.

Authorizations for "working fund advance - regional office stock purchases" will be made to a region upon specific request and justification therefor to the Budget Division, and requests for such funds shall not be included in the consolidated regional budgets. The Budget Division will obtain the concurrence of the Management Review Division before making authorizations for this purpose. The working fund advance shall be used by the region for stock purchase and the regional revolving fund shall be reimbursed as stock items are distributed and charged to individual projects. Funds allotted to regions for this purpose during a prior fiscal year will continue to be available during the 1944 fiscal year. Requests for authorizations for this purpose should be made only for amounts required in addition to sums now available in the region.

Adjustment of Outstanding Authorizations for First Quarter

Tentative authorizations have been made to each region for the quarter ending September 30, 1943. These tentative authorizations are subject to later adjustment based on the approved consolidated regional budgets. Pending the preparation of such budgets, additional funds will be made available upon request and justification to the Budget Division after concurrence by the Management Review Division. It should be noted that the

Tentative authorizations for the first quarter of the year were intended to cover leased as well as federally operated and agency projects. Therefore, regions should reexamine the first quarter's need and should request additional authorization only if the tentative authorizations are insufficient to cover allotments to federally operated and agency projects for all purposes, and allotments to leased projects only for payments in lieu of taxes and property loss replacements, in accordance with the procedure described in this bulletin.

Authorizations for the first quarter were made separately for each fund. Since recent legislation permits the consolidation of war housing funds for project management operations, regions shall consolidate their tentative authorizations under the following fund symbol and title: "86X3518, Operation, Maintenance, Etc., National Defense Housing, National Housing Agency, Federal Public Housing Authority.^{1/}

Authorizations for the first quarter made for the purpose of "other project site operations" henceforth shall cover funds needed for "operating expense (before collection loss)." The tentative authorizations do not cover funds needed to pay "cafeteria deficits" and regions should request any authorization required for this purpose.

Allotments to Individual Projects

Allotments to projects within the limitations of lump-sum authorizations made by the Central Office will be the responsibility of the regional offices. Based on the approved consolidated regional budget for the fiscal year and each quarter thereof, the Management Division shall revise Operating Budgets for individual projects, as necessary, to bring the sum of approved individual project budgets within the limitations of the approved consolidated regional budget. Such revised Operating Budgets shall be reviewed by the Administration Division and approved by the Regional Director. Copies of all revised Operating Budgets as approved by the Regional Director shall be routed to the Administration Division for its files and shall be used by the latter division as a basis for issuing allotments to each project prior to the beginning of each quarter.

Allotments shall be issued only to federally operated and agency projects, except for payments in lieu of taxes and major property loss replacements on leased projects which expenditures will be paid by the regional offices rather than by the lessees as is the case for other expenses on leased projects.

^{1/} This consolidated fund replaces existing funds with the following symbols: 86X6500, 86X6514, 86-11X6510 and 86-11X6511

Quarterly allotments to projects shall be cumulative and the unobligated balance at the end of any period shall be available for incurring obligations and expenditures during ensuing periods.

When making allotments to a project, estimated collection losses must be excluded from the total estimated operating expense shown on the Operating Budget since collection losses are reflected in the accounting records as a deduction from income and do not involve the obligation of funds and issuance of expenditure documents.

The amount allotted each quarter for project operations should be adjusted to provide for the purchase of coal and other large inventory items. Individual project Operating Budgets are now prepared on the accrual basis so that coal and similar items carried in stock are reflected as expense of the quarterly period during which such items are consumed. Since coal seldom is purchased in the period during which it will be consumed and since allotments control the amount which may be obligated during any quarterly period, it is necessary to allot funds for such items during the quarterly period in which the obligations will be incurred.

Advices of Allotment shall not be issued for working funds advanced to lessees nor for rental refunds. These items shall no longer be reflected in the allotment ledger in the Regional Accountant's Office but shall be handled through the general ledger in accordance with the instructions of the Central Office Finance and Accounts Division. The Regional Accountant shall use available cash for making such advances and, when necessary, shall request additional cash from the Finance and Accounts Division.

Allotments to projects shall be prepared on an Advice of Allotment (Form FPHA 1070) in quintuplicate. After being approved by the Assistant Director for Administration who shall retain one copy for his files, four copies of the Advice of Allotment shall be routed to the Regional Accountant for approval as to availability of funds within the regional authorizations, and for processing of the necessary advance of funds for projects operated under contract of agency. The Regional Accountant shall sign all copies, retain his copy, send one copy to the Central Office Finance and Accounts Division for use by the Field Audit Section, and route the remaining copies to the Assistant Director for Project Management. The latter will retain one copy and send the original to the housing manager or agent.

Advices of Allotment shall be prepared as illustrated in Exhibit V. Advices should be numbered consecutively in each regional office beginning with one and prefixed by the number 44 to designate the 1944 fiscal year. Thus the first project allotment issued in each region will be numbered 44-1. The Advice number should be followed by the letter(B) or (S) in parenthesis to designate whether the project is "basic" or "scheduled."

Allotments to projects must be subdivided into the same items as are on the regional authorizations. Each project allotment must show separate limitations (or sub-allotment accounts) for (1) operating expense (before collection loss), (2) operating improvements, (3) payments in lieu of taxes, (4) cafeteria loss, and (5) property loss replacements. Allotments for one purpose may not be used for any other purpose without the issuance of a new Advice of Allotment approving the change. The Advice of Allotment can be used in exceptional cases to set any further limitations on expenditures, such as limiting the amount for management, operating services, utilities, repairs, maintenance and replacements, etc. Such further limitations shall be determined by the Management Division with the approval of the Regional Director, and may be recommended to the Regional Director by the Administration Division with the concurrence of the Management Division. The Regional Accountant shall maintain a separate allotment ledger account for each limitation or sub-allotment account.

Periodic Re-examination of Operating Budgets

All project Operating Budgets shall be re-examined at least each quarter and revised as circumstances demand. The allotment procedure provides the means for effecting changes in budgets on federally operated and agency projects by limiting the amount of approved obligations. Changes in Operating Budgets for leased projects can be made only in accordance with the terms of the lease. Negotiations with lessees or with housing managers for changes in their budgets shall be solely the responsibility of the Regional Management Division.

The periodic re-examination of Operating Budgets should compare actual expenditures with original estimates and should consider pertinent factors which justify increases or decreases in the budget as originally approved.

Suggested changes in Operating Budgets may be initiated by either the Management Division or the Administration Division and shall be discussed between them before recommended changes are submitted to the Regional Director for approval. Operating Budgets which are being considered for change shall be reviewed and handled in the same manner as the original budgets.

Accounting and Fiscal Reporting

Changes in accounting and reporting procedures for project management operations are now being formulated. Pending the release of revised instructions and procedures, existing procedures will remain in effect.

National Housing Agency
Federal Public Housing Authority
Region

PROJECTS UNDER MANAGEMENT - 1944 FISCAL YEAR

I (B) - BASIC PROJECTS ^{1/}

Project No.	Total No. of Units in Project	Total No. of Units Available for Dwelling Use	Date Last Units Became Available For Dwelling Use	B or E ^{2/}
<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>

I (S) - SCHEDULED PROJECTS ^{1/}

Project No.	Total No. of Units in Project	Number of Units Estimated to be Available for Dwelling Use at Beginning of Each Month												Total No. of Unit Months	B or E ^{2/}
		July*	Aug.*	Sept.*	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June		
<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>	<u>(7)</u>	<u>(8)</u>	<u>(9)</u>	<u>(10)</u>	<u>(11)</u>	<u>(12)</u>	<u>(13)</u>	<u>(14)</u>	<u>(15)</u>	<u>(16)</u>

^{1/} Prepare a separate list for each type of accommodation for which a separate statement is submitted in accordance with instructions for preparation of Exhibit II.

Actual

^{2/} "B" designates that an approved Operating Budget has been prepared for the related project.
"E" designates that an approved Operating Budget has not been prepared for the related project and that preliminary estimates prepared by the regional management division have been used in preparing the consolidated regional budget.

This exhibit reduced from 16" x 10 1/2"

National Housing Agency
Federal Public Housing Authority
Region —

1944 CONSOLIDATED WAR HOUSING OPERATING BUDGET ^{1/}

Budget Classification	Basic Projects					Scheduled Projects						
	P.U.W.	Annual Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	P.U.W.	Annual Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<u>Income</u>												
1. Dwelling Rent Schedule												
2. Less: Vacancy Loss												
3. Dwelling Rent Income												
4. Non-dwelling Rent Income												
5. Other Income												
6. Total Operating Income												
7. Cafeteria Net Revenue												
8. Total Income												
<u>Expense</u>												
9. Management Expense												
10. Operating Services												
11. Dwelling Utilities												
12. Repairs, Maintenance & Replacements												
13. Community Activities												
14. Insurance												
15. Land Rental												
16. Operating Expense (before Collection Loss)												
17. Collection Loss												
18. Total Operating Expense												
19. Payments in Lieu of Taxes												
20. Cafeteria Deficits												
21. Operating Improvements												
22. Total Expense												
23. Net Project Income												
Number of Projects												
Number of Units												
Number of Unit Months												
1/ Prepare separate statements for each of the following: Federally Operated and Agency Projects- Family Dwelling Units Dormitories Trailers Trailer Sites Leased Projects (Similar statements by type of accommodation as for federally operated and agency projects)												

- 1/ Prepare separate statements for each of the following:
- Federally Operated and Agency Projects-
 - Family Dwelling Units
 - Dormitories
 - Trailers
 - Trailer Sites
 - Leased Projects (Similar statements by type of accommodation as for federally operated and agency projects)

This exhibit reduced from 16" x 10 1/2"

National Housing Agency
Federal Public Housing Authority
Region _____

1944 CONSOLIDATED WAR HOUSING OPERATING BUDGET
FEDERALLY-OPERATED AND AGENCY PROJECTS 1/

<u>Total All Projects</u>	<u>Basic Projects</u>					<u>Scheduled Projects</u>				
	<u>Total</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total</u>	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>

Income

Dwelling Rent Schedule

Less: Vacancy Loss

Dwelling Rent Income

Non-dwelling Rent Income

Other Income

Total Operating Income

Cafeteria Net Revenue

Total Income

Expense

Operating Expense (before
Collection Loss)

Payments in Lieu of Taxes

Cafeteria Deficits

Operating Improvements

Total Requested Authorizations

Collection Loss

Total Expense

Net Project Income

1/ Prepare similar statement for "LEASED PROJECTS"

This exhibit reduced from 16" x 10 1/2"

Number of Projects

Number of Units

Number of Unit Months

EXHIBIT IV

FPHA Sub.-2 8-4-43	NATIONAL HOUSING AGENCY FEDERAL PUBLIC HOUSING AUTHORITY AUTHORIZATIONS FOR PROJECT MANAGEMENT OPERATIONS	TRANSMIT TO: 1 & 2: Region _____ (or) Spec. Proj. Mgt. Div. _____ 3: Budget Div. _____ 4: F. & A. Division _____ 5: Mgt. Review div. _____ AUTH. NO. _____		
TO:	FOR PERIOD ENDING	FISCAL YEAR	DATE	AUTH. NO.
Regional Director, Region I, Boston	12/31/43	1944	9/15/43	44-16
FUND				
86X6518, Operation, Maintenance, Etc., Nat'l. Defense Housing, NHA, FPHA				
EXPLANATION:				
<p>The increase in authorization for Property Loss Replacement is made available for repair and replacement of community building damaged by fire at project Comm. 6091 (Bristol).</p>				
NOTE: Authorization for one purpose may not be allotted for any other purpose without prior approval by the Central Office Budget Division.				
PURPOSE	PRIOR AUTHORIZATION \$	CHANGES		AUTHORIZATION TO DATE \$
		\$ Increase	\$ Decrease	
Operation of <u>basic</u> projects:				
Operating expense (before collection loss)	\$ 600,000	\$ 550,000		\$ 1,150,000
Operating improvements	5,000	1,000		6,000
Operation of <u>scheduled</u> projects:				
Operating expense (before collection loss)	250,000	350,000		600,000
Operating improvements	10,000	5,000		15,000
Payments in lieu of taxes	100,000	100,000		200,000
Property loss replacements	---	15,000		15,000
TOTAL AUTHORIZATIONS	\$ 965,000	\$1,021,000		\$ 1,986,000
APPROVED BY: _____ DIRECTOR, BUDGET DIVISION				

**NATIONAL HOUSING AGENCY
FEDERAL PUBLIC HOUSING AUTHORITY**

ADVICE OF ALLOTMENT

To:	Manager, Garden Homes	Advice No.	44-1 (B)
.....	112 Elm Street	Date	July 1, 1943
.....	Garden City, Illinois	Project No.	15-6 (11042)
.....		Project name	Garden Homes
You are authorized to:		Amount, \$	22,960

Establish ☒ Increase ☐ Decrease ☐

allotment accounts under 86X6518, Operation, Maintenance, Etc., National
Defense Housing, NHA, FPHA.
(Symbol and title)

SUB-ALLOTMENT ACCOUNTS	AMOUNT	
Operating Expense (Before Collection Loss)	\$22,460	00
Operating Improvements	500	00
Total	\$22,960	00

Remarks:.....Approved budget expenditures for the quarter ending Sept.30,1943

Approved as to availability of funds:

Approved by

Regional Accountant

Title Asst.Dir.for Admin.,Reg.VI

