



# Asset Management Notice

To: All Owners and Managers

Notice # 2024-09

From: Bob Conroy, Director of Asset Management

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To assist with the conversion to a new database at MaineHousing, we have made several changes to the MaineHousing budget form which can be found here: [Property Management Forms \(mainehousing.org\)](https://www.mainehousing.org/property-management/forms) and is called Annual Budget Form.

The most noticeable change is the removal of the Rent Schedule Tabs (2 & 3). Rent schedules will still be required at the time rent adjustments are requested and will still need to be approved by MaineHousing staff. The new rent schedule worksheet is also provided with this notice. The figures required on the budget will be the Total Annual Proposed Rents and the budgeted Vacancy. Several lines were also added on the Annual Budget sheet to help align with HUD accounting and provide better detail of anticipated costs.

The annual budget is a financial projection of operations for the coming fiscal year. It reflects the best judgment of the Owner and Agent concerning the anticipated expenditures to be incurred and income to be received. It requires the establishment of objectives; i.e. maintenance standards, services to be rendered, etc. As a planning and financial control aid, the budget process involves: (1) establishing performance objectives; (2) comparing actual performance against objectives; (3) determining reasons for deviations from objectives; and (4) taking corrective action to improve performance.

The MaineHousing budget form is to be used when submitting the budget. The budget is prepared in Excel format and submitted electronically to [financialreporting@mainehousing.org](mailto:financialreporting@mainehousing.org). A budget must be prepared and submitted to MaineHousing for all periods after a MaineHousing permanent mortgage closing as noted in the mortgage documents. The budget form is to be submitted with all Addendums complete, if applicable. The budget must be submitted to the Owner for approval prior to submission to MaineHousing.

Since the annual budget must be submitted prior to the close of the current fiscal year, expenditures for the last two or three months of operation must be estimated. Estimates for the remaining months of the fiscal year should be verified for reasonableness by comparing them to the prior year's actual experience for the estimated months. A comprehensive review of the current period should be made. Investigations of unusual variations of actual amounts from the



current period should be disclosed if adjustments are required in the new annual budget. Once the budget amounts for the column Current Year Annualized Actuals and the budget amounts for the Next Year Proposed Budget are entered, the percentage change between the two budget years will automatically calculate. Significant percentage changes should be clarified and explained under the tab for Notes to Budget. The annual budget form is color coded between schedules and addendums where the amounts will automatically fill in from another schedule. Addendum A (Management Services) and Addendum B (Resident Services) should be filled out and the totals will automatically transfer to the Annual budget to the appropriate line items. In addition, line items have narrative explanations available in comment boxes, noted with red triangles in upper left hand corner. Once the budget amounts are reviewed and adjusted as necessary the budget will be returned to the Owner and or agent with the MaineHousing Use columns completed.

When a property is planning to complete a rent increase, they need to complete the Rent Approval Form called Rent Approval Form 08-2024 at [Property Management Forms \(mainehousing.org\)](https://mainehousing.org). These rent increase requests should be sent to MaineHousing at least 90 days in advance of when the rent increases will take effect to provide sufficient time to approve and also provide the necessary notifications to the tenants.

*Please note that MaineHousing provides notices as a service to our partners. Notices are not intended to replace ongoing training and do not encompass all compliance and regulatory changes that may occur on the wide arrange of housing programs in which we work. MaineHousing recommends partners establish an ongoing training program for their staff.*

*MaineHousing does not discriminate on the basis of race, color, religion, sex or gender, sexual orientation, gender identity or expression, national origin, ancestry, disability, age, marital status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex or gender, sexual orientation, gender identity or expression, national origin, ancestry, age, disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Lauren Bustard, Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.*

