

Asset Management created a separation of the Central Office Cost Center (COCC) and the Asset Management Projects (AMPs). Costs are split between COCC and the AMP. Front-line expenses are expenses of the AMP. A fee expense is an expense of the COCC—the COCC charges the AMP these fees. COCC charges fees in lieu of cost allocations and reports these fees as revenue. AMPs report fees as expenses. Fees paid from AMPs or HUD Programs to the COCC include:

- Property Management Fee
- Asset Management Fee
- Capital Fund Management Fee
- Housing Choice Voucher Program Management Fee
- Fee for Service

Property Management Fees: Management fees are to be earned monthly for each occupied unit or approved vacancy. Public Housing Agencies (PHAs) must distinguish between those costs that can be charged to each project as front-line expenses and those related to corporate support that must be absorbed by the management fee, charged by the COCC. Any fees for centrally-provided property management services must be considered reasonable. Costs must not exceed what other efficient operators would incur for those same services in the local market.

MORE ABOUT FEES

These fee summaries are simplified explanations. Refer to the “Changes in Financial Management and Reporting for Public Housing Agencies Under the New Operating Fund Rule (24 CFR part 990)”, Supplement to HUD Handbook 7475.1 REV., CHG-1, and Financial Management Handbook. This can be found in your Resources.

Bookkeeping Fee: Bookkeeping fees are typically \$7.50 per unit per month, for each occupied unit or unit with an approved vacancy.

Asset Management Fee: The COCC may earn an asset management fee. HUD will generally consider an asset management fee charged to each project of \$10 per unit per month as reasonable.

Capital Fund Management Fee: The PHA may charge a management fee of up to 10 percent of the Capital Fund Program formula grant(s) amount, excluding Replacement Housing Factor (RHF) grants and Emergency and Disaster grants.

Housing Choice Voucher Program Management Fee: HUD will consider a management fee of up to 20 percent of the administrative fee or up to \$12 per unit per month per voucher leased, whichever is higher.

Fee-for-service: This approach refers to the practice of only charging projects for services received. In accounting for project costs, PHAs are not permitted simply to spread the cost of central maintenance across projects. The fee-for-service must not exceed what the project would incur for the service if obtained through the market. An example is centrally-provided maintenance services. A PHA may choose to centralize a maintenance service to an AMP, including centralized inspections. These must use a fee-for-service model.