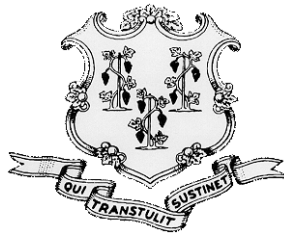


# **Accounting Manual For DECD Financed Housing -Administration Funds And Other Programs**



**State of Connecticut  
Department of Economic and Community Development  
Website: [Http://www.ct.gov/ecd](http://www.ct.gov/ecd)**



**Effective Date: August 1, 2006**

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# Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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## ACCOUNTING MANUAL FOR DECD FINANCED HOUSING -ADMINISTRATION FUNDS AND OTHER PROGRAMS

### PREFACE

The purpose of this Accounting Manual is to provide guidance to entities administering State of Connecticut, Department of Economic & Community Development (DECD) assisted housing programs in the Administration or Management Phase and other related DECD housing programs accounted for in the Administration Fund. **The manual is effective July 1, 2002 and supersedes the LHA Accounting Manual dated 1/1/85 and all the revisions to it.** Personnel of the Department of Economic & Community Development have prepared this Manual. For the purpose of this manual, "Owner/sponsor" means a housing authority, non-profit agency, housing agency, municipality, or any other entity administering a DECD assisted housing program in the management or operational phase and other related DECD housing programs accounted for in the Administration Fund. **This manual does not replace the Limited Equity Cooperative Accounting Manual, which is used to account for LEC's in the operational stage. This manual also excludes For Profit entities and LLC's unless approved for use by DECD.**

This Manual is presented on a regulatory basis for reporting to DECD and is not intended to be in accordance with generally accepted accounting principals (GAAP). Project reporting to DECD must be in accordance with the financial statements contained in this manual. If GAAP reporting is required for a particular audit or other funding source, the DECD project can be converted to GAAP by use of adjusting journal entries prepared by the Owner/sponsor, however the DECD project must continue to be reported on a DECD regulatory basis.

This Manual is provided to assist owners/sponsors in setting up and maintaining a proper accounting system that will allow for the accumulation of accurate accounting data, and timely reporting of financial information, for DECD assisted programs. The Manual is organized by budgetary chart of accounts. The accounts that are needed for a particular program may be obtained from the program's Management Plan and/or Project Financing Plan and Budget.

Some of the accounting procedures and methods defined may not be necessary, others may need to be modified to meet the individual circumstances of a particular program and/or the Owner/sponsor. All modifications must conform to the Department of Economic & Community Development Policies.

Assistance Agreements and Regulatory Agreements governing these programs provide that the Owner/sponsor maintains complete and accurate books and records. These books and records should be set up in accordance with this Accounting Manual and maintained in the State of Connecticut.

This Manual is intended to cover all projects and financial assistance contracts entered into with DECD, which are accounted for through an ongoing Housing Administration Fund under the direction and oversight of the Asset Management Division. Any questions regarding the use of this Manual should be directed to the appropriate DECD program staff. Activity

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should be recorded as accurately as possible by the accounts you feel most properly reflect the transaction. Each DECD program is governed by particular program regulations, policies and requirements that will be used to determine if a particular item or cost is permissible. Some items that are not acceptable to the State Project or State Grant/Loan program may be admissible and properly chargeable to the Local or Matching Share. This Manual is not intended to take the place of specific program requirements and instructions. Any program requirements, regulations, policies, etc. particular to an individual program should be followed. Any questions concerning specific program requirements should be directed to the appropriate DECD program staff.

DECD staff will be available to provide assistance in the understanding of this Manual and should be contacted for any questions regarding interpretation and modification. Any comments or suggestions that you have may be directed to the Audit Section of DECD at (860) 270-8209, (860) 270-8210 or (860) 270-8202. Any questions related to housing programs, accounting definitions and acceptability or allowability of a particular cost or item should be directed to the Asset Management Section at (860) 270-8171, (860) 270-8204 or (860) 270-8195.

It is anticipated that this Manual will need changes as a result of experience with its use, revisions in the program regulations and input from Owner/sponsor users. Therefore, periodically, revisions will be sent to all recipients updating portions of this Manual. Owner/sponsor accountants and program staff administering State-funded programs covered by this Manual are encouraged to furnish the DECD with any suggestions for changes to this Manual based on their experience with its use.

***NOTE: This Manual is not intended to take the place of specific program requirements and instructions. Any other required reports particular to an individual program (i.e., Status Report, copies of Bank Statements, etc.) should continue to be followed and submitted. Any questions concerning specific program requirements should be directed to your DECD project manager.***

## **I. ACCOUNTING PRINCIPLES**

The primary objectives of the accounting system described in this Manual are:

1. To provide management with financial data, to assist in the planning, control, measurement, and evaluation required for efficient, economical, and effective operation of the project or program.
2. To provide management with control of funds and other assets in the custody of the Owner/sponsor, to ensure that the expenditure of funds is in conformity with the current laws and regulations of DECD, to insure, by means of cost control and prudent management, that the most effective use is made of all resources available.
3. To meet the requirements contained in the Assistance Agreement, Regulatory Agreement or Mortgage documents for reporting financial operations.

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4. To maintain accounts at the organizational level where responsibility exists, giving due consideration of the efficiency of the operation, and the availability of accounting data to those who make decisions.
5. To classify and present project costs by cost categories defined in the manual and approved on the individual operating budgets.

## **II. FINANCIAL REPORTING**

Reports are the means by which the results of financial operations and the statement of position are presented by the Owner/sponsor to the DECD. The following principles and standards shall apply in the preparation of financial reports.

1. Reports shall reflect accurately the results of financial transactions, disclose all essential financial data for the period covered, and contain such other information as bears directly on the financial operations and conditions pertinent to the project or program.
2. Reports and statements comparing results obtained in one period with those of another period or comparing the budget to actual amounts are required to be submitted.
3. Project Financial Statements must be submitted on a quarterly basis for the periods ended March 31, June 30, September 30 and December 31, for the term of the contract. These financial statements must be submitted within 30 days from the end of the reporting period.
4. Financial data in each report shall be taken directly from accounting records and must have adequate supporting documentation.
5. An integral part of supporting documentation is the accountant's worksheets. The Examiners of DECD and/or Independent Public Accountants should retain these worksheets for future review and reference.
6. Reports must be submitted on forms provided or acceptable to DECD.

## **III. INTERNAL CONTROL**

The management of each Owner/sponsor shall be responsible for developing and implementing a system of internal controls that will:

- ◆ Safeguard the assets of the organization
- ◆ Assure the accuracy and reliability of accounting data
- ◆ Promote operational efficiency
- ◆ Encourage adherence to prescribed Managerial Policies, State Statutes, and DECD Rules and Regulations

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It is important that each Owner/sponsor observe the following fundamental requirements in establishing an effective system of internal control:

- ◆ An organization plan, which provides for definite placement of responsibility and for specific lines of responsibility.
- ◆ A division of duties between authorization and record keeping so that the activity of one employee acts as a check on those of another. In cases where there is only one employee, the Board Members or an outside fee accountant should perform necessary functions to provide adequate internal controls, such as performing bank reconciliations.
- ◆ The use of forms, documents, and procedures that facilitate control and provide for proper approvals.
- ◆ An auditing trail for documenting compliance with policies and procedures, particularly those relating to transactions reflected in the books and records.

The extent to which the above requirements may be expected to exist is related to the size of the organization. The complete separation of functions and the existence of an internal accounting function are not feasible in an organization with a small number of employees. Even in a small organization, however, a high degree of effective internal control may be obtained by the proper plan of organization and division of duties. For example, no individual should be completely responsible for initiating an order, approving the payment, and signing the check for the same transaction. If one person does have authority to approve an order and to approve the invoice, then another authorized official should sign the check.

The Financial Officer or their representative in setting up or examining the internal controls of the organization may use the controls listed below. These controls are not intended to contain comprehensive coverage of all the points that would normally be covered by an auditor making a detailed review of internal control. They are intended, however, to be a general guide for self-examination by the Owner/sponsor to ensure proper internal controls. Note that not all of them may be required for a particular program.

### Controls:

- (a) All disbursements, except petty cash, must be made by check.
- (b) No checks are to be signed until completely prepared and accompanied by supporting documentation and no checks are to be drawn to “cash” or “bearer” under any circumstances.
- (c) Bank statements are to be independently reconciled by someone other than employees who keep the cash record. The sequence of check numbers is to be accounted for when reconciling the bank statements.
- (d) Checks should not be issued on the basis of verbal approval and a control should be maintained over blank and voided checks.

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- (e) DECD's funds should be maintained in a separate bank account restricted for purposes detailed in the Management Plan or project financing plan and budget (Assistance Agreement).
- (f) Sufficient fidelity bond and monies and securities insurance coverage should be obtained commensurate with the amount of financial risk in accordance with the Department's insurance manual.
- (g) Periodic surprise cash counts and reconciliation of the petty cash fund should be made.
- (h) When checks are submitted for signature, a voucher along with supporting documents should be presented. Original invoices and payment vouchers should be marked "paid" and the check number, date, and account classification number should be posted to the invoice and/or payment voucher to prevent their resubmission. No payments should be made based on billing statements
- (i) Cash receipts should be recorded and deposited daily, intact.
- (j) Other contributions and other income should be recorded as received and should be fully documented.
- (k) A furniture and equipment ledger shall be established and maintained which will provide a perpetual inventory of all moveable assets.
- (l) Payroll checks should be distributed by someone other than personnel involved in the preparation of the payroll.

### **IV. APPLICATION OF ACCRUAL ACCOUNTING:**

The objective of accrual accounting is to recognize expenditures when they occur and revenue is recognized when it is earned, measurable, and collectible, regardless of whether cash was paid or received. The following method of accounting for goods and services received and unpaid at the end of the reporting period is recommended for use by the Owner/sponsor.

Two types of "unpaid bills" need to be recognized in a Owner/sponsor's periodic accounting reports. The first consists of ordinary "bills", invoices for individual purchases, or statements summarizing a month's transactions; e.g., office supplies, telephone charges, are referred to as "accounts payable". The second group encompasses expenses that accumulate, or accrue to some extent automatically with the passage of time. Rent, taxes, payroll, and utilities are examples and are generally referred to as "accrued expenses".

The accrual accounting to be observed by Owner/sponsor in their periodic reports requires that all significant accounts payable and all accrued expenses be included on the balance sheet and operating statement at fiscal year end. This may be accomplished through the use of a formal journal entry to be posted to the general ledger and subsequently reversed when payment



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is made. Care must be made to ensure that accruals are consistently handled to avoid having thirteen (13) months of expenses included in one year and only eleven (11) months of expenses included in the second year, especially in the Congregate Subsidy program where the Congregate Subsidy is closed out at the end of the year based on audited figures and may result in an overpayment in one year and an underpayment in the next year.

Typical quarterly accruals should be made for the following accounts.

1. Acct. 4715-Payment in lieu of Taxes (PILOT) or Taxes-This account should be accrued based on the formula included in the account definition and the sample accounting entries provided in Chapter VIII. This accrual should be made in the event that payment is not made prior to the end of the quarter. If the PILOT payment is made before the end of the quarter, this accrual entry is not necessary, and the cash disbursements journal debit would be to this expense account.
2. Acct. 4716-Administrative Oversight Charge-This account should be accrued based on the quarterly billing from DECD. This accrual should be made in the event that payment is not made prior to the end of the quarter. If the Administrative Oversight Charge payment is made before the end of the quarter, this accrual entry is not necessary, and the cash disbursements journal debit would be to this expense account.
3. Acct. 4810-Provision for Repairs, Maintenance and Replacements and Acct. 4820-Provision for Collection Loss- These accounts should be accrued quarterly based on one-fourth (1/4) of the amount approved in the Management Plan. See also accounting definition and sample accounting entries provided in Chapter VIII.
4. Acct. 4711- Insurance- This expense account should be accrued based on the amount of insurance expired as calculated in the Insurance Register. The original purchase of insurance policies should be charged to Acct. 1211- Unexpired Insurance and the quarterly write-off of expired insurance is charged to this account. See accounting definition and sample accounting entries provided in Chapter VIII.

### **V. ACCOUNTING RECORDS TO BE ESTABLISHED**

Upon execution of an Assistance or Loan Agreement with the DECD, the administering Owner/sponsor must establish books of accounts and related records necessary to record their transactions. In the event that the Owner/sponsor is administering more than one fund or program, such as an Elderly, Congregate and Moderate Rental program, a separate set of books of accounts for each fund or program must be established. In the case of the Congregate program, the owner/sponsor should maintain a single set of books consisting of an administration fund operating statements and an operating statement for congregat services which should be

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accounted for through a single balance sheet. The Rental Assistance Payments, Housing Rehabilitation and Resident Services Coordinator programs should be accounted for through the appropriate housing administration fund in which the program was intended to fund. Books and records must be complete and accurate. The books of original entry must be kept current at all times, and postings must be made at least monthly to ledger accounts. In establishing a financial accounting system, auditing problems can be avoided by keeping DECD project funds separate from other general or operating funds. There shall be no commingling of funds except in cases where a Revolving Fund is utilized. Listed below are the books of accounts and related accounting records that may be needed for recording transactions. This section should be reviewed carefully since some of these records are to be used only in conjunction with specific programs. Sample Exhibits have been provided as a general guide. Owner/sponsor utilizing a computerized/automated accounting system must be capable of producing similar information in order to provide an audit trail and allow for the necessary reporting to DECD.

## **A. GENERAL LEDGER:**

The General Ledger is an account book in which all the fiscal transactions of the Owner/sponsor are posted. It presents, in grouped and summarized form, all of the information that is shown in detail in the books of original entry and in other subsidiary records. This is done through individual account classifications where all like items are grouped together and totaled. The information furnished in the General Ledger deals with assets, liabilities, income, expense and equity or net worth. The essential facts of the balance sheet, statement of program cost and other related statements are compiled from the General Ledger. Further details are secured from the subsidiary records.

A separate General Ledger is to be established for each fund or project, such as the Elderly, Congregate and Moderate Rental projects. Individual General Ledger sheets for each account required shall be established and additional sheets added as needed (See Exhibit A). Most likely, a General Ledger will not require all the accounts shown in this Manual. The Owner/sponsor should use only those accounts necessary to record its transactions. Occasionally, circumstances peculiar to an individual Owner/sponsor may make it desirable to use an account or accounts not provided for in this Manual. Under such conditions, the Owner/sponsor may, with the approval of DECD, establish such additional accounts.

The Owner/sponsor should establish General ledger accounts with separate columns for Debit and Credit Balances (See Exhibit A). The account balance is calculated and is recorded in the appropriate balance column. Each ledger account shows its ending balance at all times.

## **B. CASH RECEIPTS JOURNAL:**

The Cash Receipts Journal should be designed to fit a particular program. (See Exhibit B). Columns should be captioned using the accounts that will be used frequently. All cash received should be recorded in the Cash Receipts Journal promptly upon receipt.

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At the end of the month, the Cash Receipts Journal is totaled. Debits and credits must equal in order for the books to be in balance. The total of each column in the Journal is posted to the general ledger account named in the column heading. The amounts in the miscellaneous column are posted to the individual general ledger accounts as indicated by the account numbers.

### **C. CASH DISBURSEMENTS JOURNAL:**

This section deals with the design of a Cash Disbursements Journal for use in recording checks for payment.

The headings of the columns, starting at the extreme left, should be the Date, Payee, Check Number, Check Amount, General Ledger Account Number, Debit and Credit. A sufficient number of columns should be used for the frequently used program cost accounts. The Owner/sponsor should obtain journal binders and columnar pages that will allow the use of two or more pages in order to accommodate the number of columns required (See Exhibit C).

Each disbursement should be recorded in the Cash Disbursements Journal promptly and be consecutive by check number. The amount disbursed is to be extended to the appropriate column, by account number, using information from the payment voucher or invoice to determine the appropriate account.

As an aid to the Owner/sponsor in assuring that the line items of the *Management Plan and/or Project Financing Plan and Budget* are not exceeded, posting of the Cash Disbursements Journal to the General Ledger should be kept current so that comparisons may be readily available of actual cost with budgeted cost.

When necessary to void a check, it is recommended that the check number be recorded in the Cash Disbursements Journal for purposes of numerical check control. All voided checks must be kept with the checkbook, after marking them as void.

At the end of the month, the Cash Disbursements Journal is totaled. Debits and credits must equal in order for the books to be in balance. The total of each column in the Journal is posted to the general ledger account named in the column heading. The amounts in the miscellaneous column are posted to the individual general ledger accounts as indicated by the account numbers.

Where more than one account is recorded in a column, as under the General Ledger and Miscellaneous columns, the debit or credit amounts must be summarized by account number prior to posting to the General Ledger.

### **D. CHECK VOUCHERS/PAYMENT VOUCHERS:**

A check voucher (Exhibit D) or payment voucher (Exhibit E) shall be used for the disbursement of all funds. Each voucher shall show the date of preparation, the vendor, a brief description and the signature of the person(s) preparing and authorizing the voucher. No invoice

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should be vouchered until it has been examined for price extension and terms. No invoice should be paid until vouchered.

All vouchers and cancelled checks should be filed by check number and shall be made available for examination by Independent Public Accountants and/or the Department of Economic and Community Development. Should the Owner/sponsor desire to keep an accounting of purchases by vendors, a duplicate of the voucher may be filed alphabetically by vendor.

### **E. JOURNAL VOUCHERS:**

Journal vouchers are used to document and record transactions, in the General Ledger and/or Subsidiary Ledgers, which are not recorded from the Cash Receipts or Cash Disbursements Journals. Each journal voucher should detail the transaction recorded and reference related documents or other sources of information, if applicable. Each journal voucher should be signed or initialed by the person preparing the voucher and signed by the person authorized to approve journal vouchers. A method of numbering journal vouchers is to number them consecutively by year and number, for example, the first journal voucher for the year 2002 would be numbered 02-1; the second would be numbered 02-2; etc. Journal vouchers should be filed by year in numerical sequence. A typical journal voucher would be to record the transfer of excess funds from the Unappropriated Retained Earnings account. Within ten days after audit or six months after the end of the fiscal year, the balance of the Unappropriated Retained Earnings account in excess of two months operating expense needs must be transferred to the Retained Earnings Appropriated for RM&R account through a journal voucher. See sample below.

<b>Acct No.</b>	<b>Account</b>	<b>02-1</b>	<b>Debit</b>	<b>Credit</b>
2830	Unappropriated Retained Earnings		50,000	
2830.4	Retained Earnings Appropriated for RM& R			50,000

To record transfer of excess balance of Unappropriated Retained Earnings to Retained Earnings Appropriated for RM&R.

A journal voucher should not be used to record cash transactions. The journal voucher, as illustrated in Exhibit F, was used to record a Rehabilitation Contract awarded to J & M Construction, Inc.

### **F. IN-KIND CONTRIBUTION VOUCHERS:**

In-Kind Contribution Vouchers are used to document all in-kind contributions except personal services (e.g. donated materials, space, etc.). Each voucher should give a description of the contribution, a valuation of the contribution and the basis of valuation. The person authorized to approve In-Kind Contribution Vouchers (See Exhibit G) should approve the voucher. The In-Kind Contribution Voucher, along with other supporting documentation, such as letters from donors, valuation methodology, etc., should be attached to the Journal Voucher recording the transaction.

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## **G. IN-KIND CONTRIBUTION VOUCHERS FOR PERSONAL SERVICES:**

In-Kind Contribution Vouchers of Personal Services are used to document in-kind contributions of personal services. Each voucher should give the number of hours worked and a description of the work done for each day in-kind services is rendered. The voucher should also show the total number of hours, the hourly rate and the total value of the services rendered. A voucher should be filled out weekly for each donor. The voucher should be signed by the donor and approved by the person authorized to approve In-Kind Contribution vouchers (See Exhibit H). The In-Kind Contribution Voucher of Personal Services should be attached to the Journal Voucher recording the transaction.

## **H. PAYROLL AND PERSONNEL RECORDS:**

There are certain basic payroll records which are necessary in order to compile payroll data required by Federal and State Laws; such as, gross earnings, income and social security taxes withheld, and such other deductions as may be required by law or local Owner/sponsor policy. Payroll records are usually kept on a calendar year basis with quarterly sub-totals to facilitate the preparation of required payroll reports.

The type of payroll and leave records maintained will ordinarily depend upon the requirements of the personnel policies adopted by the Owner/sponsor's governing body, the size and organizational structure of the Owner/sponsor and the type of program.

**Employee's Record:** This is the record for maintaining personnel information such as the following:

- ◆ Employee's Name and Address
- ◆ Social Security Number
- ◆ Job Title
- ◆ Date of Employment
- ◆ Date of Termination
- ◆ Date of Birth
- ◆ Salary and/or Hourly Pay Rate
- ◆ Payroll Deductions
- ◆ Number of Dependents
- ◆ Name of Person to be notified in Case of Emergency
- ◆ Other information as may be desired

A separate employee's record may be maintained or may be made part of the individual earnings record.

**Time and Attendance Reports:** Formal time and attendance reports will be necessary to provide information for the preparation of payroll and to maintain adequate control of vacation and sick leave accruals and usage, overtime, holiday work and paid leave, with respect to each employee. Any benefit package or policy must have prior DECD approval.

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## **I. REVOLVING FUND:**

A Revolving Fund is a fund that is set up with a separate bank account and a separate general ledger to facilitate the payment of common expenses of an Owner/sponsor administering more than one program or fund. A revolving fund is not a commingling of funds and should not continue to grow, as in borrowing from one program to pay for another programs expenses.

The purpose of the Revolving Fund is to avoid having to make out a separate check from each program to pay a payroll amount or vendor invoice that is to be prorated or charged to two or more programs.

As noted above, the Revolving Fund is set up with a separate bank account and a separate general ledger. Each project that is to have bills paid by the Revolving Fund on its behalf must advance funds to the Revolving Fund. This advance should approximate two (2) months of average expenses the Revolving Fund will pay out each month for that particular project. The Revolving Fund may be used to pay common expenses. Expenses or payments totally chargeable to one program or fund should be paid directly from those programs/funds and not paid through the Revolving Fund.

Every month each of the programs participating in the Revolving Fund account must reimburse the Revolving Fund for the expenditures it has paid out on behalf of that program.

The payments made by the Revolving Fund for each project are recorded as an accounts receivable in the Revolving Fund General Ledger due from the particular program.

The individual programs participating in the Revolving Fund must record an entry each month to charge the appropriate expense accounts for expenditures that the Revolving Fund has made on its behalf and to credit an Accounts 2119 Accounts Payable – Revolving Fund. The Accounts Payable – Revolving Fund in the individual projects’ general ledgers, must always match the individual Accounts Receivable- Funding Project account by program in the Revolving Fund general ledger.

The accounting transactions required to properly account for the Revolving Fund is set forth below.

To illustrate: The following expenditures were made by the Revolving Fund on behalf of Project No. 000-E-1:

<u>For</u>	<u>Amount</u>
Salaries - Office	\$1,000.00
Office Expenses	200.00
Pension and Other Funds	90.00
Materials and Supplies	<u>150.00</u>
Total	<u>\$1,440.00</u>

## Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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The following entries would be required:

### **REVOLVING FUND BOOKS:**

	<u>Acct. No</u>		<u>Debit</u>	<u>Credit</u>
1.	1129	Sundry Accounts Receivable - Project No. 000-E-1	\$1,440.00	
	1112	Revolving Fund Cash		\$1,440.00
		<i>To record expenditures for the month of July paid by the Revolving Fund on behalf of Project No. 000-E-1</i>		
2.	1112	Revolving Fund Cash	1,440.00	
	1129	Sundry Accounts Receivable – Project No. 000-E-1		1,440.00
		<i>To record reimbursement from Project No. 000-E-1 for expenditures incurred in July.</i>		

### **PROJECT NO. 000-E-1 BOOKS:**

	<u>Acct. No.</u>		<u>Debit</u>	<u>Credit</u>
1.	4120	Salaries – Office	\$1,000.00	
	4151	Office Supplies	200.00	
	4160	Pension and Other Funds	90.00	
	4420	Materials and Supplies	150.00	
	2119	Sundry Accounts Payable - Revolving Fund		\$1,440.00
		<i>To accrue expenditures for the month of July paid by the Revolving Fund on behalf of Project No. 000-E-1.</i>		
2.	2119	Sundry Accounts Payable – Revolving Fund	1,440.00	
	1111	Cash-Checking		1,440.00
		<i>To record reimbursement to the Revolving Fund by Project No. 000-E-1, for expenditures incurred in July.</i>		

### **J. CONTRACT REGISTER:**

A separate Contract Register sheet should be established for each contract award to track contracts, change orders and payments in order to accurately track the contractual obligations (normally required if a Rehabilitation Contract is entered into). (See Exhibit I). If a single contract is awarded for construction or other work relating to the rehabilitation of more than one

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project, a separate Contract Register sheet should be established for the amount of the contract award applicable to each project. Postings to the Contract Register will generally be made from journal vouchers and the cash disbursements journal. The Contract Register should be totaled periodically, but not less often than at the end of each calendar quarter.

### **K. TENANTS' ACCOUNTS RECEIVABLE SUBSIDIARY LEDGER/TENANT LEDGER CARDS:**

A Tenants' Accounts Receivable Subsidiary Ledger is required for maintaining an accounting of the individual receivables, which constitute the balance of the general ledger control Account 1122-Tenants Accounts Receivable. Individual ledger cards or a similar type of record should be maintained for each tenant. Such cards or records should include the following information: Tenant name, phone number, address, person to notify in case of emergency and phone number, employers name and phone number, lease dates, rate of monthly rental charge and amount of security deposit. (See Exhibit J) The total balances of the Tenant Ledger Cards represent the balance of the Tenant Subsidiary Ledger.

The tenant balances per the tenant subsidiary ledger should be reconciled to the General Ledger control balances (Accounts 1122-Tenants' Accounts Receivable and 1123- Vacated Tenants' Accounts Receivable) on a monthly basis.

### **L. DWELLING RENT ROLL:**

A Dwelling Rent Roll should be recorded on a monthly basis to control the total amount of rent to be realized from each unit. Such rent roll should include the following: Rental Income-Base, Rental Income-Excess of Base, Surcharges, Dwelling Vacancy Loss, Rental Assistance Payment (RAP) and Sales and Services to Tenants.

A journal entry should be prepared from the Dwelling Rent Roll and posted to the General Ledger control accounts. (See Exhibit K and K-1)

### **M. INSURANCE REGISTER:**

An insurance register is required for the purpose of maintaining a record of all insurance policies in effect and to provide information necessary for the periodic amortization of premiums. This register serves as a subsidiary record of Acct. 1211-Unexpired Insurance and Acct. 4711-Insurance Expense. It is also a convenient record for the timely renewal of insurance policies as they expire.

The Owner/sponsor should obtain the specific insurance coverage as required and specified in the DECD Insurance Manual. The insurance register columns should be captioned as shown in Exhibit L. A journal entry should be prepared for the quarterly amortization of insurance premiums as documented by the Insurance Register. See also the sample accounting entries for treatment of the accounts.



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### **N. FURNITURE AND EQUIPMENT LEDGER:**

The maintenance of a Furniture and Equipment (F&E) ledger is an integral part of effective control over and accountability for all acquired furniture and equipment. A furniture and equipment ledger is to be established as a subsidiary to the general ledger accounts 1430-Furniture and Equipment and 2813-Valuation of Fixed Assets. These two accounts should always be in agreement. See Exhibit M for a sample F&E ledger.

All purchases of Furniture and Equipment having a useful life of more than one year and an acquisition cost of \$150.00 or more per item should be capitalized. The F&E purchase is normally recorded as a charge to Acct. 2830.4 in the cash disbursements journal and through a memorandum journal entry to Accts. 1430 & 2813. (See Sample Accounting Entry F for the accounting application of F&E.)

Donated F&E should be recorded in this subsidiary ledger and should indicate the estimated value of the item and from whom the property was donated by. If a F&E ledger has never been maintained by a Owner/sponsor, then one should be established by taking a physical inventory and establishing a formal listing of all items of F&E showing quantity, description, location, cost, location of item, serial number, etc. Each item of F&E should have an identification number affixed to it. If it is not possible to identify the original cost of an item, it will be necessary to assign a cost value determined on some reasonable basis. All items of F&E may be recorded in a single subsidiary F&E ledger, though separate ledgers should be kept if required by other funding owner/sponsor. You may wish to tailor the sample ledger shown in Exhibit M to provide additional information.

At least once a year, a physical inventory should be taken to ascertain that there are no missing items and also that all items are located as shown in the records. A physical inventory means a visual inspection and count of all furniture and equipment, except items of equipment (refrigerators and ranges) in occupied dwelling units covered by a tenant receipt. No visual inspection of equipment in occupied dwelling units is required; an inspection of the receipts covering such equipment is sufficient.

Periodically, but not less often than once a year, it should be determined that the aggregate cost or value of all items of furniture and equipment, as shown in the Furniture and Equipment subsidiary ledger, is in agreement with the balance of Acct. 1430-Furniture and Equipment, in the General Ledger. Any differences should be investigated and appropriate entries should be made to correct the differences.

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## **VII. ADMINISTRATION FUND - ACCOUNT DEFINITIONS**

The accounts listed on the Chart of Accounts for the Administration Fund are defined in this section. Questions concerning the clarification of charges and credits not covered by the account definitions should be referred to the Audit and Compliance Section of the Audit & Asset Management Division of the Department of Economic and Community Development, for clarification.

### **1000 ASSETS:**

#### **1100 Cash and Receivables:**

This group of accounts includes all cash accounts and receivables held by a Owner/sponsor in the name of \_\_\_\_\_, or for the benefit of \_\_\_\_\_, a given project. Bank Fund Agreements should be executed for all bank accounts. Contact the Asset Management Division to obtain the appropriate forms.

#### **1111 Cash - Checking:**

This account shall be maintained in connection with the checking account(s). All monies received from or expended for the management and operation of the project shall be recorded in this account, the balance of which shall be kept at an amount consistent with operating needs. When a given fund consists of more than one bank account, such as the use of Reich & Tang bank account, each such bank account shall be designated as a separate sub-account under the applicable fund. For example, if administration funds are deposited in two banks, the bank accounts are designated as Administration Fund No. 1 and Administration Fund No. 2, respectively, and separate ledger accounts are kept for each bank account; the ledger accounts being designated as Account No. 1111.1, 1111.2, etc

#### **1113 Reserve Cash - Savings and Investments:**

The balance in this account shall represent all cash in excess of normal operating requirements. A sub-account shall be maintained for each bank account. Interest earned and recorded on the bank's ledger shall be debited to this account even though not yet entered into the passbook. This account shall include both short-term and long-term investments.

#### **1114 Restricted Cash - Security Deposits**

All funds collected as security deposits are recorded in this account to guarantee performance of the covenants of the lease. In accordance with Connecticut General Statutes Section 47-21a, total funds in this account shall at all times equal or exceed the aggregate of all its outstanding obligations, as reflected in the liability account 2116-Tenants' Security Deposits.

#### **1115 Restricted Cash - Special Deposits:**

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This account is provided for unusual transactions, which may arise such as the deposit of a sum of money in escrow.

## **1116 Restricted Cash - Sales Program:**

The balance of this account shall represent the net receipts and disbursements from the Sales Program. The use of this fund is restricted to the payment of Sales Program Expenditures.

## **1117 Petty Cash Fund:**

The debit balance of this account represents the amount of cash kept on hand for the payment of nominal expenses. No disbursement shall be made from this fund without a petty cash voucher duly signed by the recipient. At all times, the cash and expense vouchers in the petty cash box must equal the total amount of the fund established. To illustrate, the following entries would be required for the establishment and reimbursements to the Petty Cash Fund:

1117	Petty Cash Fund	\$50.00	
1111	Cash-Checking		\$50.00

*To record the establishment of a petty cash fund.*

In addition, this account should be replenished on a monthly basis; e.g., the petty cash expenses for June 20xx are \$10.00 for stamps, and \$5.00 for coffee supplies. The Fund would be replenishes as follows:

4151	Office Expense (stamps)	\$10.00	
4159	Other Office Expenses (coffee)	5.00	
1111	Cash (check written to custodian-petty cash)		\$15.00

*To record reimbursement to the custodian of the Petty Cash for the replenishment of the Petty Cash Fund.*

## **1118 Change Fund:**

The debit balance of this account represents the cash fund made available from the Administration Fund for convenience in making change during rent collection. The amount of cash on hand in this fund should be constant at all times and in the total amount of the fund as established. At all times, the cash and expense vouchers in the change fund must equal the total amount of the change fund established. The Change Fund is maintained and operated independently of the Petty Cash Fund.

## **1122-1156 ACCOUNTS RECEIVABLE:**

This group of accounts shall include all amounts due from other projects, not evidenced by a formal instrument of indebtedness in favor of the Local Owner/sponsor, such as a Note. Separate accounts are provided under this heading, as follows:

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## **1122 Tenants' Accounts Receivable:**

This account shall control the balance of the individual tenant's accounts. At the close of each fiscal quarter, a Journal entry shall be made transferring all prepaid rents to Account No. 2240, Tenants' Prepaid Rents. This entry shall be reversed at the start of the next quarter.

## **1123 Vacated Tenants' Accounts Receivable:**

This account shall be used to control the balance of the active, but vacated, individual tenant's accounts in the process of collection by the Owner/sponsor, or which may have been turned over to an independent collection Owner/sponsor, or outside attorney, for collection. While the tenant is in occupancy, no balance due shall be transferred to this account. The Owner/sponsor shall require its outside rent collector to remit its collections monthly and report on its collection activity, at least quarterly, with respect to the status of all pending accounts. Upon mutual determination by the Local Owner/sponsor and the outside rent collector (if applicable) that any rent account is uncollectible, the account shall then be written off to Allowance for Collection Loss (Account No. 1123.1) after written approval is obtained from the Department of Economic and Community Development (See Asset and Property Management Manual Release No. DOH-105).

### **1123.1 Allowance for Collection Loss**

The credit balance of this account represents the amount reserved and available for future collection losses. This account shall be credited and Account No. 4820, Provision for Collection Loss, shall be debited quarterly with one-fourth ( $\frac{1}{4}$ ) of the amount specified in the approved management plan.

This account shall be charged with the actual amount of past due accounts receivable which have been determined to be uncollectible by the Local Owner/sponsor and have been written off pursuant to formal resolution of the Owner/sponsor and approval by the Department of Economic and Community Development. No account may be written off if the debtor is occupying any rental unit under the jurisdiction of the Owner/sponsor.

A subsidiary ledger shall be maintained of all tenants' accounts written off to this account.

## **1124 Unissued State Subsidy - Congregate:**

This account shall be debited for the amount of the Capital Grant that has been authorized by the Assistance Agreement, but not yet issued. When cash advances are received from the State, this account is credited (See Contra Account No. 2811). The use of sub-accounts is required for each Congregate Subsidy program (e.g. 2000-001-003-033-000-1A = 1124.1A, 2001-001-003-033-000-1B = 1124.1B, etc.).

To illustrate:



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1124.1	Unissued State Subsidy-Congregate	\$30,000.00	
2811.1	State Subsidy Authorized-Congregate		\$30,000.00
	<i>To record State Subsidy authorized on Contract No. 2000-001-003-033-000-1A for fiscal year ended 6/30/01.</i>		
1124.2	Unissued State Subsidy-Congregate	\$40,000.00	
2811.2	State Subsidy Authorized-Congregate		\$40,000.00
	<i>To record State Subsidy Authorized on Contract No. 2000-001-003-033-000-1B for fiscal year ended 6/30/02.</i>		

**NOTE:** See Sample Accounting Entries in Chapter VIII for a complete accounting for the Congregate Program.

### **1125 Housing Assistance Payments Receivable:**

This account shall be debited monthly with the amount of rent subsidy receivable from the Department of Economic and Community Development as reflected on HUD-Form 52670 and 52670A (See New Construction and Substantial Rehabilitation Schedule of Housing Assistance Payments).

For example, assume HUD Form 52670, part 1, Cumulative Total for Housing Assistance payment is \$5,200.00 which includes an amount of \$200 for a tenant receiving a utility reimbursement, and cumulative total for Rent Payable by Family is \$1,000.00. The following entry would be made to record the monthly rental income:

1122	Tenants' Accounts Receivable	\$1,000.00	
1125	Housing Assistance Payment Receivable	5,200.00	
1122	Tenants' Accounts Receivable (Utility Reimb.)		200.00
3100	Rental Income – Base (Contract Rent)		\$6,000.00
	<i>To record Rent Roll for the month of July which includes an amount of \$200 due to a tenant for utility reimbursement.</i>		

1111	Cash	6,200.00	
1122	Tenants' Accounts Receivable		1,000.00
1125	Housing Assistance Payments Receivable		5,200.00
	<i>To record cash received for the month of July from tenants and from DECD based on HAP requisition of \$5,200.00.</i>		

1122	Tenants' Accounts Receivable	200.00	
1111	Cash		200.00
	<i>To record payment to tenant based on utility reimbursement.</i>		

### **1126 Rehabilitation Funds Receivable:**

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The debit balance of this account represents rehabilitation funds due to the Owner/sponsor from the State as a result of an executed Loan or Grant Agreement. The use of sub-accounts are required if there are multiple ongoing rehabilitation grant/loan programs. (e.g. 2000-000-001-003-1 = 1126.1, 2001-000-001-003-2 = 1126.2, etc.)

Note: An example of the accounting entries needed to properly account for Rehabilitation programs are shown in the Sample Accounting Entries section of this manual.

For example, assume that an assistance agreement, between the Owner/sponsor and the State is executed in the amount of \$500,000.00. The following entry would be made:

1126	Rehabilitation Funds Receivable	\$500,000.00	
2820	Rehabilitation Funds Authorized		\$500,000.00

*To record execution of DECD Rehabilitation Contract No. 2001-000-001-003-1.*

Upon the receipt of funds from the Department of Economic and Community Development, the following entry would be recorded as follows:

1111	Cash	\$97,000.00	
1126	Rehabilitation Funds Receivable		\$97,000.00

*To record advances from DECD of \$97,000.00.*

## **1128 Accounts Receivable-Ineligible Program Costs:**

The debit balance of this account represents program costs that have been determined by DECD to be ineligible as a charge to either a DECD Grant Program or the DECD Administration Fund Project. These ineligible costs must be reimbursed from a source other than a DECD funded program or project.

## **1129 Sundry Accounts Receivable:**

The debit balance of this account shall include, but not necessarily be limited to, such items as amounts due from vendors through overcharges, which have been noted subsequent to payment of bills, refunds due on State Contracts (Housing Rehabilitation, RAP, Congregate Subsidy, RSC, etc.). Accounts shall be maintained with each individual firm, organization, or other entity, in a subsidiary Sundry Accounts Receivable Ledger to be controlled by this account.

## **1145 Accrued Interest Receivable:**

The balance represents interest accrued on investment accounts.

## **1155 Advances to Revolving Fund:**

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The debit balance in this account shall equal the amount advanced to the Revolving Fund, which is used to pay all the bills of the Local Owner/sponsor. This advance shall not be higher than the average periodic reimbursement.

### **1156 Advances for Travel:**

The debit balance of the account represents cash advances to individuals for travel authorized by the Board of Directors/Commissioners. Upon approval of travel expense vouchers, this account will be credited and Account No. 4153 (Travel) will be debited.

### **1200 DEFERRED CHARGES AND PREPAYMENTS:**

All accounts in this group shall be adjusted to reflect their actual balance as of the date of preparation of Balance Sheet and Operating Statements.

### **1211 Unexpired Insurance:**

The balance in this account shall consist of unexpired insurance premiums. An Insurance Register showing the amount of unexpired premiums and quarterly expenses should support the account. See sample accounting entries in Chapter VIII and sample exhibit in Chapter IX.

Insurance, when purchased, shall be charged to this account, a portion of each policy expiring in the current quarter, as shown on the Insurance Register, shall be credited to Account No. 1211 and debited to Account No. 4711-Insurance.

### **1212 Anticipated Dividends:**

This account shall be charged with the amounts of all anticipated dividends. Once the dividends are received, this account shall be credited and Acct. 1111-Cash Checking shall be debited.

### **1269 General Stores:**

Charges to this account shall include all purchases of materials and supplies, such as, paint, paintbrushes, turpentine or other thinners, and drop cloths; it shall also include items of materials and supplies, and hand tools bought for maintenance or repairs, which are held in storerooms for issuance as, needed. It shall not include such items as ladders, steamers, blowtorches, or mechanical tools, which should be charged to Account No. 4440-Maintenance Shop and Equipment Expense. Physical inventories of general stores should be taken and valued at least twice each year and the balances in these inventory accounts should be adjusted to agree with such valuation. When these items are removed from General Stores and used, the value should be debited to Acct. 4420-Materials and Supplies and credited to 1269-General Stores.

### **1400 FIXED ASSETS:**

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This group of accounts shall include Development Cost, Furniture and Equipment, and Capital Improvements - State Rehab. Grants/Loans.

## **1405 Development Cost:**

The debit balance of this account shall represent all eligible costs and expenses of development projects, which have been capitalized in accordance with a contract between the State of Connecticut and the Owner/sponsor.

Note: The entry to record Development Cost will be made by Department of Economic and Community Development Examiners at the close out of a Development Fund.

## **1430 Furniture and Equipment:**

This account shall consist of the cost or value of nonexpendable furniture and equipment. Nonexpendable furniture and equipment is defined as items of furniture and equipment having a useful life of more than one year and an acquisition cost of \$250.00 or more per item, the cost of which is treated as a capital expenditure, must be paid from RM&R and meet the requirements of DECD's RM&R policy (The dollar threshold to be capitalized is subject to change periodically by DECD notification). It shall include such items as office furniture and equipment, motor vehicles, stoves, refrigerators, washers, dryers, maintenance equipment, etc. All furniture and equipment shall be properly identified as being the property of the Owner/sponsor and shall be controlled through General Ledger Accounts 1430-Furniture and Equipment and 2813-Valuation of Fixed Assets. General Ledger Accounts 1430 and 2813 are memorandum accounts used for recording capitalized Furniture and Equipment which, when purchased, are charged to Account 2830.4-Retained Earnings Appropriated for Repairs, Maintenance and Replacements. Accounts 1430 and 2813 should always equal. These memorandum accounts are also used to record the disposition of Furniture and Equipment, which shall be recorded by debiting Account 2813-Valuation of Fixed Assets, and crediting Account No. 1430-Furniture and Equipment for the value of the disposed item in the Furniture and Equipment Ledger. Sub-accounts (1430.1, 1430.2, etc.) may be maintained by the Owner/sponsor in the Furniture and Equipment subsidiary ledger, but are not required in the General Ledger. A Furniture and Equipment subsidiary ledger shall be maintained for each item of nonexpendable furniture and equipment which will show as a minimum, description of property, date of purchase, the cost of the property, the project number to which the cost was charged, etc. (A sample Furniture and Equipment Ledger is provided as an Exhibit).

The following illustrates the entries to record the purchase of a new computer costing \$800.00. (See also Account 2813-Valuation of Fixed Assets for sample entries).

### Cash Disbursements Journal

2830.4 Retained Earnings Appropriated for Repairs, Maintenance and Replacements	\$800.00	
1111 Cash – Checking		\$800.00

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## Journal Voucher or Cash Disbursements Journal

1430	Furniture and Equipment	\$800.00	
2813	Valuation of Furniture and Equipment		\$800.00

*To record purchase of new computer costing \$800.00.*

**NOTE:** Account 1430-Furniture and Equipment for \$800.00 should also be recorded in the Furniture and Equipment subsidiary ledger and should include as a minimum, all the information shown in the Sample Furniture and Equipment Ledger.

## **1440 Capital Improvements – State Rehabilitation Grants/Loans:**

This asset account shall consist of the cumulative total of State of Connecticut Rehabilitation Grants and Loans capitalized at the completion of a final audit of a Rehabilitation grant/loan program. This account shall include only the State funds (grants and loans) required and expended applicable to a Rehabilitation program. It will not include Owner/sponsor funds (R.M & R) expended to complete a Rehabilitation program.

To illustrate: Presume that the total Rehabilitation Program Expenditures (Account 1503) for a Rehabilitation Grant Contract were \$170,000.00. Of this total, \$160,000.00 of State funds were required and expensed and \$10,000.00 of Owner/sponsor funds were required and expended. The entry that would be necessary at the completion of the Rehabilitation program is as follows:

1440	Capital Improvements - State Rehabilitation Grants/Loans	\$160,000.00	
2821	Capital Grant by the State of CT-Rehabilitation		\$160,000.00

*To capitalize the State Grant cost of the Rehabilitation Grant. The 1440 account is debited and 2821 is credited for the amount of State grant funds required and expended to complete the Rehab. Contract).*

**NOTE:** An example of the accounting entries needed to properly account for Rehabilitation programs is in Chapter VIII - Sample Accounting Entries section of this manual.

## **1500 CLEARANCE:**

This group of accounts includes all items, the charging of which is suspended pending the determination of the particular cost or expense account to be charged. Separate accounts shall be maintained under this heading as follows:

### **1501 Payroll Clearance:**

This account is charged at the end of each payroll period with the gross payroll for salaries and wages to be distributed to cost or expense accounts. Upon completion of the Payroll

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Summary Analysis, this account should be credited with the total amount of salaries and wages distributed which should be in agreement with the previous amount charged.

## **1502 Insurance Claims Clearance:**

(a) This account is charged with the cost of repairing, restoring or replacing losses or damage to property covered by hazard insurance. Cost incurred for making, processing, or expediting the claim against the insurance company are also charged to this account.

(b) A file shall be maintained for each loss covered by hazard insurance, shall include copies of all documents and correspondence relating to the loss, a record of costs incurred in repairing, restoring or replacing the loss or damage; the cost of making the claim, and the amount and ultimate disposition of the claim. No accounting entry is made when the claim is filed; however, when the claim is settled, the amount of the settlement is credited to Account No. 1502- Insurance Claims Clearance. The balance of the account shall be transferred to either Extraordinary Income or Expense.

(c) This account shall also be charged with the amount of the claim against surety and bonding companies arising out of losses covered by fidelity bonds. The account to be credited when such claim is charged will depend on the circumstances. When the claim is settled, the amount of the settlement shall be credited to this account, and the difference, if any, between the amount of the claim and the settlement handled in the same manner as for losses covered by hazard insurance.

In accordance with Asset and Property Management Manual Release No. DOH-102, property damage of \$1,000.00 or more shall be reported to the Administrator of Insurance, Department of Administrative Services and the Asset Management Division of DECD if the Owner/sponsor purchases the insurance policy through the State administered Master Insurance Policy. If the Owner/sponsor does not utilize the Master Insurance Policy, only DECD shall be notified.

The State of Connecticut will be included as payee on settlement checks in excess of \$1,000.00. These checks must be sent to the Department of Economic and Community Development for endorsement and release.

## **1503 Rehabilitation Program Expenditures:**

The debit balance of this account represents all eligible costs and expenses of the rehabilitation project, which have been capitalized in accordance with the Assistance Agreement. (Whether they were paid with State funds or Owner/sponsor funds.)

To illustrate: Presume that the Owner/sponsor has purchased storm windows under a rehabilitation contract at a cost of \$5,000.00.

1503	Rehabilitation Program Expenditures	\$5,000.00	
1111	Cash		\$5,000.00

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*To record rehabilitation expenditures paid.*

(This account should be supported by an analysis of expenses in accordance with line items approved per Project Financing Plan & Budget.)

Note: At the completion of the final audit, this account will be closed to Account 1440-Capital Improvements-State Rehab. Grants/Loans for the total amount of State funds expended (capitalized) and Account 2830.4-Retained Earnings Appropriated for R M & R for the amount of Owner/sponsor funds expended to complete the Rehabilitation program.

The use of sub-accounts are required if there are multiple ongoing rehabilitation grant/loan programs. (e.g. 2000-000-001-003-000-1 = 1503.1, 2001-000-001-003-000-2 = 1503.2, etc.)

Note: An example of the accounting entries needed to properly account for Rehabilitation programs are shown in the Sample Accounting Entries in Chapter VIII.

## **1504 Net Program Cost Congregate - Contract No.**

This account represents the difference between congregate income (7000 Accounts) and congregate expenses (8000 and 9000 Accounts). The congregate income and expense items are closed into this account at the end of the fiscal year and are reported in this account on interim financial reports. This account balance remains on the books until the program cost is audited. The use of sub-accounts is required for each Congregate Subsidy program (e.g. 2000-000-002-033-000-1A = 1504.1A, 2000-000-002-033-000-2B =1504.2B, etc.)

To illustrate: At the end of a fiscal year.

Congregate Service Income (7000 Accounts)	\$20,000.00
Congregate Services Expense (8000 Accounts)	45,000.00
Congregate Services Expanded Core Services (9000 Accounts)	15,000.00

1504	Net Program Cost - Congregate		\$40,000.00
7000	Congregate Services Income		20,000.00
8000	Congregate Core Services Expenses		\$45,000.00
9000	Congregate Expanded Core Services		15,000.00

*To close Congregate Services Income and Expense Accounts at fiscal year end.*

Note: See Sample Accounting Entries in Chapter VIII for complete Accounting Application for the Congregate Program.

## **1505 Incompleted Contracts:**

This account shall be debited with the total amount of all contracts and change orders and shall be credited with the value of work completed as indicated by contractor's estimates and/or invoices (including retentions). This account is contra to Account No. 2111- Contract Awards.

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## **1507 RAP Subsidy Payments-Elderly Program Only:**

This account shall be debited monthly with the total amount of DECD Rental Assistance Subsidy due on behalf of the tenants paying less than the Base Rent. It shall represent the difference between the Base Rent chargeable to the unit as evidenced by the Management Plan and the amount of Base Rent due from the tenant as calculated on the Rent Calculation Worksheet. This account balance shall remain on the books until the RAP Grant is audited and closed out.

## **1508 Resident Services Coordinator Expenses-Elderly Program Only:**

This account shall be debited with the salaries, payroll taxes and fringe benefits for employees or consulting fees paid to the Resident Services Coordinator based on the terms and conditions of the Assistance Agreement between DECD and the Owner/sponsor.

## **1509 DECD Rental Subsidy (RAP for Congregate Program):**

This account shall be debited monthly with the total amount of DECD Rental Subsidy due on behalf of the tenants paying less than the Base Rent. It shall represent the difference between the Base Rent chargeable to the unit as evidenced by the Management Plan and the amount of Base Rent due from the tenant as calculated on the Congregate Housing Rent Calculation Worksheet.

## **2000 LIABILITIES:**

### **2100 CURRENT LIABILITIES:**

This account group shall include all payables and accruals of the Owner/sponsor as indicated by the account designations that follow. Separate accounts shall be maintained under this heading as follows:

#### **2110 Administration Fund Creditors:**

The credit balance of this account represents the amounts due and payable from the Administration Fund for expenditures which have been incurred and invoiced, but which have not been paid.

#### **2111 Contract Awards:**

This memorandum account that is contra to Account No. 1505- Incompleted Contracts, shall be credited with the total amount of all contracts and change orders and shall be debited with the value of work completed as indicated by contractor's estimates and/or invoices (including retentions).



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## **2112 Contract Retentions:**

The credit balance of this account represents amounts withheld from payment of contracts. All retentions should be in accordance with provisions of the contract.

## **2113 ALSA Escrow-DSS and DECD Participants:**

This account shall be used as an escrow account to reflect the receipts and payments for tenants that are participants in the ALSA program that are subsidized by the Department of Social Services (DSS). The account shall be credited for the amount of ALSA charge due from a tenant who is also a DSS client on the ALSA program based on the Congregate Housing Worksheet. This account shall be debited for the tenant contribution/DSS applied income paid by the tenant each month and held by the Managed Residential Community (MRC) until payment is made to the ALSA provider to cover the cost of services provided on behalf of that tenant.

## **2116 Tenants' Security Deposits:**

(a) The balance in this account shall be equal to the amount of security deposits paid by tenants. If the Owner/sponsor elects to collect Security Deposits, the amount is limited to one month's rent for tenants sixty-two years of age and over and two months rent for tenants under sixty-two years of age as stipulated by Chapter 10 of the Asset and Property Management Manual.

In accordance with Section 47a-21 through 47a-22a of the Connecticut General Statutes, in elderly or congregate housing projects, the Owner/sponsor shall return any security deposits, with interest, at a rate of not less than the percentage established by the State Department of Banking per annum, to any tenant who has resided in such housing for at least one year. The Owner/sponsor must also pay interest on tenant security deposits in accordance with the interest rate established by the State Department of Banking for a particular year.

## **2117 Payroll Deductions:**

The credit balance of this account from represents all amounts deducted from employees' salaries. Sub-accounts shall be maintained as follows:

- 2117.1 Withholding Tax
- 2117.2 F.I.C.A. Tax
- 2117.3 Bonds
- 2117.4 Health Care/Dental
- 2117.5 Pensions
- 2117.6 Other Miscellaneous Deductions

## **2119 Sundry Accounts Payable:**

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The credit balance of this account represents all accounts payable not allocable to other specific accounts provided in the 2100 group.

## **2120 Undistributed Proceeds - Sales Program:**

The balance of this account shall represent the net of income to and disbursements from the Sales Program. (Account No. 1116 Contra.)

## **2130 ACCRUED LIABILITIES:**

This group of accounts shall include all items of cost or expense applicable to the current period, which will be paid in subsequent periods.

## **2131 Accrued Interest and Principal - Mortgage:**

The credit balance of this account shall represent unpaid interest and principal due to the State of Connecticut as evidenced by the Department of Economic and Community Development billing as of the end of the reporting period.

This account shall be credited quarterly with the amount of principal and interest due, as billed by the Department of Economic and Community Development, which has not been paid by the due date, and shall be charged with payments made for the purpose of liquidating this liability.

As an example, assume that the quarterly billing for principal is \$3,000.00 and interest is \$2,000.00. The entry that would be made to record the billing is as follows:

4717	Interest Expense	\$2,000.00	
4910	Principal Payment - Mortgage Loan	3,000.00	
2131	Accrued Interest and Principal – Mortgage		\$5,000.00
	<i>To record accrued principal and interest due for the quarter ending_____.</i>		

**NOTE:** When payment is made, the liability account Accrued Interest and Principal is debited and Cash is credited. Also, a journal voucher will be recorded to reduce Mortgage Indebtedness by debiting Debt Retirement - Mortgage Loan (2313.1) and crediting Mortgage Loan Liquidation (2825) for principal payments made on the loan.

## **2131.1 Accrued Interest and Principal - Rehabilitation Loan:**

The credit balance of this account shall represent unpaid interest and principal due to the State of Connecticut as evidenced by the Department of Economic and Community Development billing as of the end of the reporting period. Sub-accounts shall be maintained for each loan under Account No. 2131.2, 2131.3, etc.

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## **2135 Accrued Salaries & Wages:**

The credit balance of this account represents the amount of salaries and wages accrued and unpaid. This account is used to reflect the liability of the project for salaries and wages accrued to the end of an accounting period, but not payable until the following period.

### **2135.1 Accrued Compensated Absences:**

The credit balance of this account represents the amount of future benefits employees have earned but have not used. Compensated absences include vacation, vested sick leave, and earned compensatory time. This account includes both the direct compensated absence cost and associated employer payroll expenses (employment taxes, pension cost, etc.). (See Sample Accounting Entries in Chapter VIII for further explanation and a complete accounting for Compensated Absences.)

### **2136 Accrued Administrative Oversight Charge:**

The credit balance of this account represents unpaid administrative oversight charges due to the Department of Economic and Community Development.

### **2137 Accrued Liability to Municipalities in Lieu of Taxes (or Ad Velorem Taxes, if applicable):**

The credit balance of this account represents the amount accruing to the local municipality in lieu of taxes in accordance with Section 8-71 and 8-118a of the General Statutes.

### **2139 Accrued Payroll Taxes:**

The credit balance of this account represents the Owner/sponsor's contribution towards payroll taxes.

## **2200 DEPOSITS AND DEFERRED CREDITS:**

This group of accounts shall include all liabilities for deposits made by others, and amounts received in payment for services to be rendered at a future date. Separate accounts are provided under this heading as follows:

### **2240 Tenants' Prepaid Rent:**

This credit account will appear in the General Ledger only at the close of a quarter. All prepaid rents will be transferred from Tenants' Accounts Receivable to this account by Journal entry.

## **2300 LONG - TERM LIABILITIES:**

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This group of accounts shall include all outstanding indebtedness to the State of Connecticut that may be evidenced by Certificates of Indebtedness. Separate accounts are provided under this heading as follows:

## **2313 Indebtedness to the State of Connecticut - Mortgage:**

This account shall represent the principal amount of indebtedness to the State of Connecticut at the time the Development Fund is closed.

### **2313.1 Debt Retirement - Mortgage Loan:**

This account shall be charged with all payments made to the State of Connecticut to reduce the outstanding principal indebtedness. The difference between this account and the amount shown in Account No. 2313 will at all times be the principal amount due the State.

## **2314 Indebtedness to the State of Connecticut – Rehabilitation Loan:**

This account shall represent the amount of principal indebtedness due to the State of Connecticut at the time the Rehabilitation Program is closed.

### **2314.1 Debt Retirement - Rehabilitation Loan:**

This account shall be charged with all amounts that reduce rehabilitation indebtedness principal.

As an example, the quarterly billing for principal is \$2,000.00 and interest is \$1,000.00 is paid. The entry to record the payment follows:

4717	Interest Expense	\$1,000.00	
4920	Principal Payment - Rehabilitation Loan	2,000.00	
1111	Cash		\$3,000.00
	<i>To record payment of principal and interest for the quarter ended _____.</i>		

NOTE: The following memorandum entry would also be made to record the loan retirement for the principal amount paid:

2314.1	Debt Retirement - Rehabilitation Loan	\$2,000.00	
2826	Rehabilitation Loan Liquidation		\$2,000.00
	<i>To record principal amounts paid on Rehabilitation loan.</i>		

## **2800 EQUITY:**

The heading for this group of accounts is as follows:

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## **2810 Capital Grant by the State of Connecticut:**

This account shall represent the amount of the Capital Grant by the State of Connecticut capitalized at the time the Project Development Fund is closed.

### **2810.1 Contribution by the State of Connecticut - Interest Earned on Development Advances:**

This account shall represent the amount of Interest Earned on State of Connecticut Development Fund advances applied toward the Development Cost of a project with the approval of the Department of Economic and Community Development. NOTE: This entry will be made by Department of Economic and Community Development Examiners at Development Fund close out.

## **2811 State Subsidy Authorized - Congregate:**

This account shall be credited for the amount of the Capital Grant that has been authorized by the Assistance Agreement. (Contra Account No. 1124.) The use of sub-accounts is required for each Congregate Subsidy program (e.g. 2000-000-002-033-000-1A= 2811.1A, 2001-000-002-033-000-1B = 2811.1B, etc.)

To illustrate:

An Assistance Agreement for a congregate subsidy in the amount of \$25,000.00 is authorized.

1124.1 Unissued State Subsidy – Congregate	\$25,000.00
2811.1 State Subsidy Authorized – Congregate	\$25,000.00

*To record State Subsidy authorized on Contract No. 2000-000-002-033-000-1A.*

A cash advance is recorded in the amount of \$10,000.00:

1111 Cash	\$10,000.00
1124.1 Unissued State Subsidy – Congregate	\$10,000.00

*To record receipt of DECD Congregate Subsidy advance.*

NOTE: See Sample Accounting Entries in Chapter VIII for complete Accounting Application for the Congregate Program.

## **2813 Valuation of Fixed Assets:**

Credits to this account will consist of the cost or value of nonexpendable furniture and equipment having a useful life of more than one year and an acquisition cost of \$250.00 or more per item, the cost of which is treated as a capital expenditure. (The dollar threshold to be capitalized is subject to change periodically by DECD notification). Also refer to the DECD RM&R Policy. This memorandum account shall always be in agreement with Account 1430-Furniture and Equipment. Accounts 1430 and 2813 should also agree with the balance of items

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in the Furniture and Equipment subsidiary ledger. See Account No. 1430-Furniture and Equipment for further explanation.

If an inventory has never been established, a physical inventory should be taken and the Furniture and Equipment previously charged to the Repairs, Maintenance, and Replacements Reserve should be reviewed and inventoried and their value should be recorded on the books at cost, if determinable. If the original cost cannot be determined, one dollar (\$1.00) or some other reasonable dollar value should be assigned to each item of Furniture and Equipment.

To illustrate, presume that, the inventory of assets consists of the following:

Note: Sub-accounts may be maintained by the Owner/sponsor in the Furniture and Equipment subsidiary ledger, but are not required in the General Ledger.

<u>Item</u>	<u>Cost</u>
Simplicity 5 H.P. Tractor	\$ 2,000.00
Chevy Impala 2001	21,000.00
IBM Computer	<u>1,700.00</u>
	<u>\$24,700.00</u>

The entry that would be made to record the above assets is:

1430	Furniture and Equipment	\$24,700.00
2813	Valuation of Fixed Assets	\$24,700.00
	<i>To record the value of fixed assets (inventoried) which were previously charged only to Retained Earnings Appropriated for Repairs, Maintenance and Replacements account.</i>	

Subsequent to the establishment of a Furniture and Equipment inventory which was recorded on the general ledger, all capital expenditures for assets, (Furniture and Equipment) which are purchased shall be recorded and charged as follows:

2830.4	Retained Earnings Appropriated for Repairs, Maintenance and Replacements	\$3,500.00
1430	Furniture and Equipment	3,500.00
1111	Cash Checking	\$3,500.00
2813	Valuation of Fixed Assets	3,500.00
	<i>To record the purchase of a lawnmower costing \$3,500.00.</i>	

If a lawnmower costing \$2,000.00 and having a trade-in value of \$500.00 were included in the above transaction, the following entries would be made:

2813	Valuation of Fixed Assets	\$2,000.00
1430	Furniture and Equipment	\$2,000.00
	<i>To remove the used lawnmower, which was traded-in, from the inventory.</i>	

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1430	Furniture and Equipment	3,500.00
2830.4	Retained Earnings Appropriated for	
	Repairs, Maintenance and Replacements	3,000.00
1111	Cash	3,000.00
2813	Valuation of Fixed Assets	3,500.00

*To record the purchase of a new lawnmower costing \$3,500.00, less a trade-in of \$500.00 for a used mower.*

**2814 Contribution by the Municipality:**

This account shall represent the total amount of contributions made by the Municipality. It shall include cash contributions, assessed value of land grants, and development costs of any municipal improvements, such as, streets, sewers, etc., contributed to the development of the project.

**2814.3 Gifts and Donations:**

This account shall be used during project development and continued under project management to record and accumulate all cash gifts given by persons, organizations and clubs. Expenditures, when made, in carrying out the purpose of the cash gifts, shall be charged to this account.

**2820 Rehabilitation Funds Authorized:**

The credit balance of this account represents the total amount of funds authorized as evidenced and to the extent of a signed Assistance Agreement. The use of sub-accounts are required if there are multiple ongoing rehabilitation grant/loan programs (e.g. 2000-000-001-003-1 = 2820.1, 2001-000-001-003-2 = 2820.2, etc.)

To illustrate:

1126	Rehabilitation Fund Receivable	\$500,000.00
2820	Rehabilitation Fund Authorized	\$500,000.00

*To record execution of DECD Rehabilitation Contract No. 2000-000-001-003-1.*

See Sample Accounting Entries in Chapter VIII for complete Accounting Application for the Rehabilitation Program.

**2821 Capital Grant by the State of Connecticut - Rehabilitation:**

This equity account shall consist of the cumulative total of State of Connecticut Rehabilitation Grants capitalized at the completion of a final audit. This account shall include only the State Grant funds required and expended applicable to a Rehabilitation program. It will not include Owner/sponsor funds (R.M & R) expended to complete a Rehabilitation program.

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To illustrate: Presume that the total Rehabilitation Program Expenditures (Account 1503) for a Rehabilitation Grant Contract were \$170,000.00. Of this total, \$160,000.00 of State funds were required and expensed and \$10,000.00 of Owner/sponsor RM&R funds were required and expended. The entry that would be necessary at the completion of the Rehabilitation program is as follows:

1441	Capital Improvements - State Rehab. Grants/Loans	\$160,000.00	
2821	Capital Grant by the State of CT-Rehabilitation		\$160,000.00

*To capitalize the State Grant cost of the Rehabilitation Grant. The 1440 account is debited and 2821 is credited for the amount of State grant funds required and expended to complete the Rehab. Contract).*

**NOTE:** An example of the accounting entries needed to properly account for Rehabilitation programs is included in the Sample Accounting Entries section of this manual.

## **2825 Mortgage Loan Liquidation:**

This memorandum account shall be credited with all principal payments made on the State Mortgage. (Note: The offsetting debit will be made to Account No. 2313.1- Debt Retirement-Mortgage Loan.

## **2826 Rehabilitation Loan Liquidation:**

This memorandum account shall be credited with all principal payments made on the State Rehabilitation Loan. (Note: The offsetting debit will be made to Account No. 2314.1- Debt Retirement-Rehabilitation Loan). See account 2314.1 for sample entries.

## **2827 Rental Assistance Program (RAP) Authorized-Elderly Program Only:**

The credit balance of this account represents the total amount of Rental Assistance Program funds authorized as evidenced and to the extent of a signed Master Assistance Agreement and the annual budget authority authorized by the Certification and Tenant Rent Roll. The use of sub-accounts are required if there are multiple ongoing Rental Assistance Programs (e.g. 2000-000-001-102-000-1A = 2827.1A, 2001-000-001-000-102-1B = 2827.1B, etc.)

## **2827.1 Rental Assistance Program (RAP) Unissued-Elderly Program Only:**

The debit balance of this account represents RAP funds due to the Owner/sponsor from the State as a result of an executed Assistance Agreement. The use of sub-accounts are required if there are multiple ongoing elderly RAP programs. (e.g. 2000-000-001-102-000-1A = 2827.1A, 2001-000-001-000-102-1B = 2827.1B, etc.)



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## **2828 Resident Services Coordinator (RSC) Grant Authorized-Elderly Program Only:**

The credit balance of this account represents the total amount of Resident Services Coordinator Funds authorized as evidenced and to the extent of a signed Assistance Agreement. The use of sub-accounts are required if there are multiple ongoing RSC programs (e.g. 2001-000-001-107-000-1A = 2828.1A, 2001-000-001-107-000-1B = 2828.1B, etc.)

## **2828.1 Resident Services Coordinator (RSC) Grant Unissued – Elderly Program Only:**

The debit balance of this account represents RSC funds due to the Owner/sponsor from the State as a result of an executed Assistance Agreement. The use of sub-accounts are required if there are multiple ongoing RSC programs. (e.g. 2001-000-001-000-107-1A = 2828.1A, 2001-000-001-000-107-1B = 2828.1B, etc.)

## **2830 Unappropriated Retained Earnings:**

This account shall be debited for the amount of the net loss for the fiscal year end and credited with the amount of net gain for the fiscal year end. No charges, other than operating losses, shall be made to this account without the prior approval of the Department of Economic and Community Development. Within ten days after audit or six months after end of fiscal year, the balance of this account in excess of two months operating expense needs must be transferred to the Retained Earnings Appropriated for RM&R account (Acct. 2830.4).

## **2830.1 Income and Expense Clearance:**

This account is a temporary account and represents the results of operations at the end of the year, prior to the closing of the books. The balance of this account shall be transferred to Account No. 2830- Unappropriated Retained Earnings, at year-end.

## **2830.2 Prior Year Adjustments:**

This account is to be debited and credited with items of expense and income applicable to a prior fiscal year, which have been discovered subsequent to the closing of the books for that year; all such adjustments must be documented. No transaction under \$100.00 shall be recorded in this account. The balance of this account shall be transferred to Account No. 2830- Unappropriated Retained Earnings, at year-end.

## **2830.3 Retained Earnings Appropriated for Development Improvements:**

This account shall be credited with transfers from closed Development Funds. The use of these funds is restricted to specific projects as approved by the Department of Economic and Community Development; and expenditures for such projects are charged to this account.

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## **2830.4 Retained Earnings Appropriated for Repairs, Maintenance and Replacements:**

It is the purpose and function of this account to set aside, in sufficient amounts and in an orderly manner, funds to meet adequately the costs of future major repairs and/or replacements, and thereby avoid serious fluctuations in annual operations.

Each Owner/sponsor, therefore, shall prepare (along with its management plan) a Life Cycle Cost Analysis, for each of its State Projects, of probable costs on all foreseeable major repairs, maintenance and replacements items, to which may be added a reasonable amount for unseen contingencies. These projected costs may then be divided by their respective life estimates in order to arrive at the approximate annual provision. The credit balance of this account shall then represent the amount reserved for the above-specified purposes. This account shall also include all funds that are transferred from the Unappropriated Retained Earnings account. From the date of first full occupancy of a project, there shall be credited quarterly to this account, and debited to Account No. 4810-Provision for Repairs, Maintenance & Replacements, one-fourth (1/4) of such amount as shall be designated in the management plan.

For example assume that the Management Plan provides for an annual provision of \$40,000.00. The following entry shall be made on a quarterly basis:

4810	Provisions for Repairs, Maintenance and Replacements	\$10,000.00
2830.4	Retained Earnings Appropriated for Repairs, Maintenance and Replacements	\$10,000.00

*To record quarterly provision for repairs, maintenance and replacements.*

Capital expenditures relate to non-routine major repairs, maintenance and replacement of items for which the benefit will extend over one or more years and meet the requirements of DECD's Asset and Property Management Manual, Chapter 8 "Use of Repairs, Maintenance and Replacement Reserve". Retained Earnings Appropriated for Repairs, Maintenance and Replacements (Acct. No. 2830.4) shall be charged with the cost of Capital Expenditures. Capital Expenditures relate to the acquisition of Furniture and Equipment, the benefit of which extend over one or more accounting periods and have an acquisition cost of \$250.00 or more per unit and are consistent with Chapter 8 of the Asset and Property Management Manual as amended from time to time.

As a general guide, the provision that is set aside in the Retained Earnings Appropriated for Repairs, Maintenance and Replacements (Acct. No. 2830.4) is for replacing major categories of structure, grounds or vehicles, such as, an entire roof, refrigerator(s), the painting or residing of an entire building, the replacement of a tractor mower, or the replacement of a motor vehicle. Acct. No. 2830.4 would not be charged for such items that are replaced as needed and can be considered routine maintenance. Routine annual maintenance items should be provided for in the Annual Management Plan and charged to the appropriate 4400 Operating Expense Accounts.

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This account is charged with the purchase price of repairs, maintenance and replacements; for example, a lawnmower purchased at a cost of \$2,000.00. The following entry would be made.

Acct. No.

1430	Furniture and Equipment	\$2,000.00	
2830.4	Retained Earnings Appropriated for		
	Repairs, Maintenance and Replacements	2,000.00	
1111	Cash		\$2,000.00
2813	Valuation of Fixed Assets		2,000.00

*To record the purchase of a lawnmower costing \$2,000.00.*

## **3000 INCOME CONTROL ACCOUNTS:**

This group of accounts shall include all income accounts except Extraordinary Income and Expense (Account No. 6100 & 6200).

### **3100 Rental Income - Base:**

The credit balance of this account represents the base rental income from the approved Management Plan, which would be received from dwelling units. This represents gross potential rental income, regardless of vacated units.

In the case of Owners/sponsors receiving Section 8 Subsidies, the monthly total credited to this account should be equal to the contract rent, (Column 5. HUD - 52670A - Schedule of Housing Assistance Payments).

In charging rents to tenants, there shall be no variation from the established rent schedule, which has been adopted by the Owner/sponsor and approved by the Department of Economic and Community Development, without written authorization by the Commissioner.

### **3100.1 Rental Income - Excess of Base:**

This account shall be credited for rental income, which is in excess of the base rent. Elderly, Affordable and Moderate Rental tenants are charged the "greater of" the approved percentage of the tenants adjusted gross income or the Base Rent.

### **3100 Excess Utilities:**

This account shall be credited with all amounts charged to tenants for utilities, not included in gross rent.

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## **3120 Surcharges:**

This account shall be credited with surcharges to Moderate Rental tenants as provided for under Section 8-73 of the Connecticut General Statutes.

## **3210 Dwelling Vacancy Loss:**

The debit balance of this account represents the amount of Rental Income-Base Rent at the rental rates contained in the established dwelling rent schedule, not realized in any period due to the vacancy of dwelling units.

In the instance of Section 8 New Construction and Substantial Rehabilitation Projects, the debit balance of this account represents the Contract Rent Applicable to the vacant unit(s).

It is recommended that a Vacancy Ledger Card be established and maintained to increase the control over the Vacancy Loss balance. This card will provide the Owner/sponsor with a subsidiary record of the units and dates of the vacancy loss without having to analyze Tenants Accounts Receivable or the Dwelling Rent Roll in detail.

## **3220 Dwelling Vacancy Subsidy (Section 8 only):**

For Section 8 subsidized projects, this account shall be credited with the amount receivable from the Department of Economic and Community Development for vacancy claims as requisitioned through the monthly schedule of Housing Assistance Payments.

## **3300 Non-Dwelling Rental Income:**

This account shall be credited with non-dwelling rental income, such as the rental of the Housing Authority community room to an outside food service provider, such as a Meals on Wheels provider.

## **3510 Sales and Services to Tenants:**

This account shall be credited with all charges made to tenants for goods sold and services rendered, other than those provided as part of the rental charges. Typical charges included in this account are: cable television service paid by the Owner/sponsor for service provided in a tenant unit, key replacements, nameplates, lockouts, charges for breakage and damage, etc.

## **3610 Interest Income:**

This account shall be credited with all interest earned on investments and/or on money deposited in checking and savings accounts.

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## **3620 Other Income:**

This account shall be credited with all income for which no specific account has been established. This account should include, but not necessarily be limited to, such charges as penalty for late payment of rent, rentals charged to lessees of non-dwelling facilities, such as, offices, stores, garages, and parking space, and shall include charges for utilities other than from tenants and rental of equipment.

## **4000 EXPENSE CONTROL ACCOUNTS:**

This category shall include all normal operating costs.

## **4100 ADMINISTRATIVE:**

This major group of operating expense accounts shall include all items of expense incidental to carrying out overall direction, control, and other executive functions in connection with the management of the project. Separate budgetary accounts shall be maintained as follows:

### **4120 Salaries - Office:**

This account shall include salaries of all persons engaged in office functions such as general management supervision, renting and leasing of units, handling tenant's complaints and service requests, rent collection, budgeting and accounting, reporting, personnel administration, requisitioning and purchasing of supplies and materials, stenographic and clerical services, telephone operators, and office machine operators.

#### **4120.1 Compensated Absences – Administrative Salaries:**

This account represents the amount of employee benefits for compensated absences for employees charged to administrative payroll accounts. Compensated absences include vacation, vested sick leave and earned compensatory time. The calculation for the compensated absences liability is based on the pay or salary rate in effect at the balance sheet date and should include salary-related payments, such as the Owner/sponsor's share of Social Security, Medicare, and payroll taxes and may also include the Owner/sponsor's contributions to pension plans. If an Owner/sponsor has not previously recorded the expense and accrual, at the end of the current fiscal year an initial journal entry must be made to record the present liability. In each subsequent fiscal year, a journal entry will be required to adjust the balance based on an annual calculation of vacation and sick time accruals. (See Sample Accounting Entries in Chapter VIII for further explanation and a complete accounting for Compensated Absences.)

### **4130 Legal and Other Services:**

This account shall include all fees and expenses paid to outside firms for services pertaining to overall direction, control, and other executive functions, such as, but not necessarily limited to, legal services and the periodic collection of rents and collection Owner/sponsor fees.

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## **4130.1 Legal Costs to Tenants:**

This account shall be credited with all legal fees and expenses charged to tenants, such as, but not necessarily limited to, attorney's fee, sheriff's fees, notices, and the cost of collection Owner/sponsor fees.

## **4131 Accounting Fees:**

This account shall be charged for all fees and expenses paid to outside fee accountants or consultants for accounting/bookkeeping services rendered in connection with the operation of the project. This account shall also include the cost of audit fees in connection with the audit of the housing project.

## **4132 Management Fees:**

This account shall be charged for all fees and expenses paid to an independent contractor whose responsibilities are to administer, maintain, and operate the project(s).

## **4151 Office Supplies:**

This account shall include, but not be limited to, stationery, forms, postage, office supplies, etc.

## **4152 Rents:**

This account shall be charged with rent or leases paid or payable in connection with the rental or lease of space needed for the operation and administration the project.

## **4153 Travel:**

Charges to this account shall include all reimbursed travel costs including routine, as well as, those expenses, which are incurred to attend State or NAHRO Conferences

Total travel expenditures must not exceed the amount as set forth in the approved management plan for this purpose.

Advances for travel shall be charged to Account No. 1156-Advances for Travel pending settlement by the traveler.

## **4159 Other Office Expense:**

All other office expenses not heretofore classified shall be charged to this account. Included herein shall be the cost of maintaining office equipment, printing, telephone, and NAHRO membership fees.

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## **4160 Pension and Other Funds:**

This account shall include the Owner/sponsor's contributions to employees' retirement or pension funds, life insurance plans, and medical insurance plans. The amounts withheld from employees' salaries, as their contribution to retirement or pension funds, life insurance plans and medical insurance plans, shall not be charged to this account but shall be charged as part of gross salaries. The charges to this account can be made through the cash disbursement journal or can be made by journal voucher at the end of each month on the basis of salaries paid or accrued during that month and chargeable to the project during the month; the off-setting credit will be charged to Account No. 2110, Administration Fund Creditors. Sub-accounts (4160.1,2...) shall be maintained under Acct. No. 4160 to account for Retirement or Pension Plans, Life Insurance Plans, Medical Insurance Plans, etc.

## **4161 Payroll Taxes:**

This account shall be charged with the employer's share of payroll taxes (FICA, Medicare and State Unemployment tax).

## **4300 UTILITY EXPENSES:**

This major group of expense accounts shall include the cost of all dwelling, non-dwelling, and commercial utility services, whether purchased from utility companies or produced by the project.

Utilities chargeable to these accounts include those supplied to tenants and non-dwelling leases, whether included in the rental charge or billed separately. Separate accounts shall be maintained as follows:

### **4310 Water:**

This account shall include the cost of water for all purposes purchased from either private or municipal water plants. The cost of water testing for Owner/sponsor owned wells should be included in this account.

### **4320 Electricity:**

This account shall include the cost of electrical energy for all purposes.

### **4330 Gas:**

This account shall include the cost of gas purchased for heating or hot water. Gas purchased for motor vehicles, lawn mowers, etc. should be charged to Acct. 4440-Maintenance Shop and Equipment.

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## **4340 Fuel:**

This account shall include the cost of coal, fuel oil, purchased steam, and any other fuels for heating of space or hot water supplied by the project to the tenants as part of the rent.

## **4350 Cable Television:**

This account shall include payments made to Cable Television providers, where the Cable TV service provided in the tenant unit is paid by the Owner/sponsor on behalf of the tenant. The costs of such service should be billed to and reimbursed by the tenants to the Owner/sponsor as a separate billing.

## **4360 Sewer:**

This account shall include payments made to a sewer service organization for sewer use.

## **4400 MAINTENANCE EXPENSE:**

Charges to the 4400 group of accounts shall include labor, supplies, materials, expendable tools, and equipment, and any contract costs necessary for the proper maintenance of the property. Separate accounts in the 4400 group of expense accounts shall be maintained as herein prescribed.

## **4410 Maintenance Wages:**

This account shall be charged with all salaries and wages paid to full or part-time employees who are engaged in repair and maintenance work.

### **4410.1 Compensated Absences – Maintenance Wages:**

This account represents the amount of employee benefits for compensated absences for employees charged to Maintenance payroll accounts. Compensated absences include vacation, vested sick leave and earned compensatory time. The calculation for the compensated absences liability is based on the pay or salary rate in effect at the balance sheet date and should include salary-related payments, such as the Owner/sponsor's share of Social Security, Medicare, and payroll taxes and may also include the Owner/sponsor's contributions to pension plans. If an Owner/sponsor has not previously recorded the expense and accrual, at the end of the current fiscal year an initial journal entry must be made to record the present liability. In each subsequent fiscal year, a journal entry will be required to adjust the balance based on an annual calculation of vacation and sick time accruals. (See Sample Accounting Entries in Chapter VIII for further explanation and a complete accounting for Compensated Absences.)

## **4420 Materials and Supplies:**



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This account shall be charged with the costs of all materials and supplies necessary to maintain the project. Charges to this account shall include all items, which tend to lose their identity or have a useful life of less than one year.

### **4430 Contractual Services:**

Charges to this account shall include expenditures for services and/or materials obtained under contractual relationship with vendors, for repairs or ongoing maintenance contracts. Typical charges to this account might include: exterminators, elevator maintenance, snow plowing, lawn maintenance, etc.

### **4440 Maintenance Shop and Equipment Expense:**

This account shall be charged with all costs incurred in the operation of the maintenance shop and of maintenance equipment. Charges to this account shall include, but not necessarily be limited to, the cost of maintenance travel, tools, supplies, and repairs to maintenance equipment.

### **4700 OTHER EXPENSES:**

This major group of expense accounts shall include items of fixed expense, such as, insurance, payments to municipalities, and administrative oversight charge.

### **4710 Refuse Removal:**

This account shall be charged for contract cost for refuse removal. In localities where the Municipality provides these services to the property owners without any charge other than property taxes, they should also be provided to the Owner/sponsor in accordance with the Cooperation Agreement.

### **4711 Insurance:**

This account shall include the total amount of premiums applicable to the period for all forms of insurance carried, such as, fire & extended coverage, boiler, elevator, automobile, owners' & landlords' public liability, worker' compensation, burglary, theft, fidelity, and surety bonds, etc. as required by the DECD Insurance Manual. All charges to this account shall emanate from Account No. 1211- Unexpired Insurance, and shall be supported by a worksheet showing the amount charged and the basis for the charge.

### **4715 Payments to Municipalities In Lieu of Taxes or Taxes (PILOT or Taxes):**

This account shall be charged periodically with the amount of PILOT or Property Tax accruing to the local municipality in accordance with the Cooperation Agreement between the Municipality and the Housing Authority. The off-setting credit shall be to Account No. 2137- Accrued Liability to Municipalities to Lieu of Taxes.

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Section 8-39 (p) of the Housing Laws defines "Shelter rent" as RENT less any charges made by a Owner/sponsor for water, heat, gas and electricity. Based upon this section of the law, all amounts of unrealized rental Income and all utility charges shall be deducted in computing the amount due in lieu of taxes.

To illustrate the quarterly accrual of PILOT:

Rental Income		\$50,000.00
Excess Utilities		2,500.00
Surcharges		3,500.00
Recovery of Tenants Accounts		
Previously Written Off		200.00
		\$56,200.00
Less:		
Dwelling Vacancy Loss	\$1,100.00	
Utilities	4,500.00	
Tenants Accounts		
Written Off	300.00	\$ 5,900.00
"Shelter Rent"		\$50,300.00
Percentage as per Cooperation Agreement		%
<u>Quarterly Accrual</u>		\$ xxx

### **4716 Administrative Oversight Charge:**

This account shall be charged quarterly with one-fourth (1/4) of the annual administrative oversight charge as established by Statute and required by Contract or Assistance Agreement. Currently the Administrative Oversight Charge is established at \$5.00 per unit, per month.

### **4717 Interest Expense:**

This account shall be charged for interest expense on loan amount due to the State of Connecticut as evidenced by billings from the Department of Economic and Community Development.

As an example, assume that the quarterly billing for principal is \$3,000.00 and interest is \$2,000.00. The following entry would be made:

4717	Interest Expense	\$2,000.00
4910	Principal Payment - Mortgage Loan	3,000.00
2131	Accrued Principal and Interest	\$5,000.00
	To record accrued principal and interest due for the quarter ending _____.	

Note: If the quarterly billing were paid when received, 1111-Cash Checking would be credited instead of Accrued Principal and Interest.

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## **4800 PROVISIONS:**

This group of accounts shall include all provisions.

## **4810 Provision for Repairs, Maintenance & Replacements:**

This account shall include the amount set aside from revenue as approved in the Management Plan, to create an allowance for future costs of repairs, maintenance, and replacements. Also see Account No. 2830.4.

## **4820 Provision for Collection Loss:**

This account shall include the amount set aside from revenue, as approved in the Management Plan, to create an allowance for future collection losses. Also see Account No. 1123.1.

## **4900 PRINCIPAL PAYMENT:**

### **4910 Principal Payment - Mortgage Loan:**

This account shall include principal payment due to the State of Connecticut per billings from the Department of Economic and Community Development.

### **4920 Principal Payment - Rehabilitation Loan:**

This account shall include principal payments due to the State of Connecticut for Rehabilitation Loans as billed by the Department of Economic and Community Development.

## **6100 & 6200 EXTRAORDINARY INCOME AND EXPENSE:**

These accounts shall be charged with all losses and credited with all gains for which no accounts have been provided.

### **6100 Extraordinary Income:**

Credits to this account shall include, but not necessarily be limited to, such items as proceeds from the sale of any furniture or equipment, differences between the proceeds of an insurance claim and the cost of restoring the damaged property (where this results in a gain to the Owner/sponsor), and unclaimed Security Deposits.

### **6200 Extraordinary Expense:**

This account shall be charged for differences between the proceeds of an insurance claim and the cost of restoring the damaged property (where this results in a loss to the Owner/sponsor) or for any other expenses for which no accounts have been provided.

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## **7000, 8000 & 9000 CONGREGATE HOUSING SUBSIDY PROGRAM**

### **7000 CONGREGATE INCOME:**

This group of accounts shall include all congregate related income accounts.

### **7010 Tenant's Contribution - Congregate Services:**

This account shall be credited monthly with the amount chargeable to tenants for Congregate Services.

### **7011 Other Income/Meals:**

This account shall consist of other congregate income received from other sources and income received for meals served to individuals not living in the congregate facility.

### **7020 Tenant's Contribution – Assisted Living Services:**

This account shall be credited monthly with the amount chargeable to tenants for Assisted Living Services based on the tenant calculation worksheet.

## **8000 CONGREGATE CORE SERVICE EXPENSE:**

This category shall include all normal Congregate Service costs.

### **8100 HOUSE MANAGEMENT:**

#### **8101 Bookkeeping:**

This account will be charged with salaries directly related to the maintenance of congregate books and records.

#### **8102 Housing Management Salaries:**

This account shall be charged with the salaries of the housing manager, who is the person responsible for day-to-day operations at the congregate project.

#### **8103 Attendants Wages:**

This account shall include salaries and wages of all persons paid to care for tenants needs and respond to emergency situations.

#### **8104 Overtime/Vacation Overlap:**

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This account shall include salaries paid to personnel who fill-in for regular personnel who are absent.

### **8105 Fringe Benefits:**

This account shall include the Owner/sponsor's contributions to employees' retirement or pension funds, life insurance plans, medical insurance plans, etc. related to the employees working on and chargeable to the congregate services program. The amounts withheld from employees' salaries, as their contribution to retirement or pension funds, shall not be charged to this account but shall be charged as part of gross salaries. The charges to this account can be made through the cash disbursement journal or can be accrued during that month and chargeable to the project during the month; the off-setting credit will be charged to Account No. 2110, Administration Fund Creditors. Sub-accounts (8105.1.2...) can be maintained under account number 8105 to account for Retirement or Pension plans, Life Insurance plans, Medical Insurance plans, etc. **The initiation of, or substantial changes in fringe benefit packages must be approved by DECD to evaluate impact on the long-term financial viability of the project that may relate to contingent liabilities.**

### **8106 Payroll Taxes:**

This account shall be charged with the employer's share of payroll taxes- FICA, medicare and State Unemployment tax, related to the employees working on and chargeable to the congregate services program.

### **8107 Insurance-Workers Compensation:**

This account shall include Worker's Compensation Insurance for employees working on and chargeable to the congregate services program.

### **8108 Outside Security Services:**

This account shall consist of the cost of hiring outside security services to provide security for the congregate facility.

### **8200 HOUSEKEEPING:**

#### **8201 Chore Service Wages:**

This account shall be charged with all wages paid for housekeeping chores, such as, window washing and house cleaning, for individual residents within their units.

#### **8202 Cleaning of Common Areas:**

This account shall include expenditures for the cleaning of the common areas, which include offices, hallways, dining areas, and dining hall kitchens.

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## **8203 Laundry (Non-Tenant):**

This account shall be charged with laundering costs for the dining and kitchen area.

## **8204 Cleaning Supplies:**

This account shall consist of the costs of cleaning supplies related to the congregate facility.

## **8300 MEAL EXPENSE:**

### **8301 Food Costs:**

This account shall include the cost of groceries for meal services.

### **8302 Meal Services:**

This account shall include the cost of preparing, transporting, and serving meals and includes the cost of contracting out of meal services.

### **8303 Supplies/Utensils:**

This account shall include the cost of kitchen supplies, such as, plates, pots and pans, etc. related to the preparing and serving of meals.

### **8304 Utilities:**

This account shall include the cost of utilities related to serving of meals.

## **8400 SOCIAL SERVICES:**

### **8401 Social Service Salary:**

This account shall include the cost of salaries and wages related to social service programs for congregate tenants.

### **8402 Supplies:**

This account shall consist of supplies related to the social service activities, such as games, arts and crafts, etc.

## **9001-9003 EXPANDED CORE SERVICES:**

The charges to this program include the Resident Services Coordinator, Wellness/Preventive Program and emergency transportation.

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## **9001 Resident Services Coordinator:**

This account shall be charged for the salaries paid to the Resident Services Coordinator (RSC) at an annual cost of \$18,000 or an amount approved by DECD (including payroll taxes, etc.). The role of the RSC is to act as an advocate for the residents, to perform an initial evaluation of services that would be helpful to the resident and make appropriate referrals for those services. If the Owner/sponsor's budget currently included a salaried position for Social Services/Service Coordinator (Account 8401), the \$18,000 should be included as part of expanded core services under this account and reduce the overall cost of services charged to Acct. 8401. If the Owner/sponsor's budget included a position with a salary that exceeds the \$18,000.00, the portion over \$18,000.00 remains in Account No. 8401-Social Service Salary. Funds allocated to this account can only be used for this purpose; they cannot be carried over to any other budget line item. Any unused funds will be returned to the State, at the end of each program year, based on audited figures.

## **9002 Wellness/Preventive Program:**

This account shall be charged for the cost of various health related programs or for the cost of additional housekeeping or laundry services to tenants that will prevent them from becoming more frail and allow them to remain independent longer. This program can be used to subsidize generic programs for the benefit of the entire tenant population or on an individual basis for those tenants with specific needs identified through an evaluation process. Funds allocated to this account can only be used for this purpose; they cannot be carried over to any other budget line item. Any unused funds will be returned to the State, at the end of each program year, based on audited figures.

## **9003 Emergency Transportation:**

This account shall be charged for the cost of transportation whereby the facility manager determines that a medical appointment or similar situation could not be rearranged and accommodated by normal transportation. This fund is not to be used to relieve others of their responsibility to provide needed transportation but rather to pay for a less expensive transportation alternative, where appropriate. (i.e. avoiding the cost of an ambulance by making less costly arrangements). Funds allocated to this account can only be used for this purpose; they cannot be carried over to any other budget line item. Any unused funds will be returned to the State, at the end of each program year, based on audited figures.

## **9004-9005 ASSISTED LIVING SERVICES:**

Assisted living is a special combination of housing, supportive services, personalized assistance and health care designed to respond to the individual needs of those who need help with activities of daily living and instrumental activities of daily living.

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### **9004 Assisted Living:**

This account shall be charged for the cost of assisted living services consisting of personal services, nurse supervision, housekeeping and/or laundry beyond the level provided under the congregate core services, (including all payroll taxes/fringe benefits and all administrative costs). Costs are determined on a flat rate based on an assessed level of care. Charges to this account can only be for payments made to the contracted service provider. This account cannot be used to supplement expenses of the congregate facility. Funds allocated to this account can only be used for this purpose; they cannot be carried over to any other budget line item. Any unused funds will be returned to the State, at the end of each program year, based on audited figures.

### **9005 Initial Assessment Eligibility:**

This account shall be charged for the cost of an initial evaluation of each tenant that needs assisted living services. For tenants that meet the eligibility requirements of Connecticut Home Care Program for Elders (CHCPE), the assessment will be done by the Department of Social Services (DSS's) access agency and the cost for the assessment will be paid by DSS. For the tenants that do not meet the requirements of the CHCPE, the Assisted Living Services Agency (ALSA) may do the assessment and the costs will be chargeable to this account. Costs for the initial assessment are based on a flat rate, which also includes all follow-up evaluations on an individual tenant. No additional charges can be made to this account. Funds allocated to this account can only be used for this purpose; they cannot be carried over to any other budget line item. Any unused funds will be returned to the State, at the end of each program year, based on audited figures.



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## **VIII. SAMPLE ACCOUNTING ENTRIES**

The following are common entries that will be needed to account for DECD Housing Administration Fund and DECD Grant/Loan programs. Refer to the Management Plan and the Project Financing Plan and Budget for Grant/Loan contracts for the applicable account categories to be utilized.

The basic accounting cycle is as follows:

### **A. Housing Rehabilitation Program (HR):**

The Local Owner/sponsor enters into an Assistance Agreement with DECD for a Housing Rehabilitation Program, which requires the use of Owner/sponsor funds. To illustrate:

Budget Data: Contract No. 2000-000-001-003-000-1

DECD Loan	\$ 500,000
DECD Grant	1,000,000
Owner/sponsor RM& R Funds	<u>750,000</u>
Totals	<u>\$2,250,000</u>

Acct. No.	Account	1	Debit	Credit
1126	Rehabilitation Funds Receivable		1,500,000	
2820	Rehabilitation Funds Authorized			1,500,000

*To record Rehabilitation Funds authorized and due from DECD based on the signed Assistance Agreement.*

Acct. No.	Account	2	Debit	Credit
1111	Cash – Checking		1,500,000	
1126	Rehabilitation Funds Receivable			1,500,000

*To record Rehabilitation funds advanced from DECD.*

Acct. No.	Account	3	Debit	Credit
1503	Rehabilitation Program Expenditures		2,000,000	
1111	Cash - Checking			2,000,000

*To record Rehabilitation Fund expenditures paid with DECD and Owner/sponsor (RM&R) reserve funds. The 1503 account should be charged with all rehabilitation expenditures applicable to the DECD funded Rehabilitation Contract, whether they were paid with State funds or with budgeted Owner/sponsor Funds (RM&R). (Note: The funds would normally be paid with multiple payments over the course of the Project Period). Documentation (i.e. cancelled checks, Rehabilitation expense account classification, invoices, contracts, etc) must be maintained in a project file to support the Rehabilitation expenditures.*

**Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs**

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Acct. No.	Account	4	Debit	Credit
2820	Rehabilitation Funds Authorized		1,500,000	
2830.4	R/E Appropriated for RM&R		500,000	
1126	Rehabilitation Funds Receivable			0
1503	Rehabilitation Program Expenditures			2,000,000
1129/2119	Sundry Acct. Rec. or Sundry Accts. Pay.			0

*To closeout accounts related to the Rehabilitation Fund expenditures based on the closeout of the DECD Rehabilitation Project. In this example, the Owner/sponsor was required to use \$500,000 of their Reserve funds toward this project. (Note: If there were any funds due to or from DECD based on the closeout, a Sundry Accounts Receivable or Payable amount would be recorded in this closeout entry.*

Acct. No.	Account	5	Debit	Credit
1440	Capital Improvements-State Rehab. Grants/Loans		1,500,000	
2314	Indebtedness to the St. of Ct.-Rehab.			500,000
2821	Capital Grant by the State of Connecticut-Rehabilitation			1,000,000

*To capitalize the State funded cost of the DECD Rehabilitation Grant Program.*

**B. Congregate Subsidy Program (Administration and Subsidy Grants):**

The accounting transactions required to properly account for the Congregate program is set forth below. The sample assumes that the total Congregate program (Administration for the normal operations and Congregate Subsidy for the DECD assisted grant subsidy) is maintained in a single general ledger with a single set of books. If a separate set of books were maintained for the congregate administration and subsidy, the same accounting transactions would apply but would be made separately. Note: The use of sub accounts is required for each Congregate Subsidy program. (i.e. Contract No. 2001-000-003-033-000-1A would use sub-account 1A after all congregate related accounts. To illustrate:

<b><u>Budget Data- Contract No. 2001-000-003-033-000-1A</u></b>	<b><u>Sample Expenditures for Year End</u></b>	
Congregate Core Services	\$130,000	\$120,000
Congregate Expanded Core	26,000	24,000
ALSA	40,000	38,000
DECD Rental Subsidy	50,000	49,000
Total	<u>\$246,000</u>	<u>\$231,000</u>

Acct. No.	Account	1	Debit	Credit
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## Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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1124	Unissued State Subsidy-Congregate		246,000	
2811	State Subsidy Authorized-Congregate			246,000

*To record Congregate Subsidy Program No. 2001-000-003-033-000-1A authorized for fiscal year ended June 30, 2002, which includes the Core Services, Expanded Core Services and Assisted Living Services from the Congregate Services Management Plan and the Rental Subsidy from the Operations Management Plan.*

Acct. No.	Account	2	Debit	Credit
1111	Cash-Checking		246,000	
1124	Unissued State Subsidy-Congregate			246,000

*To record receipt of Congregate Services Subsidy funds from DECD.*

Acct. No.	Account	3	Debit	Credit
1509	DECD Rental Subsidy		4,000	
1122	Tenants Accounts Receivable		21,500	
2113	ALSA Escrow-DSS & DECD Participants			500
3100	Rental Income-Base			16,000
7010	Tenant Contribution-Congregate Services			7,000
7020	Tenant Contribution-Assisted Living			2,000

*To record Rent Roll for tenants on the DECD and DSS ALSA program for the month of July based on the information taken from the Congregate Housing Worksheet Rent Roll. Account 1509-DECD Rental Subsidy, represents the difference between the base rent and what the tenant is paying toward base rent. Account 7010-Rental Income-Congregate Services, includes the tenant portion of CORE services and account 7020-ALSA paid by a tenant on the DECD program. Account 2113-ALSA Escrow-DSS Tenants, represents the tenant portion of the contribution toward ALSA to pay for ALSA services for those tenants who will be subsidized by the Department of Social Services (DSS).*

Acct. No.	Account	4	Debit	Credit
8000	Congregate Core Services (Acct. Nos. 8101-8402)		20,000	
9000	Expanded Core Services/Assisted Living Services (Acct. Nos. 9001-9005)		8,000	
2113	ALSA Escrow-DSS & DECD Participants		500	
1111	Cash-Checking			28,500

*To record total cash disbursements for the month of July. Note: This entry would be made using the actual budgetary line item expense accounts, not summaries of the 8000 and 9000 accounts, and could be made with payables also.*

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<b>Acct. No.</b>	<b>Account</b>	<b>5</b>	<b>Debit</b>	<b>Credit</b>
1504	Net Program Cost-Congregate		119,000	
7000	Tenant Contribution-Congregate Services (Accts. 7010 and 7011)		25,000	
7020	Tenant Contribution-ALSA		38,000	
8000	Congregate Core Service Expenses (Accts. 8101-8402)			120,000
9000	Expanded Core Services (Accts. 9001-9003)			24,000
9000	ALSA Expenses (Accts. 9004-9005)			38,000

*To close Congregate Services Income and Expense accounts at fiscal year end. This entry would be made to the actual budgetary line item accounts rather than the summary accounts used in this sample.*

<b>Acct. No.</b>	<b>Account</b>	<b>6</b>	<b>Debit</b>	<b>Credit</b>
2811	State Subsidy Authorized-Congregate		246,000	
1128	Accounts Receivable-Ineligible Program Costs		8,000	
1504	Net Program Cost-Congregate			119,000
1509	DECD Rental Subsidy			49,000
2119	Sundry Accounts Payable-DECD			86,000

*To close Accounts 1504, 1509 and 2811 for fiscal year ended June 30, 2002 and record payable to DECD for unused portion of Congregate Services Subsidy Program and costs disallowed by DECD. The total of accounts 1504 and 1509 will represent the cumulative total of State Subsidy earned. Acct. 2119-Sundry Accounts Payable represents the unused State Subsidy amounts and any disallowed costs due to DECD. **This entry will be made by DECD when closing out the Congregate Subsidy Assistance Agreement.***

**C. Resident Services Coordinator Program- Elderly Program Only (RSC):**

Example: The Local Owner/sponsor enters into an Assistance Agreement with DECD for a Resident Services Coordinator (RSC) Program in the Elderly housing project for \$18,000.00. Separate sub-accounts should be used if more than one RSC program is open and has not been closed out

<b>Acct. No.</b>	<b>Account</b>	<b>1</b>	<b>Debit</b>	<b>Credit</b>
2828.1	RSC Grant Unissued		18,000	
2828	RSC Grant Authorized			18,000

*To record RSC funds authorized and due from DECD based on the signed Assistance Agreement.*

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<b>Acct. No.</b>	<b>Account</b>	<b>2</b>	<b>Debit</b>	<b>Credit</b>
1111	Cash-Checking		18,000	
2828.1	RSC Grant Unissued			18,000

*To record RSC funds advanced by DECD.*

<b>Acct. No.</b>	<b>Account</b>	<b>3</b>	<b>Debit</b>	<b>Credit</b>
1508	RSC Expenses- Elderly Program Only		1,500	
1111	Cash-Checking			1,500

*To record RSC expenses paid by the Local Owner/sponsor for the month of July.*

<b>Acct. No.</b>	<b>Account</b>	<b>4</b>	<b>Debit</b>	<b>Credit</b>
2828	RSC Grant Authorized		18,000	
1508	RSC Expenses-Elderly Only			17,000
2119	Sundry Accounts Payable-DECD			1,000

*To closeout accounts related to the Resident Services Coordinator Program based on the closeout of the DECD RSC Elderly grant. (Note: If there were any funds due from DECD based on the closeout, a Sundry Accounts Receivable be recorded in this closeout entry instead of the Sundry Accounts Payable.*

**D. Rental Assistance Payments Program (RAP)-Elderly Program Only:**

Example: The Local Owner/sponsor enters into an Assistance Agreement with DECD for an Elderly RAP Program in the amount of \$12,000.00. Separate sub-accounts should be used if more than one RAP program is open and has not been closed out.

<b>Acct. No.</b>	<b>Account</b>	<b>1</b>	<b>Debit</b>	<b>Credit</b>
2827.1	RAP Grant Unissued-Elderly Program		12,000	
2827	RAP Grant Authorized-Elderly Prog.			12,000

*To record RAP Grant-Elderly Program Only authorized and due from DECD based on the signed Assistance Agreement.*

<b>Acct. No.</b>	<b>Account</b>	<b>2</b>	<b>Debit</b>	<b>Credit</b>
1111	Cash-Checking		12,000	
2827.1	RAP Grant Unissued			12,000

*To record receipt of RAP funds from DECD.*

<b>Acct. No.</b>	<b>Account</b>	<b>3</b>	<b>Debit</b>	<b>Credit</b>
1507	RAP Subsidy Payments-Elderly Prog.		1,000	

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1122	Tenants' Accounts Receivable		20,000	
3100	Rental Income-Base			18,000
3100.1	Rental Income-Excess of Base			3,000

*To record Dwelling Rent Roll for the month of July. Account 1122 should be debited for the portion of rent due from the tenants. Account 1507 should be debited for the Rental Assistance (RAP) due on behalf of the tenants of the RAP program as evidenced by the Tenant Rent Roll.*

Acct. No.	Account	4	Debit	Credit
2827	RAP Grant Authorized-Elderly Prog.		12,000	
1507	RAP Subsidy Payments-Elderly Prog.			10,000
2119	Sundry Accounts Payable-DECD			2,000

*To closeout RAP accounts and record payable to DECD for any unused RAP funds.*

### **E. Payment-In-Lieu-Of-Taxes (PILOT):**

Prior to construction of a housing project, a "Cooperation Agreement" is executed between the Housing Authority and the Municipality. The PILOT payment percentage is agreed to in this agreement. Typically, this payment is 10% of the Shelter Rent. Shelter Rent is equal to the amount collected for rent less utility charges. See illustration below:

Quarterly Dwelling Rent (Account 3100)	\$2,955.00
Add: Rental Income-Excess of Base (Acct. 3100.1)	2,000.00
Deduct: Vacancy Loss (Acct. 3210)	(500.00)
Deduct: Utility Expenses (Accts. 4310-4340)	<u>(1,000.00)</u>
Shelter Rent	3,455.00
Percentage per Cooperation Agreement	<u>10%</u>
PILOT Expense	<u>\$345.50</u>

Acct. No.	Account	1	Debit	Credit
4715	PILOT Expense		345.50	
2137	Accrued PILOT			345.50

*To record accrual of PILOT expense for quarter ended March 31, 2002. When the PILOT is paid, the entry would be to debit Acct. 2137-Accrued PILOT and credit 1111-Cash-Checking for the amount paid.*

### **F. Provision and Charges to Retained Earning Appropriated for Repairs, Maintenance and Replacements (RM&R):**

To record Provision for RM&R, take one quarter (1/4) of the annual Management Plan approved amount for the Provision for RM&R (i.e. \$24,000.00 @ .25=\$6,000.00) each quarter, and make the following entry:

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Acct. No.	Account	1	Debit	Credit
4810	Provision for RM&R		6,000	
2830.4	Retained Earnings for RM&R			6,000

*To record Provision for RM&R for the quarter ended March 31, 2002 based on approved DECD Management Plan.*

Acct. No.	Account	2	Debit	Credit
2830.4	Retained Earnings Appropriated for RM&R		1,800.00	
1111	Cash-Checking			1,800.00
1430	Furniture and Equipment		500.00	
2813	Valuation of Fixed Assets			500.00

*To record charges to Retained Earnings for RM&R for painting of community room for \$1,300.00 and purchase of computer table for \$500.00. The total purchase should be recorded in the cash disbursements journal as a charge to Retained Earnings Appropriated for RM&R for the total purchase of \$1,800.00. The Furniture and Equipment amount charged to RM&R should also be recorded as an entry through either the cash disbursements journal or through a journal entry. The Furniture and Equipment should also be recorded in the Furniture and Equipment subsidiary ledger, which should agree with the General Ledger accounts 1430 and 2813.*

### **G. Provision for Collection Loss:**

To record Provision for Collection Loss, take one quarter (1/4) of the annual Management Plan approved amount (i.e. \$1,000 @ .25 = \$250.00) each quarter, and make the following entry.

Acct. No.	Account	1	Debit	Credit
4820	Provision for Collection Loss		250.00	
1123.1	Allowance for Collection Loss			250.00

*To record Provision for Collection Loss for the quarter ended March 31, 2002 based on approved DECD Management Plan.*

Acct. No.	Account	2	Debit	Credit
1123.1	Allowance for Collection Loss		200.00	
1123	Vacated Tenants' Accounts Receivable			200.00

*To record write-off of uncollectible Vacated Tenants' Accounts Receivable to the Allowance for Collection Loss account based on a formal resolution from the Owner/sponsor and written approval from DECD. All collection efforts must have been exhausted prior to write-off.*

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### **H. Insurance Expense:**

Normally an insurance company would require you to pay for the cost of an insurance policy in advance. For example, the Owner/sponsor purchased a one-year Comprehensive General Liability policy for the year on January 1, 2001 for \$6,000.00.

Acct. No.	Account	1	Debit	Credit
1211	Prepaid Insurance		6,000.00	
1111	Cash - Checking			6,000.00

*To record the purchase of a CGL insurance policy on 1/1/01. This policy should be recorded in the Insurance Register included as Exhibit L in this manual.*

Acct. No.	Account	2	Debit	Credit
4711	Insurance Expense		1,500.00	
1211	Unexpired Insurance			1,500.00

*To record quarterly write-off of expired insurance expense from Insurance Register at 3/31/01.*

### **I. Administrative Oversight Charge:**

The Administrative Oversight Charge rate is established by State Statute and included in the Management Plan approved by the DECD. Currently the rate is established at \$5 per unit per month. The following entry would be made when a billing is received from DECD.

Acct. No.	Account	1	Debit	Credit
4716	Administrative Oversight Charge		6,000.00	
2136	Accrued Administrative Oversight Charge			6,000.00

*To record the accrual of the Administrative Oversight Charge for the period 1/1/01-3/31/01. When the payment is made, the entry would be to Debit Acct. 2136-Accrued Administrative Oversight Charge and to Credit 1111-Cash-Checking for the amount paid. If no accrual were made, the entry would be to Debit 4716- Administrative Oversight Charge and Credit 1111-Cash -Checking.*

### **J. Compensated Absences:**

A liability for compensated vacation and sick leave absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Owner/sponsor and employee (i.e. an employee gets sick) should be accrued as an employee earns the rights to the benefits. This calculation for the compensated absences liability is based on the pay or salary rate in effect at the balance sheet date and should include salary-related



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payments associated with the payment of compensated absences. The salary-related payments subject to this accrual are those items for which the Owner/sponsor is liable to make a payment directly and incrementally associated with payments made for compensated absences on termination. Such salary-related payments include the Owner/sponsor's share of Social Security, Medicare taxes, and payroll taxes and may also include the Owner/sponsor's contributions to pension plans, for example. If an Owner/sponsor has not previously recorded these accruals for reporting to the HUD Real Estate Assessment Center, at the end of the Owner/sponsor's current fiscal year, an initial journal entry must be made to record the present liability. At the end of each subsequent fiscal year, a journal entry will be required to adjust the accrual balance based on an annual calculation of vacation and sick time accruals.

If there are limits to the amount of accrued vacation and sick leave to be carried over from year to year and limits to the amount of vacation and sick leave to be paid upon termination or retirement, the accruals should be based on the maximum limits to be paid upon termination or retirement. (i.e. an employee may have accrued 80 days of sick leave, however when the employee retires, the maximum to be paid is limited to 20 days. The calculation of the sick leave accrual should be limited to 20 days. If no vacation or sick leave is to be paid upon termination or retirement, no accrual should be made.) The Owner/sponsor must also establish what constitutes a full day for an employee, especially part-time employees. (i.e. an Executive Director's normal work day is 9:00am-1:00pm or 4 hours a day. When the Executive Director retires with 20 days accrued vacation days, the calculation would be 20 days multiplied by 4 hours multiplied by the employee's hourly salary at the time of retirement.)

**Each Owner/sponsor must have an approved written Personnel Policy**, which includes at a minimum, the vesting period for an employee to begin earning and using vacation and sick time, the amount of vacation and sick time to be earned, and limits to their use and accrual based on termination or retirement.

The Owner/sponsor must utilize an acceptable method of allocating or prorating the amount of compensated absences to be charged to each housing project/program administered by the Owner/sponsor. Normally the allocation would match the percentage of salary allocated or prorated to a particular project.

**Year 1 Sample** - The estimated liability to establish the compensated absences for vacation and sick leave as of 12/31/02 is computed as follows based on the sample data provided:

Employee/Acct. No.	Position/Account	Years of Service	Daily Rate including Fringes	Accrued Vacation Days (Max Allowed)	Accrued Sick Days (Max. Allowed)	Vacation Leave Liability	Sick Leave Liability	Totals
<b>4120.1</b>	<b>Admin. Salaries</b>							
C. Smith	Ex Dir	2	\$265	9	12	\$2,385	\$3,180	\$5,565
B. Spears	Acctant	10	120	45	64	5,400	7,680	13,080
<b>Sub.</b>								

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<b>Totals</b>						<b>7,785</b>	<b>10,860</b>	<b>18,645</b>
<b>4410.1</b>	<b>Maint. Wages</b>							
B. Faxon	Maint. Worker	25	210	80	110	16,800	23,100	39,900
<b>Sub Total</b>						<b>16,800</b>	<b>23,100</b>	<b>39,900</b>
<b>Totals</b>						<b>\$24,585</b>	<b>\$33,960</b>	<b>58,545</b>

The following journal entry would be made at the end of the first year based on the sample calculation of the Vacation and Sick leave liability chart listed above:

Acct. No.	Account	1	Debit	Credit
4120.1	Compensated Absences-Administrative Salaries		\$18,645	
4410.1	Compensated Absences-Maintenance Wages		39,900	
2135.1	Accrued Compensated Absences			\$58,545

*To record the initial accrual of Compensated Absences as of 12/31/02 based on calculation chart as of 12/31/02.*

**Year 2 Sample** – At the end of 12/31/03, the estimated liability for compensated absences for vacation and sick leave is computed as follows based on the sample data provided.

Employee/Acct. No.	Position/Account	Years of Service	Daily Rate including Fringes	Accrued Vacation Days (Max. Allowed)	Accrued Sick Days (Max. Allowed)	Vacation Leave Liability	Sick Leave Liability	Totals
<b>4120.1</b>	<b>Admin. Salaries</b>							
C. Smith	Ex Dir	3	\$270	5	18	\$1,350	\$4,860	\$6,210
B. Spears	Acctant	11	130	30	54	3,900	7,020	10,920
<b>Sub. Totals</b>						<b>5,250</b>	<b>11,880</b>	<b>17,130</b>
<b>4410.1</b>	<b>Maint. Wages</b>							
B. Faxon	Maint. Worker	26	230	60	80	13,800	18,400	32,200
<b>Sub Total</b>						<b>13,800</b>	<b>18,400</b>	<b>32,200</b>
<b>Totals</b>						<b>\$19,050</b>	<b>\$30,280</b>	<b>49,330</b>

The following journal entry would be made at the end of 12/31/03 (year 2) based on the sample calculation of the Vacation and Sick leave liability chart listed above:

Acct. No.	Account	2	Debit	Credit
4120.1	Compensated Absences-Administrative Salaries			1,515

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4410.1	Compensated Absences-Maintenance Wages			7,700
2135.1	Accrued Compensated Absences		9,215	

*To adjust Compensated Absences accrual based on calculation chart as of 12/31/03. (In this example, the employees used more vacation and sick time than they accrued, therefore the Accrued Compensated Absences and the corresponding Compensated Absences expense accounts were reduced.)*

**Retirement or Termination Payment:** When a payment is made to an employee based upon termination or retirement, the following entry would be made based on payment made by the Owner/sponsor.

Acct. No.	Account	3	Debit	Credit
2135.1	Accrued Compensated Absences		\$32,200	
1111	Cash-Checking			\$32,200

*To record Compensated Absences balance paid to Maintenance Worker B. Faxon based on his retirement on 1/1/04.*

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**IX. EXHIBITS**

**Exhibit A - General Ledger**

Local Owner/sponsor Anytown, CT General Ledger						
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<b>Cash – Checking</b>					<b>Account 1111</b>	
Date	Description	Posting Reference	Debit	Credit	Debit Balance	Credit Balance
2/28/99		CRJ 1	155,450		155,450	
3/31/99		CDJ 1		49,650	105,800	

<b>Rehabilitation Funds Receivable</b>					<b>Account 1126</b>	
Date	Description	Posting Reference	Debit	Credit	Debit Balance	Credit Balance
1/31/99		JE 1	500,000		500,000	
2/28/99		CRJ 1		165,000	335,000	

<b>Rehabilitation Funds Authorized</b>					<b>Account 2820</b>	
Date	Description	Posting Reference	Debit	Credit	Debit Balance	Credit Balance
1/31/99		JE 1		500,000		500,000

<b>Salaries</b>					<b>Account 4120</b>	
Date	Description	Posting Reference	Debit	Credit	Debit Balance	Credit Balance
2/28/99		CDJ 1	5,000		5,000	

<b>Payroll Taxes</b>					<b>Account 4161</b>	
Date	Description	Posting Reference	Debit	Credit	Debit Balance	Credit Balance
2/28/99		CDJ 1	650		650	

<b>Contractual Services</b>					<b>Account 4430</b>	
Date	Description	Posting Reference	Debit	Credit	Debit Balance	Credit Balance
3/31/99		CDJ 1	44,000		44,000	

## Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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### Exhibit B – Cash Receipts Journal

Local Owner/sponsor Anytown, CT Cash Receipts Journal Project No. _____ For the Month of _____									
Date	Receipt No.	Description	Unit Number	Cash-Checking ABC Bank	Reserve Cash-Savings XYZ Bank	Tenants Accounts Receivable	Interest Income	Misc. General Ledger Acct.	Amount
				Dr (Cr) 1111	Dr (Cr) 1113	Dr (Cr) 1122	(Dr) Cr 3610		(Dr) Cr
2/1/99		DECD RAP Advance		100,000				2827.1	100,000
2/6/99		Trans to Savings		(40,000)	40,000				
2/8/99		Dep. On Specs.		100				2119	100
2/10/99	1301	T.Jones	4	650		650			
2/12/99		Fleet Bank-Int. Inc.			200		200		
2/12/99	1302	N.Smith	2	750		750			
2/20/99		DECD RAPAdvance		65,000				2827.1	65,000
2/21/99	1303	R.Dow	5	250		250			
2/28/99		Interest Inc.		100			100		
2/28/99		Interest Inc.			85		85		
		<b>Totals</b>		<b>\$126,850</b>	<b>\$40,285</b>	<b>\$1,650</b>	<b>\$ 385</b>		<b>\$ 165,100</b>

## Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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### Exhibit C – Cash Disbursements Journal

Local Owner/sponsor Anytown, CT Cash Disbursements Journal Project No. _____ For the Month of _____										
Date	Payee	Check No.	Cash - Checking	Misc. Account No.	Amount	Salaries	Payroll Taxes	Accounting Fees	Refuse Removal	Contractual Services
			(Dr ) Cr 1111		Dr (Cr)	Dr (Cr) 4120	Dr(Cr) 4161	Dr(Cr) 4131	Dr (Cr) 4710	Dr (Cr) 4430
2/1/99	B. Lee	1	\$1,000	2117	\$(200)	1,200				
2/5/99	Far CPA	2	260					260		
2/6/99	XYZ Construction	3	3,000							3,000
2/7/99	John Jones	4	750	2117	(250)	1,000				
2/10/99	AB Refuse	5	15,000						15,000	
2/12/99	F. Logan	6	455	2117	(45)	500				
2/20/99	Fleet Bank	7	990	2117	495		495			
2/27/99	XYZ Construction	8	20,000	2112	(2,000)					22,000
	<b>Totals</b>		<b>\$41,455</b>		<b>(2000)</b>	<b>2,700</b>	<b>495</b>	<b>260</b>	<b>15,000</b>	<b>25,000</b>

## Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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### Exhibit D – Check Voucher

Local Owner/sponsor Anytown, CT Check Voucher		
2 <sup>nd</sup> Copy	Local Owner/sponsor Anytown CT	Ck. No. 101 7/1/99
1 <sup>st</sup> Copy	Local Owner/sponsor Anytown CT	Ck. No. 101 7/1/99
Original	Local Owner/sponsor Anytown CT	Ck. No. 101 7/1/99

Pay:	Four thousand, two hundred and 00/100 Dollars	\$4,200.00
To the Order of:		
Bemí Assoc. 33 Fenn Street Anytown, CT		
_____ Authorized Signature		
_____ Authorized Signature		
Connecticut Bank	0222-555-00565	101

Please detach stub before depositing.

Date	Items	Expense Acct No.	Amount	Discount	Net Pay
7/1/99	Architect Fees	1503	4,000.00		4,000.00
7/1/99	Surveys & Maps	1503	200.00		200.00
Totals			4,200.00		4,200.00

# Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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## Exhibit E – Payment Voucher

Local Owner/sponsor Anytown, CT Payment Voucher			
<b>Vendor Name and Address:</b> <b>Payee:</b> Bemis Assoc. <b>Address:</b> 33 Fenn St. Anytown, CT			
		<b>Date:</b> 7/1/99 <b>Amount:</b> \$4,200.00 <b>Check No.:</b> 101	
Date of Invoice	Purchase Order No.	Description	Net Amount
7/1/99	1255	Basic Arch Fees	\$4,200.00
7/1/99	1255	Surveys	200.00
Totals			\$4,200.00
<b>Project Charged and Account Classification</b>  <b>Project &amp; Contract No. Charged:</b> Housing Rehabilitation – 1999-069-004-000-916-3A			
Expense Account No.	Expense Account Name		Amount
1503	Design Consultant		\$4,000.00
1503	Surveys & Maps		200.00
Total			\$4,200.00
<b>Prepared By:</b> _____  <b>Approved By:</b> _____  <b>Entered and Posted By:</b> _____			



# Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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## Exhibit F – Journal Voucher

Local Owner/sponsor Anytown, CT Journal Voucher			
Housing Rehabilitation	1999-083-001-003- 000-2B		99-1
<b>Program Name</b>	<b>Contract No.</b>		<b>Voucher No.</b>
			2/4/99
			<b>Date</b>
<b>Account</b>	<b>Account No.</b>	<b>Debit</b>	<b>Credit</b>
Rehabilitation Program Expenditures	1503	\$1,500,000	
Administration Fund Creditors	2110		\$1,500,000
<b>Explanation of Entry:</b>			
To record original Construction contract awarded to J & M Construction, Inc. on 2/4/99 in the amount of \$1,500,000.			
<b>Prepared By:</b>			
<b>Approved By:</b>			
<b>Entered and Posted By:</b>			

# Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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## Exhibit G – In-Kind Contribution Voucher

Local Owner/sponsor Anytown, CT In-Kind Contribution Voucher		
Elderly E-001	1999-083-001-003-000-2B	
<b>Program Name</b>	<b>Contract No.</b>	
City of Sage	3/4/99	
<b>Donor</b>	<b>Date</b>	
Administration Finance Division		
<b>Department or Organization</b>		
<b>Description of Donated Materials, Space, etc.</b>		
Postage 100 letters @ \$.37/letter	\$37.00	
Copies 100 copies @ \$.15/copy	15.00	
Space 150 Sq. ft. @ \$8/ft	1,200.00	
Computer (assessed value)	500.00	
<b>Totals</b>	<u><u>\$1,752.00</u></u>	
<b>Basis of Valuation</b>		
Actual Cost or assessed value		
<b>Expense Account Classification</b>	<b>Expense Account Number</b>	<b>Amount</b>
Office Expense	1503	\$48.00
Office Rent	1503	1,200.00
Computer Equipment	1503	500.00
	<b>Totals</b>	<u><u>\$1,752.00</u></u>
<b>Approved By:</b>		
<b>Entered and Posted By:</b>		

## Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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### Exhibit H – In-Kind Contribution Voucher for Personal Services

Local Owner/sponsor Anytown, CT In-Kind Contribution Voucher for Personal Services		
Housing Rehabilitation	1999-083-001-003-000-2B	
<b>Program Name</b>	<b>Contract No.</b>	
City of Sage – C. Strange	3/4/99	
<b>Donor</b>	<b>Date</b>	
Administration Finance Division		
<b>Department or Organization</b>		
<b>Date</b>	<b>Hours</b>	<b>Work Description</b>
7/20/99	4	Office Management, coordinating program, Job Meetings
7/21/99	3	Budget revisions, approving checks
7/22/99	5	Interviewing candidates
7/23/99	4	Preparing financial statements
<b>Total Hours</b>	<b><u>16</u></b>	
<b>Basis of Valuation</b>		
16 hours @ \$20/hour = \$320.00		
<b>Signature of Donor</b>		
<b>Approved By:</b>		

## Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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### Exhibit I – Contract Register

Local Owner/sponsor Anytown, CT Contract Register			
<b>Program Charged:</b>	Housing Rehabilitation		
<b>Contract No.:</b>	1999-083-001-003-000-2B		
<b>Name of Contractor:</b>	J & M Construction, Inc.		
<b>Approved Contract Date:</b>	2/4/99		
<b>Original Contract Award:</b>	\$1,500,000.00		
<b>Estimated Date of Completion:</b>	12/31/99		
<b>Type of Contract:</b>	Roofing and Rehabilitation		
<b>Outstanding Contract Balance</b>			
<b>Date</b>	<b>Description</b>	<b>Amount</b>	<b>Outstanding Contract Balance</b>
2/4/99	Original Contract Award	\$1,500,000.00	\$1,500,000.00
3/1/99	Change Order #1	20,000.00	1,520,000.00
3/5/99	Periodical Estimate Payment #1	(40,000.00)	1,480,000.00
3/25/99	Change Order #2	(15,000.00)	1,465,000.00
4/1/99	Periodical Estimate Payment #2	(82,000.00)	1,383,000.00
4/5/99	Change Order #3	3,500.00	1,386,500.00
5/1/99	Periodical Estimate Payment #3	115,000.00	1,271,500.00

# Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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## Exhibit J – Tenant Ledger Cards

Local Owner/sponsor  
 Anytown, CT  
 Tenant Ledger Card  
 Project No. \_\_\_\_\_

**John Smith**  
**14 Brady Drive**  
**Anytown, CT**

**Phone Number:** \_\_\_\_\_ **Unit No. 4A**

**In case of emergency notify** \_\_\_\_\_ **Phone No.** \_\_\_\_\_  
**Employed by:** \_\_\_\_\_ **Phone No.** \_\_\_\_\_

**Lease From** \_\_\_\_\_ **to** \_\_\_\_\_  
**Rate per month: Effective 1/1/01 - Base Rent \$100.00, Excess of Base \$40.00**  
**Security Deposit: \$100.00-collected 1/1/01: Date Returned:** \_\_\_\_\_

<b>Date</b>	<b>Ref.</b>	<b>Period Covered</b>	<b>Monthly Charge</b>	<b>Total Received</b>	<b>Balance</b>
1/1/01	RR-JV	1/1/01-1/31/01	\$140		\$140
1/7/01	CRJ-1	1/1/01-1/31/01		\$140	0
2/1/01	RR-JV	2/1/01-2/28/01	140		140
2/8/01	CRJ-2	2/1/01-2/28/01		100	40
3/1/01	RR-JV	3/1/01-3/31/01	140		180
3/6/01	CRJ-3	3/1/01-3/31/01		180	0

## Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

### Exhibit K- Dwelling Rent Roll-Elderly Housing Program

Local Owner/sponsor, Anytown, CT Dwelling Rent Roll Project No. 000-E-24 From: February 1, 2001 To: February 28, 2001												
1	2	3	4	5	6	7	8	9	10	11	12	13
Apt./Unit No.	Age	Base Rent	Utility Allowance	Total	Adjusted Monthly Income	% of Tenants Income to Rent without RAP	30% of Adjusted Income	Tenant Payment = 30% Adjusted Inc. less Utility Allowance	Eligible RAP Amount	# of months on program current year	Total Annual Required	Rental Income-Excess of Base
		From Management Plan	Utility Allowance	Total Shelter Rent	From Tenant's Certification	Column 5 divided by col. 6	Column 6 * 30%	Column 7 less column 4	Column 3 less column 9		Column 10 * no. of months	From Tenant Certification Form
		Post to Acct. 3100 (Cr)							Post to Acct. 1507 (Dr)			Post to Acct. 3100.1 (Cr)
1	75	200	50	250	600	42%	180		70			
2	78	200	50	250	650	38%	195		55			
3	69	200	50	250	700	36%	210		40			
4	71	200	50	250	750	33%	225		25			
5	68	200	50	250	800	31%	240		10			
6	74	200	50	250	850	29%	255		0			350
		<b>1,400</b>	350	1,750			1,305		<b>200</b>			<b>350</b>

Acct No.	Account	Debit	Credit
1122	Tenants Accts. Receivable (1,400 + 350 – 200)	1,550	
1507	RAP Subsidy Payments-Elderly Program Only	200	
3210	Dwelling Vacancy Loss	0	
3100	Rental Income-Base		1,400
3100.1	Rental Income-Excess of Base		350

## Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

### Exhibit K-1- Dwelling Rent Roll - Congregate Services Program

Local Owner/sponsor, Anytown, CT Dwelling Rent Roll Project No. 000-C-29 From: February 1, 2001 To: February 28, 2001											
1	2	3	4	5	6	7	8	9	10	11	12
Apt./Unit No.	Age	Base Rent	Utility Allowance	Total	Tenant Contribution towards Rent	Amount of Rental Subsidy	Total Cost of Core Services	Tenant Contribution towards Core Services	Amount of Congregate Subsidy	Tenant Contribution ALSA-DSS Client	Tenant Contribution ALSA-DECD Client
		From Management Plan		Total Shelter Rent	From Tenant 'sCertification-line 12	Column 5 minus column 6	From last Mgt. Plan	From Tenant's Certification-Line 20	Column 8 minus column 9	From Tenant's Certification-Line 3b/12	From Tenant's Certification-Line 3b/12
		Post to Acct. 3100 (Cr)			Post to Acct. 1122 Dr.	Post to Acct. 1509 Dr.		Post to Accts. 1122 &7010		Post to Accts. 1122 & 2113	Post to Accts. 1122 & 7010
1	75	255	0	255	213	42		147		0	0
2	78	255	0	255	255	0		554		185	0
3	69	255	0	255	255	0		554		0	601
4	71	255	0	255	255	0		484		0	0
5	68	255	0	255	200	55		250		200	0
6	74	255	0	255	255	0		54		0	50
7	88	255	0	255	255	0		0		0	0
		<b>1,785</b>	<b>0</b>	<b>1,785</b>	<b>1,688</b>	<b>97</b>		<b>2,043</b>		<b>385</b>	<b>651</b>

Acct No.	Account	Debit	Credit
1122	Tenants Accts. Receivable (1,688 + 2,043 + 385 + 651)	4,767	
1509	DECD Rental Subsidy	97	
2113	ALSA Escrow-DSS Tenants		385
3100	Rental Income-Base		1,785
7010	Rental Income-Congregate Services (2,043 + 651)		2,694

## Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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### Exhibit L- Insurance Register

Local Owner/sponsor Anytown, CT Insurance Register Project No. _____									
Project No.	Name of Insurance Carrier	Policy Number	Type of Coverage	Amount of Coverage	Term	Premium	Monthly Expense	Acct. 1210-Unexpired Insurance, Bal. 12/31/01	Acct. 4711-Insurance Expense, Bal. 12/31/01
E-75	Consolidated Ins.	00155	CGL	\$1,000,000	1/1/01-12/31/01	6,000	\$500	0	\$6,000
MR-58	ABC Ins. Co.	20142	Workers Comp.	1,000,000	1/1/01-12/31/01	4,600	383.33	0	4,600
MR-58	Fidelity Ins. Co.	45458	Fidelity Bond	100,000	2/1/01-2/1/02	450	37.50	37.50	412.50
E-75	Rolm Ins. Co.	21556	Auto Ins.	300,000	3/1/01-3/1/02	1,000	83.33	166.66	833.34
E-75	Rolm Ins. Co.	46566	Officers & Directors	100,000	4/1/01-4/01/02	800	66.67	200.01	599.99
E-75	ABC Ins. Co.	54655	Property Ins.	1,000,000	3/1/01-3/1/01	1,200	100	200	1,000
	<b>Balances</b>							<b>604.17</b>	<b>13,445.83</b>



## Accounting Manual for DECD Financed Housing - Administration Funds and Other Programs

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### Exhibit M – Furniture and Equipment Ledger

Local Owner/sponsor Anytown, CT Furniture and Equipment Ledger Project No. _____									
Property ID No.	Asset Description	Quantity	Manufacturers Serial No.	Date Purchased	Purchased From	Cost	Location	Disposition	Notes
1	Refrigerator	1	32451	1/2/00	Sears	\$650	Community Room		
2	Arm Chair	1	22555	4/1/00	Ames	250	Admin Office		
3	Lawnmower	1	46455	5/2/00	H Hardware	700	Maint. Garage		
4	Ranges	40	varies	6/6/00	Bernie's	20,000	Elderly Units 1-40		
5	Table	2	564 & 565	7/1/01	Lowes	1,000	Community Room		
6	Computer	1	5111	8/1/01	Compuware	2,000	Admin. Office		
7	Computer Table	1	56611	9/14/01	Compuware	400	Admin. Office		
8	Office Desk	1	65	10/1/01	Office Max	700	Admin. Office		
9	Snow blower	1	655544	11/1/01	Lowes	1,400	Maint. Garage		
	<b>Totals</b>					<b>\$27,100</b>			

Project Name: \_\_\_\_\_ Project #: \_\_\_\_\_

Sponsor/Authority Name: \_\_\_\_\_

**ADMINISTRATION FUND  
BALANCE SHEET**

As of \_\_\_\_\_

**ASSETS**

1111	Cash-Checking	_____	
1113	Reserve Cash-Saving and Investments	_____	
1114	Restricted Cash-Security Deposits	_____	
1115	Restricted Cash-Special Deposits	_____	
1116	Restricted Cash-Sales Program	_____	
1117	Petty Cash Fund	_____	
1118	Change Fund	_____	
	<b>Total Cash</b>	_____	_____
1122	Tenants' Accounts Receivable	_____	
1123	Vacated Tenants' Accounts Receivable	_____	
	Total Tenants' Accounts Receivable	_____	
1123.1	Less: Allowance for Collection Los:	_____	
	Net Tenants' Accounts Receivable	_____	
1124.1	Unissued State Subsidy - Congregate	_____	
1124.2	Unissued State Subsidy - Congregate	_____	
1125	Housing Assistance Payments Receivable	_____	
1126.1	Rehabilitation Funds Receivable, No.	_____	
1126.2	Rehabilitation Funds Receivable, No.	_____	
1128	Accounts Receivable-ineligible program cost:	_____	
1129	Sundry Accounts Receivable	_____	
1145	Accrued Interest Receivable	_____	
1155	Advances to Revolving Fund	_____	
1156	Advances for Travel	_____	
	<b>Total Accounts Receivable</b>	_____	_____
1211	Unexpired Insurance	_____	
1212	Anticipated Dividends	_____	
1269	General Stores	_____	
	<b>Total Deferred Charges and Prepayments</b>	_____	_____
1405	Development Cost	_____	
1430	Furniture and Equipment	_____	
1440	Capital Improvements - State Rehab. Grants/Loans	_____	
	<b>Total Fixed Assets</b>	_____	_____
1501	Payroll Clearance	_____	
1502	Insurance Claims Clearance	_____	
1503.1	Rehabilitation Program Expenditures, No	_____	
1503.2	Rehabilitation Program Expenditures, No	_____	
1504.1	Net Program Cost Congregate - Contract No	_____	
1504.2	Net Program Cost Congregate - Contract No	_____	
1505	Incomplete Contracts	_____	
1507	RAP Subsidy Payments - Elderly Program Only	_____	
1508	Resident Services Coordinator Expenses-Elderly Program Onl	_____	
1509	DECD Rental Subsidy (Congregate Program)	_____	
	<b>Total Other Assets</b>	_____	_____
	<b>TOTAL ASSETS</b>	_____	_____

Project Name: \_\_\_\_\_ Project #: \_\_\_\_\_

Sponsor/Authority Name: \_\_\_\_\_

**ADMINISTRATION FUND  
BALANCE SHEET**

**LIABILITIES**

2100	Administration Fund Creditors	_____	
2111	Contract Awards	_____	
2112	Contract Retentions	_____	
2113	ALSA Escrow-DSS Tenants and DECD Tenants	_____	
2116	Tenants' Security Deposits	_____	
2117	Payroll Deductions	_____	
2119	Sundry Accounts Payable	_____	
2120	Undistributed Proceeds - Sales Program	_____	
	<b>Total Accounts Payable</b>	_____	_____
2131	Accrued Interest and Principal - Mortgage	_____	
2131.1	Accrued Interest and Principal - Rehab. Loan	_____	
2135	Accrued Salaries and Wages	_____	
2135.1	Accrued Compensated Absences	_____	
2136	Accrued Administrative Oversight Charge	_____	
2137	Accrued Liability to Municipalities	_____	
	In Lieu of Taxes (or Ad Valorem Taxes, if Applicable)	_____	
2139	Accrued Payroll Taxes	_____	
	<b>Total Accrued Expenses</b>	_____	_____
2240	Tenants' Prepaid Rents	_____	
2313	Indebtedness to the State of Connecticut - Mortgage	_____	
2313.1	Debt Retirement - Mortgage	_____	
2314	Indebtedness to the State of Connecticut - Rehabilitation Loan	_____	
2314.1	Debt Retirement - Rehabilitation Loan	_____	
	<b>Total Long Term Liabilities</b>	_____	_____

**TOTAL LIABILITIES**

**EQUITY**

2810	Capital Grant by the State of Connecticut	_____	
2810.1	Contribution by the State of Connecticut - Interest Earned on Development Advances	_____	
2811.1	State Subsidy Authorized - Congregate	_____	
2811.2	State Subsidy Authorized - Congregate	_____	
2813	Valuation of Fixed Assets	_____	
2814	Contribution by the Municipality	_____	
2814.3	Gifts and Donations	_____	
2820.1	Rehabilitation Funds Authorized, No.	_____	
2820.2	Rehabilitation Funds Authorized, No.	_____	
2821	Capital Grant by the State of Connecticut -Rehabilitation	_____	
2825	Mortgage Loan Liquidation	_____	
2826	Rehabilitation Loan Liquidation	_____	
2827	Rental Assistance Grant Authorized-Elderly Program Only	_____	
2827.1	Rental Assistance Grant Unissued-Elderly Program Only	_____	
2828	Resident Services Coordinantor Grant Authorized-Elderly Program Only	_____	
2828.1	Resident Services Coordinator Grant Unissued-Elderly Program Only	_____	
2830	Unappropriated Retained Earnings	_____	
2830.1	Income and Expense Clearance	_____	
2830.2	Prior Year Adjustments	_____	
2830.3	Retained Earnings Appropriated for Development Improvements	_____	
2830.4	Retained Earnings Appropriated for Repairs, Maintenance and Replacements	_____	
	<b>Total Retained Earnings</b>	_____	_____

**TOTAL EQUITY**

**TOTAL LIABILITES AND EQUITY**

Project Name: \_\_\_\_\_ Project #: \_\_\_\_\_  
 Sponsor/Authority Name: \_\_\_\_\_

**ADMINISTRATION FUND  
 OPERATING STATEMENT**

**For the Quarter Ending:** \_\_\_\_\_ # months  
**No. of Dwelling Units:** \_\_\_\_\_  
**No. of Unit Months:** \_\_\_\_\_

		Budget Amount	PUM	Actual Amount	PUM
<b>INCOME</b>					
3100	Rental Income - Base	_____	_____	_____	_____
3100.1	Rental Income - Excess of Base	_____	_____	_____	_____
3110	Excess Utilities	_____	_____	_____	_____
3120	Surcharges	_____	_____	_____	_____
	<b>Total Rental Income</b>	_____	_____	_____	_____
3210	Dwelling Vacancy Loss	_____	_____	_____	_____
3220	Dwelling Vacancy Subsidy	_____	_____	_____	_____
	Net Rental Income	_____	_____	_____	_____
3300	Non Dwelling Rental Income	_____	_____	_____	_____
3510	Sales and Service to Tenants (including Cable TV fees)	_____	_____	_____	_____
3610	Interest Income	_____	_____	_____	_____
3620	Other Income	_____	_____	_____	_____
	<b>GROSS INCOME</b>	_____	_____	_____	_____
<b>EXPENSE</b>					
4120	Salaries - Office	_____	_____	_____	_____
4120.1	Compensated Absences-Administrative Salaries	_____	_____	_____	_____
4130	Legal and Other Services	_____	_____	_____	_____
4130.1	Less: Legal Charges to Tenants	_____	_____	_____	_____
4131	Accounting Fees	_____	_____	_____	_____
4132	Management Fees	_____	_____	_____	_____
4151	Office Supplies	_____	_____	_____	_____
4152	Rents	_____	_____	_____	_____
4153	Travel	_____	_____	_____	_____
4159	Other Office Expense	_____	_____	_____	_____
4160	Pensions and Other Funds	_____	_____	_____	_____
4161	Payroll Taxes	_____	_____	_____	_____
	<b>Total Management Expense</b>	_____	_____	_____	_____
4310	Water	_____	_____	_____	_____
4320	Electricity	_____	_____	_____	_____
4330	Gas	_____	_____	_____	_____
4340	Fuel	_____	_____	_____	_____
4350	Cable Television	_____	_____	_____	_____
4360	Sewer	_____	_____	_____	_____
	<b>Total Utility Expense</b>	_____	_____	_____	_____
4410	Maintenance Wages	_____	_____	_____	_____
4410.1	Compensated Absences-Maintenance Wages	_____	_____	_____	_____
4420	Materials and Supplies	_____	_____	_____	_____
4430	Contractual Services	_____	_____	_____	_____
4440	Maintenance & Shop Equipment Expense	_____	_____	_____	_____
	<b>Total Maintenance Expense</b>	_____	_____	_____	_____
4710	Refuse Removal	_____	_____	_____	_____
4711	Insurance	_____	_____	_____	_____
4715	Pilot or Taxes	_____	_____	_____	_____
4716	Administrative Oversight Charge	_____	_____	_____	_____
4717	Interest Expense	_____	_____	_____	_____
	<b>Total Other Expense</b>	_____	_____	_____	_____
4810	Provision for Repairs, Maint. & Replacement	_____	_____	_____	_____
4820	Provision for Collection Loss	_____	_____	_____	_____
	<b>Total Provisions</b>	_____	_____	_____	_____
4910	Principal Payment-Mortgage	_____	_____	_____	_____
4920	Principal Payment-Rehabilitation Loan	_____	_____	_____	_____
	<b>Total Principal Payments</b>	_____	_____	_____	_____
6100	Extraordinary Income	_____	_____	_____	_____
6200	Extraordinary Expense	_____	_____	_____	_____
	<b>TOTAL EXPENSES</b>	_____	_____	_____	_____
	<b>NET GAIN (LOSS) FOR THE PERIOD</b>	_____	_____	_____	_____

Project Name: \_\_\_\_\_ Project #: \_\_\_\_\_

Sponsor/Authority Name: \_\_\_\_\_

**ADMINISTRATION FUND  
ANALYSIS OF RETAINED EARNINGS**

As of \_\_\_\_\_

**ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS (2830, .1, .2)**

	Balance Fiscal Balance Calendar	July 1, _____ January 1, _____	
Add: Operating Gain (2830.1)			_____
Prior Year Adjustments (2830.2)			_____
Deduct: Operating Loss (2830.1)			_____
Prior Year Adjustment (2830.2)			_____
Balance as of _____			_____

**ANALYSIS OF RETAINED EARNINGS APPROPRIATED FOR DEVELOPMENT IMPROVEMENTS**

(2830.3)

	Balance Fiscal Balance Calendar	July 1, _____ January 1, _____	
Deduct: Total Charges to Retained Earnings Appropriated for Development Improvements as Approved by DECD (Per Attached Schedule.)			_____
Balance as of _____			_____

**ANALYSIS OF RETAINED EARNINGS APPROPRIATED FOR REPAIRS, MAINTENANCE AND  
REPLACEMENTS (2830.4)**

	Balance Fiscal Balance Calendar	July 1, January 1,	
Add: Provision			_____
Other			_____
Sub-Total			_____
Deduct: Total Charges to Retained Earnings Appropriated for Repairs, Maintenance and Replacements. (Per Attached Schedule)			_____
Balance as of _____			_____

**TOTAL RETAINED EARNINGS**



Project Name: \_\_\_\_\_ Project #: \_\_\_\_\_

Sponsor/Authority Name: \_\_\_\_\_

**ADMINISTRATION FUND  
OPERATING STATEMENT - CONGREGATE SERVICES**

For the Quarter Ending: \_\_\_\_\_ # months  
 No. of Dwelling Units: \_\_\_\_\_  
 No. of Unit Months: \_\_\_\_\_

		BUDGET		ACTUAL		
		Amount	P.U.M.	Amount	P.U.M.	VARIANCE
<b>Revenue</b>						
7010	Tenants' Contributions-Core Services	_____	_____	_____	_____	_____
7020	Tenants' Contributions-Assist. Living Service:	_____	_____	_____	_____	_____
7011	Other Income/Meals	_____	_____	_____	_____	_____
2811	State Subsidy- Core	_____	_____	_____	_____	_____
2811	State Subsidy-Expanded Core	_____	_____	_____	_____	_____
2811	State Subsidy-ALSA	_____	_____	_____	_____	_____
<b>Total Revenue Congregate Services</b>		_____	_____	_____	_____	_____
<b><u>CONGREGATE CORE SERVICES</u></b>						
<b>House Management</b>						
8101	Bookkeeping	_____	_____	_____	_____	_____
8102	House Manager Salary	_____	_____	_____	_____	_____
8103	Attendants' Wages	_____	_____	_____	_____	_____
8104	O.T./Vacation Overlap	_____	_____	_____	_____	_____
8105	Fringe Benefits	_____	_____	_____	_____	_____
8106	Payroll Taxes	_____	_____	_____	_____	_____
8107	Insurance-Workers Comp.	_____	_____	_____	_____	_____
8108	Outside Security Services	_____	_____	_____	_____	_____
<b>Total Management</b>		_____	_____	_____	_____	_____
<b>Housekeeping</b>						
8201	Chore Service Wages	_____	_____	_____	_____	_____
8202	Cleaning Common Areas	_____	_____	_____	_____	_____
8203	Laundry (Non Tenant)	_____	_____	_____	_____	_____
8204	Cleaning Supplies	_____	_____	_____	_____	_____
<b>Total Housekeeping</b>		_____	_____	_____	_____	_____
<b>Meal Expense</b>						
8301	Food Costs	_____	_____	_____	_____	_____
8302	Meal Services	_____	_____	_____	_____	_____
8303	Supplies/Utensils	_____	_____	_____	_____	_____
8304	Utilities	_____	_____	_____	_____	_____
<b>Total Meals</b>		_____	_____	_____	_____	_____
<b>Social Services</b>						
8401	Social Service Salary	_____	_____	_____	_____	_____
8402	Supplies	_____	_____	_____	_____	_____
<b>Total Social Services</b>		_____	_____	_____	_____	_____
<b>TOTAL EXPENSES - CORE SERVICES</b>		_____	_____	_____	_____	_____
<b><u>EXPANDED CORE SERVICES</u></b>						
9001	Resident Services Coordinator	_____	_____	_____	_____	_____
9002	Wellness/Preventive Program	_____	_____	_____	_____	_____
9003	Emergency Transportation	_____	_____	_____	_____	_____
<b>TOTAL EXPENSES- EXPANDED CORE</b>		_____	_____	_____	_____	_____
<b><u>ASSISTED LIVING SERVICES</u></b>						
9004	Assisted Living	_____	_____	_____	_____	_____
9005	Initial Assessment Eligibility	_____	_____	_____	_____	_____
<b>TOTAL ALSA EXPENSES</b>		_____	_____	_____	_____	_____
<b>Total All Expenses</b>		_____	_____	_____	_____	_____
1504	<b>Net Program Cost (expenses minus revenue)</b>	_____	_____	_____	_____	_____

**Compensated absences for congregare employees should be charged to accounts 4120.1 or 4410.1 as appropriate.  
 Without DECD approval, expenses exceeding the authorized budget amount will be considered ineligible costs**

Project Name: \_\_\_\_\_ Project #: \_\_\_\_\_

Sponsor/Authority Name: \_\_\_\_\_

**ADMINISTRATION FUND  
OPERATING STATEMENT - CONGREGATE SERVICES  
SUPPLEMENTAL INFORMATION - PROGRAM COSTS**

1504 **Program Cost - Core Service**  
Total Expenses - Core Services (Acct. 8101 thru 8402) \_\_\_\_\_  
Less: Income - Acct. #7010 Tenant Contributions \_\_\_\_\_  
Less: Income - Acct. #7011 Other Income \_\_\_\_\_  
**PROGRAM COST** \_\_\_\_\_  
Less: DECD Core Service Subsidy Authorized (per M.Plan) \_\_\_\_\_  
Due to DECD \_\_\_\_\_  
Program Cost Exceeds Authorized Subsidy \_\_\_\_\_

1504 **Program Cost - Expanded Core Service**  
Total Expenses - Expanded Core Services (Acct. 9001, 9002, 9003) \_\_\_\_\_  
**PROGRAM COST** \_\_\_\_\_  
Less: DECD Expanded Core Service Subsidy Authorized (per M.Plan) \_\_\_\_\_  
Due to DECD \_\_\_\_\_  
Program Cost Exceeds Authorized Subsidy \_\_\_\_\_

1504 **Program Cost - Assisted Living Services (DECD Component)**  
Total Expenses - Assisted Living Services (Acct. 9004 & 9005) \_\_\_\_\_  
Less: Income - Acct. #7020 Tenant Contributions \_\_\_\_\_  
**PROGRAM COST** \_\_\_\_\_  
Less: DECD ALSA Subsidy Authorized (per M.Plan) \_\_\_\_\_  
Due to DECD \_\_\_\_\_  
Program Cost Exceeds Authorized Subsidy \_\_\_\_\_