

Public Housing Authority Commissioner

Roles—Responsibilities—Liabilities

and
Other Stuff

How PHA's Came to Exist

Framework of Laws and Program
Regulations that Govern PHA
Operation

PHA—What is It?

- **Authorized under the Federal Housing Act of 1937**
- **Authorized and defined by State Law (how it is formed, powers, structure, responsibilities, restrictions, etc..)**
- **Public Housing Authorities are Cooperations under State Law –*In cooperated and filed as a Cooperation (body politic) with the State* (Except HUD authorized Section 8 only PHA's not established under state law)**
- **Subject to State Enabling Law as Cooperate Body of the state**
- **Subject to local government ordinances**
- **Subject to Federal Regulations for Federal Authorizing and Programs (PHA signs Grant Agreement or Contract (ACC) to operate a specific program)**

Housing Act of 1937

Designed and Authorized Legal Structure to Provide Public Housing through PHA's

• Legal Structure

- 1937 Housing Act (Enabling Legislation)
- State Authorizing Statute: Sets rules for creating and operating Housing Authority in your state
- Local Jurisdiction authorizes formation of PHA and appoints Board (City, County or Counties, State)
- State law governs *process to establish PHA* (Virginia– Chapter 16, Article 15. – North Carolina General Statute Chapter 157)
- Initial Board establishes initial By-Laws, files Articles of Incorporation and acts as Independent Agency within State Law
- Can be a department of City or other jurisdiction based on organizational structure

• Contractual Relationships

- Local Jurisdiction
 - Cooperation Agreement
- HUD Programs
 - Public Housing (Annual Contributions Contract)
 - Section 8 Housing Voucher Programs (Housing Assistance Payment Contract)
 - Other HUD Programs (Grant Agreements)
- Other Funding Sources
 - Other Rental Programs: Rules by Funding Agency
 - Grants: rules from the Grant Source

Mission of Public Housing Authority
as set by Law the in 1937 Housing Act:

Provide Decent
Safe and Sanitary
Housing

Legal Structure of the Local PHA

- Structure and Authority for creation of local PHA's established under State Law as authorized by the 1937 Act
- State Laws may vary—Each State had latitude for PHA Structure (Note: State laws may change over time)
- Under State Law (**WV Code: Chapter 16 Article 15**) the PHA is formed by a unit of local government which appointed initial Commissioners to form the PHA and continues to appoint Board vacancies
- Articles of Incorporation or other legal document filed with the State by the initial Board
- Initial Commissioners establish By-Laws and sets number of Commissioners
- *Any legal connection to HUD is through HUD Contracts or Grants Programs*

Initial By-Laws (as Amended) describes the operating structure of the Board

- Name of the Authority and Seal of the Authority
- Defines the number of Board members, Officers of the Cooperation (Authority), how officers are elected
- Defines duties of the Officers, usually allowing for the Office of the Secretary/Treasurer to be delegated to the Executive Director as non-voting member and authorizes hiring of other personnel
- Establishes Meeting frequency and notification requirement (Annual, Regular and Special)
- Establishes a Quorum and the Manner of Voting and Recording of Votes
- May define Order of Business
- Defines and requires record of meetings and Notice of Meetings
- Establishes process for Amending the By-Laws

Cooperation Agreement with Local Government Unit (City, County, Other)

- Between the Authority and Appointing Body (usually City) or location for construction of Public Housing Units and Establishes maximum number of units to be included in the Agreement
- PILOT: (Relates to Public Housing) Payment In Lieu of Taxes (Based on shelter rent)
- Local Governing Body to provide all customary services as to other citizens

Board of Commissioners

- Appointed by local government as authorized by state law and in founding documents
- Number and Term set in organization documents as allowed under state law
- Make up of Board may be set in State or Federal law (example; Resident Member)
- Board Members take an Oath of Office to serve as a trustee of the public trust (Fiduciary Responsibility)

PHA Boards are Public Officials Meetings are Public Meetings

- Follow your State Open Meeting Laws
- Board Minutes are Public Records
- Many PHA Records are Public Records

Board Meetings

- Scheduled as Required in the Bylaws
- Proper Notice to the Members of the Board
- Notice to the Public--Know your state law about public meetings notifications and structure

Note: Size of agency may determine the formality and attendance at Board meetings

Commissioners are Public Officials:
Who Have

Fiduciary Responsibility

What does that Mean?

Fiduciary Duty of Each Commissioner?

- **Fiduciary Duty: Steward of the Public Trust--Must act for the good of the organization and not self in an ethical manner**
- **Commissioner can be held personally liable for failure in Fiduciary Duty**

The Three Primary Fiduciary Duties:

1. Duty of Care

2. Duty of loyalty

3. Duty of obedience

Duty of Care

- *Informed decision making– full consideration of facts in order with rules, policies, laws, regulations and needs of the organization*
 - *Comply with laws and regulations that govern operation of the organization related to Board decisions on Policy and Program implementation*
 - *Be actively involved in the Board Meetings*
 - *Fulfill the responsibilities for Oversight (Monitoring operations and finance)*
 - *Actively participate in Strategic Planning, long and short term goals*
- Ensure Board understanding of regulations when considering policy or other decisions*

Duty or Loyalty

- ***Act in good faith, solely in the best interest of the Organization and its beneficiaries***
- ***Full and immediate disclosure of any conflict of interest***
- ***Put the interest of the organization ahead of personal gain and not use Agency Service or resources for personal gain***
- ***Ethical behavior and ethical decision making in all decisions***
- ***Support the Mission and Board decisions advancing the Mission***
- ***Be Open and willing to listen to other Board Members, Staff, Customers and others***

Duty of Obedience

- *Act based on mission of the organization following policy and laws applicable to operation of the organization*
- *Establish Operating Structure that allows Board Monitoring and Oversight of Agency Operations.*
- *Ensure use of funds and organization resources, including staff, that are in line with mission, applicable laws and policies*
- *Ethical behavior in the development of policy and the use of organization's resources*

Commissioner's Governance Responsibility

- Informed decision making— full consideration of facts in order with:
 - All Laws ,
 - All Regulations
 - All Policies
 - All Ethical Considerations
 - The Needs of the Organization and It's Mission
 - Other Reasonable Considerations
- Ensuring Compliance through Oversight

Recognize the Complexity

of Federal Regulations that Apply and the Over-Lap of Regulatory Requirements

- HUD Program Regulations (Rules)—Notices—Guide Books and FAQ's
- State Laws in addition to Federal Program rules
- Non-HUD Funded Programs and Grants
- Other Federal Applicable Regulatory Rules (Generated by Federal Agencies or the State)
 - Fair Housing Laws (Federal and State)
 - Building Codes
 - Employment Laws
 - OSHA (Blood Borne Pathogens, Fire Safety, Working and Walking Surfaces, Confined Spaces, Hazard Communications Standards, etc.)
 - Environmental Regulations (lead paint, water, mold, sanitation, radon, etc.)
 - National Accounting Standards Board (The Yellow Book) and the GAO's GAS: the Green Book)
 - Violence Against Women Act (VAWA)
 - Americans with Disabilities Act (ADA and 504 Act) (Accessibility) (Reasonable Accommodation)
 - State and or Federal Procurement (source of funds)
 - Open Meeting Laws
 - And More?

Diversity of PHA Activities— *Know Your PHA*

- Size of Agency
- Programs and Funding Sources*** (Whose Money— Whose Rules) Other Resources
- Authority's Needs***
- Condition of the Authority (Financial—Compliance—Physical Assets—Staff Capacity
- Residents (Who does the Authority House)
- Community Needs
- Community Resources
- Housing Market
- Politics
- Advocacy Groups
- Other Assisted Housing in the Community (Competition)
- Affiliate Non Profit ?
- Rental Assistance Demonstration (RAD) or other Repositioning?
- Other Activities (non-federal grants, other income, partnerships, etc)

Are There Financial Obligations or Issues ?

- Financial Audit Findings
- HUD sanctions or review findings
- HUD Payback of Funds (other than Section 8 monthly allocations)
- Capital Fund Program Financing Loan for Capital Work
- Operating Fund Financing Loan for Capital Work
- Energy Conservation Contracts
- Other Financial Sanctions
- Law Suits or other Legal Claims
- Capital Fund Grants (Year of funding—Commitment—Spent)
- Current Agency Financial Health

HUD: Understand Regulatory Structure

PHA's Deal With in HUD Programs

- **Office of Public and Indian Housing (PIH)**
- **FMD (Housing Voucher Financial Management Division)**
- Office of Multifamily Housing (mostly private owned FHA finance and Rural Dev but some PHA's have this type housing or may convert to PBRA under RAD)
- **REAC (Real-Estate Assessment Center)**
- SAC (Special Applications Center)
- **FMC (Financial Management Center)**
- OIG (Office of the Inspector General for HUD)
- GMO (Grants Management and Oversight Division)
- **FHEO (Fair Housing and Equal Opportunity Division)**

HUD Programs

- Each HUD Program has Enabling Legislation passed by Congress
- Regulations published in the Federal Register under the Administrative Procedures Act (legally enforceable)
- HUD produced Guidance (day to day operations)
 - Handbooks
 - PIH Notices
 - FAQ's
 - Forms
 - NSPIRE (National Standards for Physical Inspection of Real Estate)
 - Reporting requirements via Computer systems and some paper submissions
 - Guidance letters

HUD Computerized Systems Staff Must Utilize A Complex time consuming process

- **PIC** (Is a Tenant Data System) becoming **HIP** (Housing Information Portal)
- **FDS** (Financial Data System)
- **PFS Portal** (Performance Funding System-annual operating subsidy)
- **LOCCS** (Line of Credit Control System- used to draw down funds))
- **EPIC** (Energy Performance and Information Center expanded to include all Capital Fund)
- **SPEARS** (Section 3 Performance Evaluation And Registry System) Not currently operational
- **PHAS (PASS, MASS, FASS)** (HUD Public Housing Scoring Systems)
- **VMS** (Voucher Management System) will be Moved into to new HIP system)
- **Grants.gov** (all Optional Federal Grant funds use this system except HUD directly funded programs)
- **FSS** (Family Self Sufficiency Grant Program)
- **Buy American (BABA)**
- **SAR** (Standard Enforcement Reports and other Labor Standards)
- **2 year tool** (Section 8 utilization and cost tool)All Vouchers Allocations
- And others depending on programs/grants which may be under different Federal or State jurisdiction

Programs and related Funding

Each with It's Own Funding, Regulations and Operating Structure

- Public Housing (Operating Fund-Capital Fund)
- Section 8 Vouchers (Tenant Based, Project Based, VASH, Homeless, special voucher allocations (Example: Emergency Housing Vouchers 2021 (EHV) for People at risk of homelessness due to COVID)
- Multifamily Section 8 or USDA Rural Development
- Tax Credit Management or Development
- Demo-Dispo and Replacement Housing—CDBG (Community Development Block Grant)
- Family Self Sufficiency (Mandatory- Optional) (Coordinator Funding)
- Other Service Programs
- Moving to Work or other Specific Population Housing
- Rental Assistance Demonstration (RAD) or other repositioning programs
- Homeownership programs
- Other Grants or Business Activities (HUD and Non-HUD)

Public Housing Program Rules and Regulations

- Annual Contributions **Contact** (ACC) for Public Housing Units
- 24 CFR Part 500, and Part 900 (regulations issued to implement 1937 Housing Act as amended) Public Housing Program
 - Regulations that carry the weight of law– published after following the Administrative Procedures Act
- PIH Notices (Public and Indian Housing Division of HUD)
 - HUD guidance on how to implement the regulations in issued in the Federal Register--Are not law– Are guidance to HUD's interpretation of the law.
- HUD FAQ (Frequently Asked Questions)
 - Not Regulations but are HUD's interpretation of the regulation

Section 8: Voucher Program (Multiple Voucher Programs)

- Housing Assistance Payment contract with HUD for max number of units and budget authority
 - Annual Renewal of Budget Authority based on previous leasing data
 - Funding based on renewal and availability of Federal Budget Appropriations
- CFR Part 500 and 800 is the Regulations for The Section 8 Program
- HUD issued guidance and operating requirement
- Types of Voucher Programs: Multiple Funding allocations for vouchers
 - HCV, PBV, VASH, FUP, Homeownership, Mainstream, Tenant Protection, FSS, FYI, HOPWA, Emergency Vouchers (natural disaster, Emergency/Pandemic, or other)

Regulations of non HUD Programs

Other Program Grants Will Have Program
Specific Application and Regulatory
Guidelines and Reporting Requirements

Implications for Commissioners No Matter Size of Agency

- All Boards do essentially the same function**
- Boards need to understand the dynamics of their jurisdiction and their Authority's operation**
- Understand that Multiple differences exist between Public Housing Authorities**
- The Concept of Consistency in Fiduciary Responsible Board Activity is relevant to all Housing Authorities and all Housing Authority activity.**

Major Functions of the Board

- Adopt and or Amend By-laws as needed
- **Hire a qualified Executive Director (for your agency)**
 - Promote respect and trust between the Board and the Executive Director with clear expectations (Job Description and Strategic Plan)), clear lines of authority and adherence to those lines of authority.
 - Establish A Realistic Vision for the Authority—Strategic Planning
 - Have an Executive Director Evaluation process based on Job Description and Strategic Plan.
 - Work with Executive Director and Legal Counsel to **develop and adopt Compliant Policies** for the effective operation of the Authority based on size and Programs operated
 - Work with Executive Director to structure and plan clear goals and how to evaluate progress on goals (milestones)
- Ensure adequate, qualified **Legal Counsel (procure appropriate legal services)**
- Designate who will speak for the Authority and when.
- Provide for the implementation of Policy and goals through appropriate adoption of Budgets, Staffing Plans and other Board action to provide adequate resources.
- **Monitor the Operations of the Authority and Ensure Compliance**

Separation of Duties

Policy?

or

Administration?

Board Sets Policy: Policy is Big Picture

- **Provides Broad Scope and Implications--Sets Direction and Goals of the Agency**
- **Commits Agency Personnel and Resources in Substantive and Long Range terms**
- **Difficult to Reverse**
- **Sets President**
- **Long Range Impact**

Administration Functions

- Relatively narrow in scope
- Apply policy not establish
- Develop compliant regulatory process (procedures) to apply policy
- Implement internal controls
- Gathers information and reports and recommends actions to the Board

Board :Makes Compliant Policy

Staff: Follow and Implement Policy

**Know Your Side
of the Fence**



Key Operations Questions in Policy Development

- **Is it Compliant**
 - Federal Law (HUD and Laws outside HUD)
 - State Law
 - Current interpretation of the law (HUD Guidance and Court case precedent)
 - Legal Review
- **Can staff implement and easily document Compliance**
 - Is the policy stated clearly and easily understood and implemented (gray areas— room for interpretation)
 - How can compliance be documented
 - Will it increase workload of existing staff in a significant way
 - What will it cost
- **How will it affect Program Participants? Applicants? Community?**

Policy Development and Updating

- Can be difficult in complex regulatory environment
- Should be reviewed regularly and updated when:
 - As required in regulations
 - As PHA or Community conditions change
 - As Funding changes

Appropriate Legal Counsel

The Board should secure appropriate Legal Counsel to Represent the Authority (represents the Authority's Interest)

- May be local Attorney
- May be specialized Counsel for special projects or circumstances
- Will usually work most directly with Executive Director and Chairman
- May attend Board meetings depending on size of agency or content of agenda
- Must use Proper Procurement procedure to hire attorney
- May be able to take advantage of legal counsel with Insurance carrier in some instances (Example NCHARRP when an insurance claim may be filed)

***Note must procure professional services (Attorney, Architect, Engineer, etc.) if using covered funds. Federal and State laws may apply in other situations. Always best practice even if not required.

Ensure the Authority has appropriate Insurance coverage

- Officers Liability (Covers the Board including Secretary Treasurer (ED) **actions of the Board**)
- Property Liability, Fire and Casualty, Building Contents
- Workers Comp
- Auto
- Equipment Coverage
- Flood (depending on location)
- Riot and Terrorism?
- Surety Bonding (who and how much)
- Other

Must procure (bid) if purchase from private commercial insurance

Monitoring and Oversight

- Board Function – Not individual Board Member Function
- Balance Monitoring and Oversight :
 - Too little can be abdication of Boards' duty
 - Too little can also put undue burden on Executive Director
 - Too much involvement in day to day can create problems and liability for Board or a Board Member and undermined staff
 - Too much involvement may hamper the performance of the Executive Director or staff and damage moral

Due Diligence is an Obligation of the Board!!

Financial and Operating Oversight: Considerations

- Oversight is critical to Health of the ORGANIZATION
- Complexity will depend on size of agency and number of programs
- Frequency may depend on size of agency
- In House Accounting v.s. Fee Accountant
- Establish good internal control (separation of duties– limiting access anyone person has) Computer system access and controls
- Regular Financial and Operating Reports to the Board
- Annual Financial Audit (Audits) for all operations not just HUD programs (select qualified auditors)

ED responsible for keeping Board Informed providing reports and other information as part of preparing for Board Meetings in conjunction with Chairman (other times as appropriate)

- Board meeting Information (Information Package) and proper Notice of Meeting and Agenda (*Notice may be provided separate from information package)
 - Agenda (ED, Chairman and Board Input)
 - Minutes of previous meeting
 - Old Business with supporting information
 - New Business with supporting information
 - Reports
 - Other Business (supporting information as appropriate)
 - General Information related to PHA
 - Calendar or list of important dates (could be given at Meeting)
 - Other relevant information Requested by the Board

**** ED is not responsible for Board reading the Materials provided**

Monthly Reports

(Establish List—Make it Reasonable and Relevant)

(To extent possible use reports that are generated from software system)

- Financial (Income and Expense, Balance sheets) (All programs and activities)
- Capital Fund (Expended and Committed: by Grant)
- Cash Flow reports and Cash on Hand (by Program and by bank account)
- Occupancy information and Accounts Receivable (Voucher and Units Managed by Program)
- Bad Debts/Evictions/Write-Off
- Other Grants expenditures—Awards--Applications
- Progress Narratives or Oral Reports as **appropriate** (grants, outstanding items, major contracts, etc.)
- PIC transmission rates
- Any Issues that could become a Legal Problem
- HUD Scores (Annually)
- HUD Inspection Reports or Reviews (as available)
- Audit Reports (Annually)
- Non-HUD related Items that may be relevant

Example

Southwest Housing Authority Report of Cash on Hand

FY 2021	July	August	September	October	November	December	January	February	March	April	May	June
Project Accounts - AMP 1 and AMP 2												
AMP's - General Fund - First Bank	\$ 799,710.28	\$ 886,716.91	\$ 941,618.52	\$ 893,807.34	\$ 973,886.24	\$ 894,590.03	\$ 975,751.11	\$ 988,148.92	\$ 1,086,749.85	\$ 1,188,679.07	\$ 716,556.13	\$ 507,812.64
AMP 1 Operating Reserve	\$ 301,546.05	\$ 301,635.46	\$ 301,722.01	\$ 301,811.47	\$ 301,693.53	\$ 301,970.25	\$ 302,047.20	\$ 302,116.72	\$ 302,193.71	\$ 302,255.81	\$ 302,319.89	\$ 302,382.12
AMP 2 Operating Reserve	\$ 427,465.25	\$ 427,591.99	\$ 427,714.68	\$ 427,841.49	\$ 427,957.82	\$ 428,066.58	\$ 428,175.66	\$ 428,274.21	\$ 428,363.35	\$ 428,471.38	\$ 428,562.37	\$ 428,650.44
Total Restricted Funds	\$ 1,528,721.58	\$ 1,615,944.36	\$ 1,671,055.21	\$ 1,623,460.30	\$ 1,703,736.59	\$ 1,624,626.86	\$ 1,705,973.97	\$ 1,718,539.85	\$ 1,817,327.01	\$ 1,919,406.26	\$ 1,447,438.49	\$ 1,238,845.20
Security Deposits - LHA *	\$ 120,997.57	\$ 120,581.57	\$ 119,439.57	\$ 119,838.57	\$ 120,689.57	\$ 119,139.57	\$ 119,038.57	\$ 120,689.57	\$ 122,139.57	\$ 121,539.57	\$ 121,589.57	\$ 120,339.57
Security Deposits - OBA *	\$ 8,984.00	\$ 8,498.00	\$ 8,488.00	\$ 9,088.00	\$ 9,088.00	\$ 9,088.00	\$ 9,088.00	\$ 9,088.00	\$ 9,088.00	\$ 9,088.00	\$ 9,138.00	\$ 9,138.00
Total Trust Funds*	\$ 129,981.57	\$ 129,080.57	\$ 127,927.57	\$ 129,027.57	\$ 129,777.57	\$ 128,227.57	\$ 128,127.57	\$ 129,777.57	\$ 131,227.57	\$ 130,627.57	\$ 130,727.57	\$ 129,477.57
Replacement Reserve* - AMP 1	\$ 973,191.72	\$ 985,013.64	\$ 996,830.31	\$ 1,008,659.35	\$ 1,020,468.02	\$ 1,032,550.45	\$ 1,044,636.25	\$ 1,056,699.17	\$ 1,068,791.41	\$ 1,080,833.25	\$ 1,092,885.13	\$ 1,104,932.41
Replacement Reserve* - AMP 2	\$ 2,783,156.50	\$ 2,802,272.58	\$ 2,821,368.57	\$ 2,840,498.15	\$ 2,859,581.01	\$ 2,879,037.87	\$ 2,898,521.12	\$ 2,917,937.54	\$ 2,937,431.17	\$ 2,956,783.66	\$ 2,976,160.64	\$ 2,995,521.88
Total Restricted Funds*	\$ 3,756,348.22	\$ 3,787,286.22	\$ 3,818,198.88	\$ 3,849,156.50	\$ 3,880,029.03	\$ 3,911,588.32	\$ 3,943,187.37	\$ 3,974,636.71	\$ 4,006,222.68	\$ 4,037,616.91	\$ 4,069,048.77	\$ 4,100,454.27
Other Funds & Investments												
Agency(OBA) -Checking -	\$ 1,010,777.66	\$ 761,564.05	\$ 630,304.05	\$ 626,442.51	\$ 633,182.46	\$ 927,074.36	\$ 930,781.83	\$ 925,238.60	\$ 877,468.18	\$ 823,580.02	\$ 1,493,428.98	\$ 1,651,349.58
Payroll -	\$ 1,677.42	\$ 2,647.08	\$ 2,428.62	\$ 2,142.67	\$ 1,796.45	\$ 2,620.43	\$ 2,304.58	\$ 2,227.01	\$ 52,235.99	\$ 2,263.81	\$ 2,722.24	\$ 2,768.88
Other Business - CD	\$ 1,046,822.55	\$ 1,046,822.55	\$ 1,052,759.70	\$ 1,052,759.70	\$ 1,052,759.70	\$ 1,058,665.43	\$ 1,058,665.43	\$ 1,058,665.43	\$ 1,059,448.83	\$ 1,059,448.83	\$ 1,059,448.83	\$ 1,000,250.25
Total Other Funds	\$ 2,059,277.63	\$ 1,811,033.68	\$ 1,685,492.37	\$ 1,683,344.88	\$ 1,687,738.61	\$ 1,988,360.22	\$ 1,991,751.84	\$ 1,986,131.04	\$ 1,989,153.00	\$ 1,885,292.66	\$ 2,555,600.05	\$ 2,714,368.69
Grand Total	\$ 7,474,328.98	\$ 7,343,353.83	\$ 7,302,684.03	\$ 7,284,988.25	\$ 7,401,281.80	\$ 7,682,802.97	\$ 7,769,010.75	\$ 7,809,085.17	\$ 7,943,930.16	\$ 7,972,943.40	\$ 8,202,811.88	\$ 8,183,145.73
Section 8												
Section 8 - General Fund -	\$ 297,894.82	\$ 479,366.92	\$ 490,020.68	\$ 492,135.68	\$ 527,076.70	\$ 381,436.15	\$ 395,088.69	\$ 414,542.12	\$ 428,079.30	\$ 450,891.44	\$ 464,242.19	\$ 491,017.32
Section 8 - Money Mkt. Savings -	\$ 30,838.64	\$ 30,647.72	\$ 30,856.51	\$ 30,665.60	\$ 30,873.94	\$ 30,681.74	\$ 30,680.56	\$ 30,696.62	\$ 30,704.44	\$ 30,710.75	\$ 30,717.27	\$ 30,723.58
Total Section 8 Program Funds	\$ 328,533.46	\$ 510,014.64	\$ 520,877.19	\$ 522,801.28	\$ 557,950.64	\$ 412,117.89	\$ 425,778.25	\$ 445,238.74	\$ 458,783.74	\$ 481,602.19	\$ 494,959.46	\$ 521,740.90
Section 8 - FSS Escrow Acct.	\$ 82,087.26	\$ 86,017.71	\$ 82,072.93	\$ 81,288.02	\$ 81,836.62	\$ 84,677.05	\$ 87,441.55	\$ 80,476.79	\$ 70,336.63	\$ 68,665.46	\$ 67,574.00	\$ 59,522.03
Total S-8 Trust Funds	\$ 82,087.26	\$ 86,017.71	\$ 82,072.93	\$ 81,288.02	\$ 81,836.62	\$ 84,677.05	\$ 87,441.55	\$ 80,476.79	\$ 70,336.63	\$ 68,665.46	\$ 67,574.00	\$ 59,522.03

* Denotes Restricted Accounts

Reason for: Reduction in Cash is due to spending of CARES Act Admin. Fee. - Stocked up on cleaning supplies, masks, gloves and other PPE. Also issued Pandemic Kits to Tenants

Walker Philosophy about Being Informed by
Those Who Should Provide You Information

**Surprises
are for
Birthday's and
Christmas**

Board Responsibilities Before Each Meeting

- Review and Study Agenda and Board Package Materials (especially Financials)
- Let Chair know if you want to include a topic well in advance of date to set meeting
- Be prepared to **ASK QUESTIONS (RELEVANT QUESTIONS)** and/or **Discuss** Agenda items
- Be sure to get an understanding of agenda items (reports, policy concerns related to regulations--may take a while if you are a new Commissioner)

Annual Independent Public Accountant Audit

Auditing Housing Authorities Is Specialized

- Procuring Annual Audit by Qualified Auditor is Responsibility of Board (staff handle process)
- Annual Financial Audit involves financial and operational records Based on National Audit Standards and HUD requirements
- Includes some regulatory compliance items as required by regulations
- Each Board Member should receive a copy of the Audit (audits) and should review the audit (audits)
- Board can Meet with the Auditor and have Auditor present the Audit
- Findings if any should be addressed: Findings may involve funds and serious issues or may be only minor operational issues
- Failure to spend funds as allowed by regulations, or outright criminal use of funds is a major concern for the Board. Miss-Spent funds are always Miss-Spent and may be due back to the Federal Government (Even years after the funds were spent.)

You Want to receive an Audit that is stated to be Unmodified

- An unmodified opinion provides a high level of assurance that a professional, independent examination of financial statements has not revealed any actual or possible material misstatements in those financial statements requiring modification of the Financial Statements.
- An unmodified opinion may still have Minor findings (Note: Most ALL Minor Findings are usually not difficult to correct and are usually the result of minor mistakes related to volume of data processed, lack of training or poor quality control. NOT fraud or dishonesty)

Audit Findings : Board Responsibility

- **Determine if finding are major or minor based on Audit Report**

Major (difficult to correct): Fraud, Embezzlement, Deliberate or Negligent regard for properly procurement or other findings that may be criminal or are serious violations of regulations that could result in sanctions against the Authority or Criminal charges. Board should act and ensure cleared.

Minor (easily corrected): Example: a form not in a tenant file or not dated, very minimal number late annual recertification, rent calculated error (While these should be addressed and action taken, these are not usually criminal) Analyze and understand how administrative mistakes happened and make a plan to correct: can usually be handled by ED and staff and reported to Board. For Review and approval.

Note: repeat of same minor finding in successive years may become major issue.

- **Finding and corrective action determined or reviewed by the Board (Legal Counsel may need to be involved)**
- **Board should Ensure Action is taken and all audit findings are cleared**

Minor findings may also be due to volume of paper handled



Legal and Ethical (Ethical is More than being Legal)

What is Ethics?

Is it beliefs?

Is It Right and Wrong?

Is in Moral fiber?

Is it values?

Does it imply the process by which decisions are made?

Where will you stand ?

Ethics is about Character and Courage and how you meet the challenges that are difficult

- First: Know the Law and rules
- Second : Act on your commitment to do the right thing within the law.
- May create very difficult decisions with competing issues

Conflict of Interest and other Ethical Behavior

- Do you have an Ethics and Conflict of Interest Policy for Board and Staff?
- Do you have an active Written Policy and program to train and inform Board and Staff about ethics policy?
- Do you document that you provide ethical and conflict of interest policies to Board and Staff?
- Do Board Members sign acknowledgement of Conflict of Interest and Ethics Policy documents?
- Do you have a Whistle Blower Policy?

Ethics Policy as outlined In Sarbanes-Oxly Legislation (For Cooperation's) as a Guide

- Requires Statement of Policy and an Implementation Program
- Requires Ethics Program for Board, Staff, Contractors, Partners and Joint Ventures
- Establish Ethical Program Standards and Implementation Requirements
 - For Board Members
 - For Staff
 - For Business Associates
 - Board Oversight/Operational Effectiveness
 - Screening and Excluding Unethical Individuals (Organizations)
 - Promoting and Training Program
 - Enforcement
 - Whistle Blower Policy

Complaints

Develop Policies that place resolution of complaints into a procedure (established process and standard documentation)
(where possible)

- Tenants
- Applicants
- Contractors
- HCV Landlord
- Employees
- Advocates
- Local Leadership(Political Appointees and Elected Officials
- Private Citizens or Private Organizations

Outside influences that the Board May Face Especially the Resident Commissioners

- Political Officials and Appointees
- Resident
- Advocates
- Contractors
- Community Groups
- Family
- Friends
- Applicants

Politics in the Housing Authority

- Intent of law
 - Original Federal intention—Independent Agencies free from local political intervention
 - Most state enabling legislation followed this framework

Critical areas to guard against POLITICAL influence:

- **Waiting List or Eviction**
- **Hiring and firing of Staff**
- **Awarding of Contracts and Purchasing Goods or Services**
- **Property Acquisition or Construction of Units**
- **Any Other Decision Involving Agency Funds or Service Delivery**

Remember people are watching

- **Accountability is greater for those in Power in the public sector**
- **Public Servants are expected to be stewards of public resources and serve with integrity**
- **Many decisions are complex and difficult: Seek guidance**
 - **Bylaws**
 - **PHA Policies**
 - **Federal and or State law/regulations, ACC, Grant Agreements**
 - **Federal Notices and Guidance Letters**
 - **Information and documentation provided by staff**
 - **Retain qualified Legal Counsel**

Keep The Main
Thing the Main
Thing

SOOOOO!

Just what did you get
yourself into?

An amazing
Opportunity to
Serve !!!

**Thank you
for
Your Service**

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