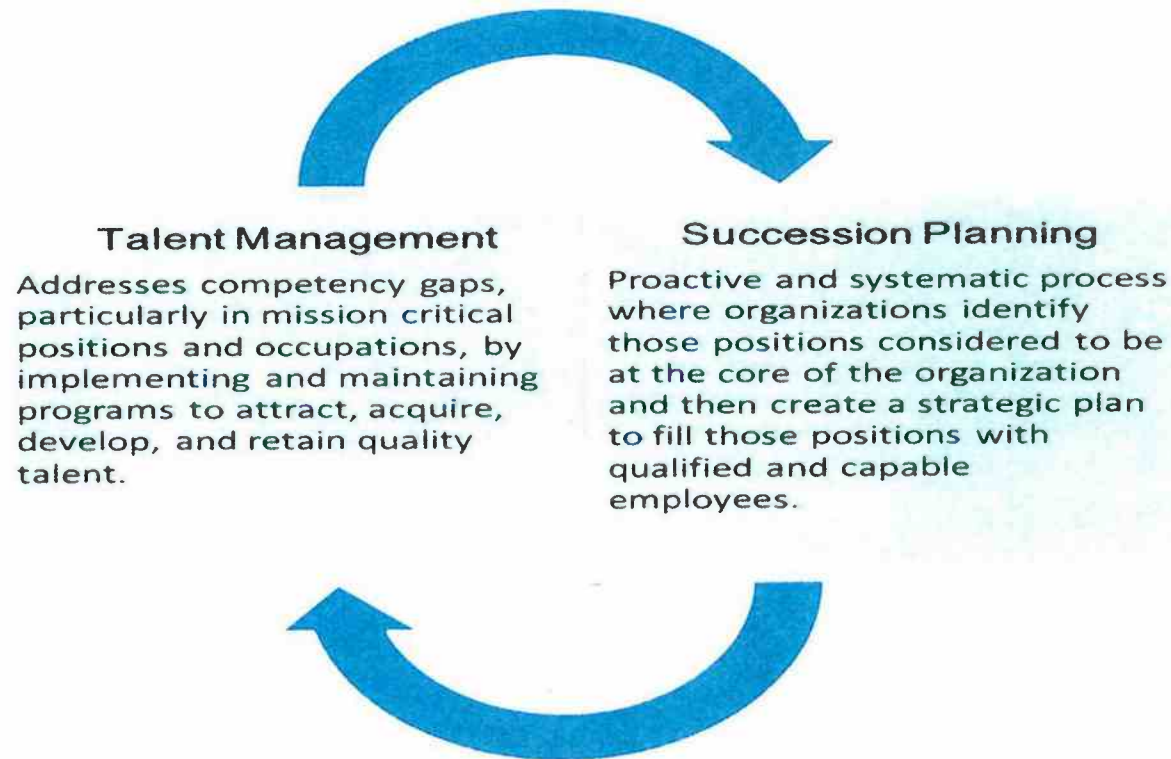

THE BOARD'S ROLE

What is the role of the Board of Commissioners?



THE BOARD'S ROLE

The PHA Board of Commissioners

The local governing board is the oversight of the PHA. The powers of a municipal housing authority shall be exercised by the commissioners/officers of the PHA. It is the board's responsibility to act in the best interest of the PHA.



THE BOARD'S ROLE

Role and Responsibility

Board of Commissioners may express, represent and explain positions taken by the Board at public meetings and/or hearings. While individual commissioners may have opinions on a variety of subjects, commissioners represent the Board only on official policy positions taken by the full Board. Individual Board members should not make commitments or in any way commit the full Board.

The Board sets policy

The full board sets the direction of a housing agency by specifying the goals and objectives of a specific program, strategy or project and allocating the resources to effectuate, implement and evaluate the intended activity.

THE BOARD'S ROLE

- Provide for proper management and oversight of PHA operations.
- The Board is responsible for securing the management of the PHA and ensuring that PHA operations are undertaken in accordance with the laws and program requirements, and the board's priorities and policies.
- Fully consider and evaluate all available options (hire staff, contract for management, intergovernmental agency agreement, consortia, etc.) for efficient operation of PHA.
- Select a qualified CEO/Executive Director. Have a clear understanding of the skills and qualifications needed, duties to be performed, compensation to be provided, and other terms and conditions of employment or contract.
- **Monitor and evaluate performance. Remember that the Executive Director works for the board and not the other way around.**

THE BOARD'S ROLE



- Authorize new contracts, budgets, payments, and applications for funding.
- Approve, review and monitor budgets, contracts and other financial documents to ensure expenditures are in compliance with federal and local laws. The PHA follows good business practices for safeguarding the financial integrity of the PHA and preventing fraud, waste, mismanagement and abuse.

THE BOARD'S ROLE

Develop the PHA's Mission, Goals, and Plan

- What is your organization's mission?
- What goals does it have?
- Does it have a plan to achieve its goals and meet its mission?
- How are your resources allocated to achieve the goals?
- How do you know whether you are on target?

PHAs must develop an Annual Plan and Five-Year Plan in consultation with its Resident Advisory Board, State and public.

THE BOARD'S ROLE

Policies are board adopted and spell out expectations with respect to operation of the PHA and its programs. Internal procedures may be developed which spells out how staff will accomplish.

Examples of policies:

family medical leave
retirement

security of files
conflict of interest

sexual harassment
vacation & benefits

Consider local needs and conditions, priorities, goals and resources. As laws or program requirements change, or as PHA circumstances warrant, policies, plans and goals should be reviewed, and if necessary, revised.

FINANCIAL AND FIDUCIARY RESPONSIBILITY

A. Establish adequate internal management controls

- Check signature authority
- ELOCSS security
- Designation of the contracting officer
- Understanding of the financial statements
- Segregation of duties

B. Approve, review and monitor budgets, contracts and other financial documents to ensure expenditures are in compliance with federal and local laws or other requirements.

C. Follow good business practices for safeguarding the financial integrity of the Agency and preventing fraud, waste, mismanagement and abuse.

D. Through policy development, protect and preserve the Agency's assets and operate the Agency in the interest of others. Policies to consider:

FINANCIAL AND FIDUCIARY RESPONSIBILITY CONT.

- Personnel Policy
- Disposition Policy
- Capitalization Policy
- Admissions and Continued Occupancy (ACOP) Policy
- HCV Administrative Plan
- Travel Policy
- Credit Card Policy
- Rent Collection Policy
- Procurement Policy
- Confidentiality Policy
- Conflict of Interest Policy
- Conflict of Interest Policy
- Vehicle Usage Policy
- Payroll Processing Policy
- General Ledger
- Maintenance Policy
- Budget Policy
- Accounts Payable Policy
- Cash and Investment Policy
- Records Retention Policy
- Preventative Maintenance Policy

FINANCIAL AND FIDUCIARY RESPONSIBILITY CONT.

E. Evaluate the Agency's performance

- PHAS
- SEMAP
- Annual Independent Public Audit (IPA)
- Financial reports
- Unit conditions, vacancy rates and work orders
- Communication with clients, community members/partners

PROCUREMENT

Reviews and Approvals

- The Board of Commissioners should perform an annual review of the Agency's procurement process
- Other than approval of the Procurement Policy, approval by the Board of Commissioners is not required for any procurement action under the amount permitted under State and local law

PROCUREMENT CONT.

Ethics

- Members of the Board of Commissioners must discharge their duties impartially to ensure fair and competitive access to procurement opportunities by responsible contractors
- The Board should conduct themselves in such a manner as to foster the public's confidence in the integrity of the Agency's procurement organization and process

PROCUREMENT CONT.

Conflicts of Interest

- No Agency employee, officer or agent shall participate in the selection, award or administration of a contract supported by Federal funds if a conflict of interest, financial or otherwise, real or apparent, would be involved.
- No present or former Agency employee, officer or agent shall engage in selling or attempting to sell supplies, services or construction to the Agency for one year following the date such employment ceased.

FINANCIAL MANAGEMENT

Definition: the efficient and effective management of money in such a manner as to accomplish the objectives of the organization.

Objectives

- To ensure regular and adequate supply of funds
- To ensure adequate returns
- To ensure optimum funds utilization
- To ensure safety on investment
- To plan a sound capital structure

FINANCIAL MANAGEMENT CONT.

Reviews and Approvals

- The Board of Commissioners should perform an annual review of the Agency's cash and investment policy in relation to actual investments

Interpreting the Financial Statements

- The Statement of Net Position (balance sheet) reports on the Agency's assets, liabilities and equity at given point in time.
- The Statement of Revenues, Expenses and Changes in Net Position (income statement or P&L) reports on the Agency's income, expenses and profits over a period of time.

FINANCIAL MANAGEMENT CONT.

Variations

- An explanation should be sought for revenue and expense differences of 10% or more within each program

Interprogram Balances

- Cash should be transferred to the revolving fund based on each program's incurred expenses to limit excess and/or deficient balances

FINANCIAL MANAGEMENT CONT.

Ratios

1. Quick Ratio (QR)
 - a. To assess the ability to pay current liabilities.
 - b. The higher the ratio, the more financially secure in the short term.
 - c. $\text{Current Assets less Inventory} \div \text{Current Liabilities}$

2. Months Expendable Net Assets Ratio (MENAR)
 - a. To assess the adequacy of reserves., or the number of months a program or project can operate without additional funding.
 - b. $\text{Current Assets} - \text{Inventory} - \text{Current Liabilities} - \text{Long Term Debt} / \text{Average Monthly Operating Expenditures}$