

**CLARIFICATION ON SECTION 8 ONLY ENTITY’S FINANCIAL DATA SCHEDULE (FDS) REPORTING:**

The Uniform Financial Reporting Standards (UFRS), 24 CFR Part 5 et al, and PIH Notice 2006-03 provides that PHA unaudited and if applicable, audited financial information is required to be electronically submitted to HUD on an annual basis and prepared in accordance with generally accepted accounting principles (GAAP) using HUD’s established format. However, with regard to Section 8 only PHAs that are part of a larger government and are **not** a separate legal entity (for example, a component unit) and are simply a department, division or program of a larger government (for example, a municipality), the FDS should include only the Section 8 Housing Choice Voucher (HCV) program activities, and **not** the entire activities of the municipality (column 1 of the table below). In order to facilitate HUD’s review of the FDS information for the Section 8 program, it is recommended that the higher government consider declaring the Section 8 HCV program activities be accounted for as a major enterprise fund. This presentation will require that the Section 8 HCV program activities be reported in a single column in the proprietary fund type financial statements allowing those activities to utilize the full accrual basis of accounting and the economic resources measurement focus. This type of presentation format will allow both the larger government (in this case a municipality) and HUD to isolate the Section 8 HCV activities in the annual financial statements, and allow for the proper inclusion of only the Section 8 HCV program activities in the FDS.

The audited submission type will reflect the type of audit received by the higher government. The audited submission's FDS will contain the Section 8 HCV information and the file attachments will contain the **higher government audit information**. The required file attachments are identified in the table below.

	Column 1	Column 2	Column 3
Submission Type	A-133	A-133	A-133
Component Unit *	No	Yes - <b>without PHA separate audit</b>	Yes - <b>with PHA separate audit</b>
Acct Method	Post GASB 34	Post GASB 34	Post GASB 34
Notes	Mandatory	Mandatory	Mandatory
Audit Information (Opinion)	Mandatory	Mandatory	Mandatory
Audit Information (Attachment)	Not Applicable	Not Applicable	Mandatory
Audit Findings	Mandatory	Mandatory	Mandatory
Action Plan **	Optional	Optional	Mandatory
MD&A*	Not Applicable	Not Applicable	Mandatory
Financial Statements ***	Not Applicable	Not Applicable	Mandatory

\* **Section 8 only PHAs that are part of a larger government and are not a separate legal entity (column 1 of table) must click the Component Unit box on the PHA Info page for submission purposes only. By clicking the Component Unit box on the PHA Info page, the system will allow the file attachments above to be submitted and not invoke a system validation error.**

\*\* **Action Plan is mandatory when audit findings are reported.** For columns 1 and 2, Action Plan needs to be attached when there are audit findings that pertain to the Section 8 program only.

For Section 8 only PHAs that are a separate legal entity or a component unit with its own separate audit, all **entity wide** reporting requirements for PHAs apply.