

MEMORANDUM

TO: All Owners and Managers of VHFA-Financed Properties
FROM: Sam Falzone, Director, Multifamily Programs
DATE: August 16, 2013
RE: 2014 Operating Budget Projections

Yes, another year has passed and it is budget time again here in Vermont. In a few short weeks, the leaves will begin turning and the tour buses will return to clog our roads and help fuel our economy and schools will be back in session.

As in previous years, please use our website and download budget forms from http://www.vhfa.org/documents/property_managers/budget.xlsx. Click on “Rentals”, then from the drop down menus “For Property Managers” – “Forms, Documents and Memos” and then “2014 annual operating budget and supplement” and “Operating budget instructions”. **Mobile Home Parks should use this form as well.** Please submit Budgets and Supplement One electronically by sending completed forms to MFFinancials@vhfa.org. If you need us to send hard copies, please contact your VHFA Management Officer and make a request to receive forms by regular mail.

Increases in management fees of **2.0 %** above last year’s approved fees may be proposed with the owner’s approval, subject to acceptable debt coverage ratios and if there are no unresolved audit findings or Management and Occupancy Reviews issues. Proposed Management fees may still not exceed \$85/per unit/per month and will be capped at this level unless the management contract is put out to competitive bid. All management fees are subject to VHFA’s final approval and for most properties must comply with the Operating Budget Instructions as outlined in section B. 1. a.- k.

VHFA bases its line item numbers for our budget Form 805 on the HUD chart of accounts. This is necessary to aid us in inputting the budget numbers in a manner consistent with HUD reporting and allows for electronic submissions where required.

Please complete, sign and date the budget forms and include your email address, returning them to VHFA 60 days before the end of the fiscal year. Early submissions are always welcome.

Important Reminder: Please be sure to use this new budget form link provided above or from our website which has the correct updated formulas.

We hope to see you at **VHMA’s 32nd Annual Conference** that will be held on October 24th & 25th at the Sheraton Hotel in Burlington VT. Please consider joining your housing cohorts for this valuable and entertaining annual training event.