



## **CAPITAL FUND PAYMENT PROCESSING AND ACCOUNTING POLICY**

The objective of this policy is to ensure the proper payment processing and accounting of Capital Fund Program (CFP) expenditures. It is understood that the CFP funds are limited to be used solely for the development, modernization and operation of Low Rent Housing Program projects as allowed per HUD regulation and the CFP guidebook. Unless specifically allowed by HUD, costs funded by the CFP Program for other programs are strictly prohibited.

## **CAPITAL FUND PAYMENT PROCESSING AND ACCOUNTING PROCEDURES**

When processing payments of CFP expenditures, the following procedures will be followed for: 1) payment of invoices; 2) drawdown of funds; 3) monitoring; and 4) reporting of CFP funds.

### **Payment of Invoices**

- All CFP invoices are to be reviewed and clearly marked as approved and documented to show that the source of funds for payment are CFP grant funds by the Executive Director prior to payment.
- The Executive Director will specify the general ledger code, including the BLI account to be used for payment processing on the invoice before providing the invoice to the accounts payable clerk.
- Under no circumstances, should a payment be made if the PHA has not drawdown and received the respective CFP funds.
- With the exception of funds associated with BLI 1406 "Operations", PHAs have three (3) business days to issue and mail the check once the CFP funds are received.
- The Executive Director/Finance Manager will specify the BLI account and CFP grant year on the check voucher prior to sending the check voucher to the fee accountant for financial statement processing.

### **Drawdown of Funds**

- For each drawdown, the Executive Director will print the associated eLOCCS Voucher Payment form from the eLOCCS system.
- The Executive Director will document the check number(s) and vendor(s) associated with each CFP draw (i.e., the eLOCCS Voucher Payment form). In addition, each individual draw shall be numbered for reference purposes.
- A copy of each draw shall be submitted to the fee accountant to ensure proper reporting of the grant drawdown.
- With the exception of funds associated with BLI 1406 "Operations", in no case shall a draw be made without the proper approved invoices.

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**Crawfordville Property**  
301 Thompson Street  
Crawfordville, Georgia 30631

**Harlem Property**  
140 E. Milledgeville Road  
Harlem, Georgia 30814

**Thomson Property**  
219 Pecan Avenue  
Thomson, Georgia 30824

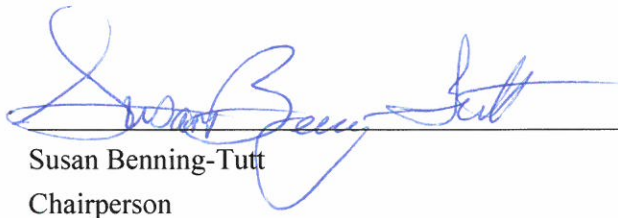
**Warrenton Property**  
PO Box 2  
Warrenton, Georgia 30828

Monitoring

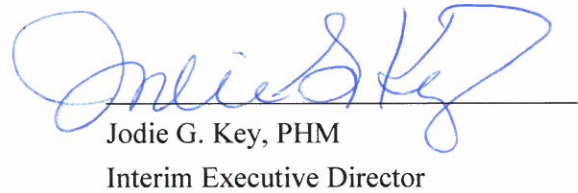
- The fee accountant’s monthly financial statements will include a CFP report for each grant which will be reviewed by the Executive Director for proper coding and accuracy.
- Any difference between funds advanced and expended as reported on the financial statements must be explained in writing by the Executive Director and be part of the next Board Meeting package. Note – Discrepancy between funds advanced and expended may reflect non-compliance as East Georgia Housing Authority Partners (EGHAP) likely has not drawn the CFP funds prior to making the vendor payment (i.e., the vendor was paid with operating funds) or EGHAP has drawn down CFP funds but has not paid the vendor within the required three (3) business days after the funds became available.
- The CFP reports will be filed by the Executive Director for future audit verification.

Reporting

- The general ledger balances will be used for the preparation of the final Performance and Evaluation report submitted to HUD as part of the closing process of the CFP grant. As part of the documentation, a copy of the grant report printed from the fee accountant’s general ledger system is to be attached to EGHAP’s copy.
- For the financial statements to be prepared by the fee accountant, costs are required to be tracked by BLI account number and in a systematic manner that also provides a basis for the accounting and preparation of the Financial Data Schedule (FDS) on a GAAP basis.

  
Susan Benning-Tutt  
Chairperson

8/17/2021  
Date

  
Jodie G. Key, PHM  
Interim Executive Director

8/17/2021  
Date

\*Adopted by the Executive Board of Commissioners on 8-17-2021 and recorded as Resolution#2021-007