

MULTIPLE FAMILY HOUSING PROJECT BUDGET/  
UTILITY ALLOWANCE

PROJECT NAME		BORROWER NAME		BORROWER ID AND PROJECT NO.	
Loan/Transfer Amount \$		Note Rate Payment \$		IC Payment \$	
Reporting Period <input type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input checked="" type="checkbox"/> SMR SNR <input type="checkbox"/> Other Servicing	Project Rental Type <input type="checkbox"/> Family <input type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input type="checkbox"/> Limited Profit <input type="checkbox"/> Non-Profit	The following utilities are master metered: <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Trash <input type="checkbox"/> Other _____	
				<input type="checkbox"/> I hereby request _____ units of RA. Current number of RA units _____. Borrower Accounting Method <input type="checkbox"/> Cash <input type="checkbox"/> Accrual	

PART I—CASH FLOW STATEMENT

	BEGINNING DATES	CURRENT BUDGET (2016)	ACTUAL (Blank)	PROPOSED BUDGET (2017)	COMMENTS or (YTD)
<b>OPERATIONAL CASH SOURCES</b>					
1. RENTAL INCOME				*	
2. RHS RENTAL ASSISTANCE RECEIVED					
3. APPLICATION FEES RECEIVED					
4. LAUNDRY AND VENDING					
5. INTEREST INCOME				*	
6. TENANT CHARGES				*	
7. OTHER - PROJECT SOURCES				*	
8. LESS (Vacancy Contingency Allowance)				*	
9. LESS (Agency Fees)				*	
10. SUB-TOTAL					
<b>NON-OPERATIONAL CASH SOURCES</b>					
11. CASH - NON PROJECT					
12. AUTHORIZED LOAN (Non-RHS)				*	
13. TRANSFER FROM RESERVE				*	
14. SUB-TOTAL (11 thru 13)					
15. TOTAL CASH SOURCES (10+14)					
<b>OPERATIONAL CASH USES</b>					
16. TOTAL O&M EXPENSES (From Part II)					
17. RHS DEBT PAYMENT				*	
18. RHS PAYMENT (Overage)					
19. RHS PAYMENT (Late Fee)					
20. REDUCTION IN PRIOR YEAR PAYABLES					
21. TENANT UTILITY PAYMENTS					
22. TRANSFER TO RESERVE				*	
23. RETURN TO OWNER				*	
24. SUB-TOTAL (16 thru 23)					
<b>NON-OPERATIONAL CASH USES</b>					
25. AUTHORIZED DEBT PAYMENT (Non-RHS)				*	
26. LONG-TERM IMPROVEMENTS				*	
27. MISCELLANEOUS					
28. SUB-TOTAL (25 thru 27)					
29. TOTAL CASH USES (24+28)					
30. NET CASH (DEFICIT) (15-29)				*	
<b>CASH BALANCE</b>					
31. BEGINNING CASH BALANCE				*	
32. ACCRUAL TO CASH ADJUSTMENT					
33. ENDING CASH BALANCE (30+31+32)					

1. Rental income should be based on full occupancy, including rent increase, if applicable.

8. Contingency should be based on 3 years vacancy rate, not to exceed 15% with 15 units or less, or 10% if more than 15 units, or if SWOP has been approved, vacancy contingency will be based on approved workout plan.

6. If there is a figure on this line, specify the charges collected in the comments.

5. Only reflect projected interest from the operating and T&I account. Do not include projected interest from the reserve account.

7. If there is a figure shown on this line, add a comment to explain. You should not project income for security deposits that you anticipate will be kept.

Note: If have Capital Needs Assessment (CNA), see Part VI. Comment Section for special guidance!

9. If vacancy is under cap-no SWOP is needed. If vacancy over cap must have SWOP. Any incentive must have supporting documentation in narrative.

13. Must agree with Part III line 7 & Part V column 2. This is automatically carried over in MFIS & Vendor Software.

12. If partner is making loan to property, prior RD approval is required.

17. Actual amount of RD annual debt payment only.

22. Must match with Loan Agreement/Resolution or Servicing Workout Plan and automatically carries forward from Part III, line 2.

23. Reflect the Return to Owner as per the amount shown on the Loan Agreement/Loan Resolution.

25. Debt repayment other than RD (i.e., Loan from General partners, 3rd Party Loan, etc.). Please specify in comments.

30. Is cash flow positive? A negative cash flow is permissible only if borrower has sufficient cash carryover and it does not appear to represent a trend that cannot be corrected.

26. Carries forward from Part III, line 7.

31. Estimated projected cash on hand as of end of current budget year, including funds in the General Operating, Taxes & Insurance, & Petty Cash Accounts. Not current cash on hand figures.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor and a person may not respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this collection of information is 0575-0189. The average time for reviewing comments received by the agency on this collection of information is estimated to average 2 1/2 hours per response, including the time for reviewing information, conducting necessary consultations, reviewing the collection of information, and completing and reviewing the collection of information.

**PART II-OPERATING AND MAINTENANCE EXPENSE SCHEDULE**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL				
2. MAINTENANCE AND REPAIRS SUPPLY				
3. MAINTENANCE AND REPAIRS CONTRACT				
4. PAINTING				
5. SNOW REMOVAL				
6. ELEVATOR MAINTENANCE/CONTRACT				
7. GROUNDS				
8. SERVICES				
9. ANNUAL CAPITAL BUDGET (From Part V- Operating)			*	
10. OTHER OPERATING EXPENSES (Itemize)				
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)		0.00		
12. ELECTRICITY				
13. WATER				
14. SEWER				
15. FUEL (Oil/Coal/Gas)				
16. GARBAGE & TRASH REMOVAL				
17. OTHER UTILITIES				
18. SUB-TOTAL UTILITIES (12 Thru 17)		0.00		
19. SITE MANAGEMENT PAYROLL				
20. MANAGEMENT FEE				*
21. PROJECT AUDITING EXPENSE				*
22. PROJECT BOOKKEEPING/ACCOUNTING				*
23. LEGAL EXPENSES				*
24. ADVERTISING				*
25. TELEPHONE & ANSWERING SERVICE				*
26. OFFICE SUPPLIES				*
27. OFFICE FURNITURE & EQUIPMENT				*
28. TRAINING EXPENSE				*
29. HEALTH INS. & OTHER EMP. BENEFITS				
30. PAYROLL TAXES				
31. WORKMAN'S COMPENSATION				
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)				*
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)		0.00		
34. REAL ESTATE TAXES				
35. SPECIAL ASSESSMENTS				
36. OTHER TAXES, LICENSES& PERMITS				
37. PROPERTY & LIABILITY INSURANCE				
38. FIDELITY COVERAGE INSURANCE				
39. OTHER INSURANCE				
40. SUB-TOTAL TAXES& INSURANCE (34 thru 39)	0.00	0.00		
41. TOTAL O&M EXPENSES (11 +18+33+40)	0.00	0.00		

NOTE: If you have a CNA, see Part VI., Comment Section, for exception to this rule!

9. Include in this section normal unit turnover costs (i.e., replacement of carpet, appliances, etc.) This is from Part V-Operating.

18. If utilities are included in rent, be sure to check with utility provider for any planned increases. Include explanation with your budget narrative.

20. Must agree with approved Management Certification (3560-13). Base these fees on 100% occupancy. \*Maximum Mgt. Fees for 2017 are \$49.00 per occupied unit per month. Explain in narrative any add-on fees, if applicable.

22. There should be nothing in this box if management fees are being paid.

27. Must be for site manager's office, not management company.

32. Show any other administrative expenses that are not applicable to lines 19-31 (i.e., show MINC transmission charges or energy audit.). Need explanation in narrative.

21. For 24 units or more, must have Financial Audit, 16 thru 23 units, need Agreed Upon Procedures, if less than 16 units, need Borrower Certification.

24. Must advertise at least once during year and more if needed per AFHMP.

25. Telephone expense for property, not management.

28. Training expense for property employees, not management employees

33. Administrative expenses exceeding 23% of gross potential basic rents and revenues must be justified in narrative.

Gross Rents & Revenues is Line 1 of Part I.

Note: Proposed expenses by subtotal category should not exceed 10% of last year's approved budget, otherwise need explanation in the budget narrative.

**PART III-ACCOUNT BUDGETING/STATUS**

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
<b>RESERVE ACCOUNT:</b>				
1. BEGINNING BALANCE .....				
2. TRANSFER TO RESERVE .....			*	
TRANSFER FROM RESERVE .....				
3. OPERATING DEFICIT .....				
4. ANNUAL CAPITAL BUDGET ( <i>Part V - Reserve</i> ) .....			*	
5. BUILDING & EQUIPMENT REPAIR .....				
6. OTHER NON-OPERATING EXPENSES .....				
7. TOTAL (3 thru 6) .....	( 0.00 )	( 0.00 )	*	( 0.00 )
8. ENDING BALANCE [(1 +2)-7] .....	0.00	0.00		0.00

**2. This automatically transfers to Part I, line 22, and must match loan agreement/resolution or servicing workout plan.**

**4. Annual Capital Budget (Part V – Reserve).**

**7. This is automatically transferred to Part I, line 13.**

**GENERAL OPERATING ACCOUNT:\***  
 BEGINNING BALANCE .....

**REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:\***  
 BEGINNING BALANCE .....

**TENANT SECURITY DEPOSIT ACCOUNT:\***  
 BEGINNING BALANCE .....

This area is not completed for a proposed budget

(\*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST .....	<input type="text"/>	RESERVE ACCT. REQ. BALANCE .....	<input type="text"/>
NUMBER OF APPLICANTS NEEDING RA .....	<input type="text"/>	AMOUNT AHEAD/BEHIND .....	<input type="text"/>

**Written narrative must be submitted with the budget and must include the following:**

- Brief description of the project and its status (i.e., it should highlight any issues concerning vacancies, unexpected maintenance, or other items that affect the budget).
- A statement of project compliance. It should indicate any outstanding monitoring findings and the borrower’s progress in addressing these compliance problems.
- A description of the project’s financial status and any changes that occurred during the past year and factors contributing to financial difficulties.
- An explanation of any changes in project expenses or cash sources that exceed the tolerance threshold.
- An explanation of projected capital expenditures and reserve withdrawals for the upcoming year and capital needs for the next 3 years beyond the budget year. If you have had a Capital Needs Assessment (CNA) completed, you must address any capital improvements identified in this report for the proposed year.
- If applicable, a statement that the proposed budget includes a rent change and reasons for the change.
- Any additional documentation that may benefit the Agency in reviewing the proposed budget.

**IMPORTANT – If budget is submitted without this Narrative, it will be considered INCOMPLETE & WILL BE RETURNED!!!**



Enter the number of Units planned for in this column.

### PART V - ANNUAL CAPITAL BUDGET

	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
Appliances:							
Range .....							
Refrigerator .....							
Range Hood .....							
Washers & Dryers .....							
Other: .....							
Carpet & Vinyl:							
1BR .....							
2BR .....							
3BR .....							
4BR .....							
Other: .....							
Cabinets:							
Kitchens .....							
Bathrooms .....							
Other: .....							
Doors:							
Exterior .....							
Interior .....							
Other: .....							
Window Coverings:							
List: .....							
Other: .....							
Heating & Air Conditioning:							
Heating .....							
Air Conditioning .....							
Other: .....							
Plumbing:							
Water Heater .....							
Bath Sinks .....							
Kitchen Sinks .....							
Faucets .....							
Toilets .....							
Other: .....							
Major Electrical:							
List: .....							
Other: .....							
Structures:							
Windows .....							
Screens .....							
Walls .....							
Roofing .....							
Siding .....							
Exterior Painting .....							
Other: .....							
Paving:							
Asphalt .....							
Concrete .....							
Seal & Stripe .....							
Other: .....							
Landscape & Grounds:							
Landscaping .....							
Lawn Equipment .....							
Fencing .....							
Recreation Area .....							
Signs .....							
Other: .....							
Accessibility Features:							
List: .....							
Other: .....							
Automation Equipment:							
Site Management .....							
Common Area .....							
Other: .....							
Other:							
List: .....							
List: .....							
List: .....							
<b>TOTAL CAPITAL EXPENSES:</b>							
RD 3560-7 Page 5							

Unit Turnover Costs and Replacement items (such as carpet, appliances, and air Conditioners), should be planned as an operating expense and recorded here as well as on Part II, line 9. **Note: If you have a CNA, see Part VI., Comment Section, for any exception to this rule!**

Anything Shown in this Column must be included in Part III, line 4

Anything Shown in this Column must be for a Capital Improvement & included in Part II, line 9

Accessibility Features: You must include items identified on your Transition Plan for the current budget year.

**NOTE:** Roofing, concrete for parking lots, sidewalks, etc., are an allowable use of reserve funds.

Don't forget to plan for any capital improvements that were noted on any inspection completed by RD, Transition Plan Items, or Items from your Capital Needs Assessment.

Must agree with Part III, line 4

PART VI -- SIGNATURES, DATES AND COMMENTS

**Warning: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.**

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

**PROPOSED BUDGET MUST  
BE TRANSMITTED VIA MINC.**

(DATE)

(Signature)

(Title)

AGENCY APPROVAL (*Rural Development Approval Official*):

DATE:

COMMENTS:

**Timeframes for Submitting Budget:**

If no rent change – Due 60 days prior to start of fiscal year.

For Rent change – Due 90 days prior to start of fiscal year and be sure to submit a copy of the notice to the tenants for our review.

**Note: Prepare your budget according to approved Servicing Workout Plan, if applicable.**

**CAPITAL NEEDS ASSESSMENT (CNA)**

If this property has had a CNA completed, the budget must reflect planned capital improvements per the CNA. Replacement of items that are reflected in the CNA (i.e., replacement of windows, carpets, appliances, etc.) must be budgeted to be used from reserve funds and not O&M funds because your reserve account was resized to address these needs. Please reflect these improvements in Part V under Column 2 (Proposed from Reserve) which should also agree with Part I, Line 13 and Part III, Line 4. If for some reason these items are not planned for in the budget, justification must be provided as to why. We realize that all items may not be completed in the years identified in the CNA, but an explanation needs to be provided with the planned budget so we know that the needs of this property are being met.