

MULTIPLE FAMILY HOUSING PROJECT BUDGET/ UTILITY ALLOWANCE

Form header section with fields for PROJECT NAME, BORROWER NAME, BORROWER ID AND PROJECT NO., Loan/Transfer Amount \$, Note Rate Payment \$, IC Payment \$, Reporting Period, Budget Type, Project Rental Type, Profit Type, The following utilities are master metered, and I hereby request units of RA.

PART I—CASH FLOW STATEMENT

Main cash flow statement table with columns: BEGINNING DATES, CURRENT BUDGET (2007), ACTUAL (Blank), PROPOSED BUDGET (2008), COMMENTS or (YTD). Rows include OPERATIONAL CASH SOURCES, NON-OPERATIONAL CASH SOURCES, OPERATIONAL CASH USES, NON-OPERATIONAL CASH USES, and CASH BALANCE.

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 approved SWOP that addresses vacancy problem.

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

9. Vacancy under cap no SWOP is needed. Vacancy over cap must have SWOP.

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 borrower prior RD approval is required.

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

17. Actual amount of RD annual debt payment only.

23. Reflect the Return to Owner and notate in the Comment Column which year is being reflected.

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

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, 4-6.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to 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 the collection of information is estimated to average 2 1/2 hours per response, including the time for reviewing the collection of information.

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.

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 AND DECORATING				
5. SNOW REMOVAL				
6. ELEVATOR MAINTENANCE/CONTRACT				
7. GROUNDS				
8. SERVICES				
9. FURNITURE OPERATING ^{Annual Capital Budget (from Part V - Operating)} REPLACEMENT			*	
10. OTHER OPERATING EXPENSES (Itemize)				
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)				
12. ELECTRICITY ^{If master metered}				
13. WATER _{check box on front.}				
14. SEWER				
15. FUEL (Oil/Coal/Gas)				
16. GARBAGE & TRASH REMOVAL				
17. OTHER UTILITIES				
18. SUB-TOTAL UTILITIES (12 thru 17)				
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. WORKER'S COMPENSATION				
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)			*	
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)				
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)				
41. TOTAL O&M EXPENSES (11+18+33+40)				

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

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 Management Agreement or Approved Management Certification (3560-13). Base these fees on 100% occupancy. Mgt. Fees for 2008 is \$39 per occupied unit.

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

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

Show transmission charges here.

21. For 24 units or more, must have Financial Audit, 16 thru 23 units, Revised AUP standards forthcoming, 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.

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

PART III—ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE				
2. TRANSFER TO RESERVE			*	
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT				
4. BUILDING REPAIR & IMPROVEMENTS			*	
5. EQUIPMENT REPAIR & REPLACEMENT				
6. OTHER NON-OPERATING EXPENSES				
7. TOTAL (3 thru 6)	()	()	()	*
8. ENDING BALANCE [(1+2)-7]				

2. This automatically transfers to Part I line 22, and must meet 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 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 & RETURNED!!!**

PART V - ANNUAL CAPITAL BUDGET

Enter the number of Units planned for in this column.

	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:		2		4			
Range		2		4			
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 Equipm							
Fencing							
Recreation Area							
Signs							
Other:							
Accessibility Features:							
List:							
Other:							
Automation Equipment:							
Site Management							
Common Area							
Other:							
Other:							
List:							
List:							
List:							
TOTAL CAPITAL EXPENSES:		*					5

Unit Turnover Costs and Replacement items such as carpet, appliances, air conditioners, should be planned as an operating expense and recorded here as well as on Part II, line 9

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

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

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.

This must be an original signature if not transmitted through MINC. No stamp!

(DATE)

(Signature of Borrower or Borrower’s Representative)

(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.

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