

Management Improvement and Operating (MIO) Plan Part II. Project Improvement Program
Section C. Sources and Uses of Funds

U.S. Department of Housing and Urban Development
 Office of Housing
 Federal Housing Commissioner

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Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

The collection of this information is necessary for the Department to determine which projects will best benefit from flexible subsidy loans in order to improve financial soundness, improve management and maintain affordability. In addition, this information provides the Department with a means to account for, on a project specific basis, the use of flexible subsidy dollars and the progress being made by each project toward its physical, financial and management improvement goals. The Department will use this information from this collection to determine if a project will benefit from flexible subsidy loans. This information is authorized under Section 201 of the Housing and Community Development Amendments of 1978 and 24 CFR Part 219. This information is considered non-sensitive and no assurance of confidentiality is provided.

Project Name		Project Number			Flexible Subsidy Log No.	
Original Date	Revision No.	Period Covered Thru			Field Office	
Source/Use	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	
1. Owner Contribution						
2. Mortgage Relief (Retroactive Only)						
3. Replacement Reserve Releases						
4. Residual Receipt Release						
5. Other Escrow Release						
6. Other Source (Specify)						
7a. Flexible Subsidy**						
7b. Capital Improvement Loan Program						
A. Total Funds Available (Add lines 1 through 7)						
1. Repairs / Replacements Total						
2. Replacement Reserve Deficit						
3. Operating Deficit—Total						
a. Mortgage Delinquency						
b. Taxes and Insurance Escrow Deficit						
c. Accounts Payable						
d. Monthly Operating Deficit						
e. Depository Service Charge						
4. Working Capital Funds						
5. Other (Specify)						
B. Total Funds Needed (Add lines 1 thru 5)						

** Total annual amount of Flexible Subsidy assistance on line 7 may not exceed the sum of the items circled on Part II, Section A (Action Items-HUD-9835) of the MIO Plan.

For each column, line A should equal line B.

Management Agent (If any)	Housing Owner
Date	Date
HUD Loan Specialist	Loan Management Branch Chief
Date	Date

Instructions for Part II of Management Improvement Operating (MIO) Plan

Part II of the MIO Plan has been designed to: (1) formalize HUD and the Owner's agreement as to what actions will be undertaken to restore or maintain the financial and physical soundness of the project; (2) facilitate Owner's Requisition for Advance of Funds; and (3) monitor Housing Owner's progress in implementing the required improvements. Part II of the MIO consists of four sections:

- Section A. Action Items, form HUD-9835
- Section B. Management Objectives, form HUD-9835-A
- Section C. Sources and Uses of Funds, form HUD-9835-B

The Plan should provide actions to eliminate any operational or physical deficiencies noted on HUD's comprehensive management reviews, occupancy reviews, physical inspections or HUD's review of monthly or annual accounting reports. The Housing Owner should submit an original and one copy to HUD and retain a copy. **A sample MIO Plan is shown in Appendix 8 of the Flexible Subsidy Handbook, 4355.1.**

Headings. Enter dates of HUD reviews/reports on which the need for these work items was discussed. Number pages sequentially through Sections A, B and C. Original date is the date HUD approves the Owner's submission; revision dates are dates HUD approves a revision to Part II of the MIO Plan. If an action item is related to a deficiency noted on a HUD review, indicate the type of review and finding or item number. Use the following codes:

- M = Management Review
- P = Physical Inspection
- O = Occupancy Review

F = Financial Review

Operating Assistance Program

Section C. Sources and Uses of Funds (form HUD-9835-B)

1. Indicate how much each source will contribute to the Project Improvement Account each quarter. Sum of quarterly entries for any line should equal total for that line. Entries should reflect verbal agreements between Housing Owner and HUD. Juggle work or deposit schedule so that funds available equal funds needed for any quarter. **The annual amount of flexible subsidy on Line 7 may not exceed the sum of the annual amount estimated in Section A for circled work items.** Working capital funds includes any monies which will be disbursed at the end of the contract term and used to increase the project's operating/checking account balance or to purchase a small amount of supplies.

Transfer sub-category quarterly totals from Section A. Obtain quarterly totals for each category by adding quarterly totals for all sub-categories (e.g., Lines 3a, 3b, 3c, 3d, 3e) within each category (e.g., line 3).

Note: Replacement reserve and working capital funds may only be released in the fourth quarter. Section D: Miscellaneous Plans Required Only for Flexible Subsidy Assistance. For Flexible Subsidy projects, the following two additional plans must be included in the MIO Plan:

- a. A brief, narrative plan explaining how the Owner intends to upgrade the project to meet the Department's Cost Effective Energy Conservation Standards (24 CFR Part 39). Such a plan need not call for completion of the upgrading during the Flexible Subsidy assistance period and only those improvements which can be shown to be cost effective should be included in the plan. All work items required to effect these improvements must be included in Part II Section A of the MIO Plan and all funds required must be included in Part II, Section C of the MIO Plan.
- b. A brief narrative discussing the work items or management initiatives in Part II, Sections A and B of the MIO Plan which will result in a reduction of project operating costs along with an estimate of the cost savings to be obtained through these controls, procedures or actions.

Capital Improvement Loan Program

Section C. Sources and Uses of Funds

(form HUD-9835-B)

Where the Department determines that the preparation of a MIO Plan is not necessary, HUD-9835B will be completed to reflect only the dollar amounts in the following items: 1. Owner Contribution, 3. Replacement Reserve Releases, 4. Residual Receipt Release, and 7. Flexible Subsidy/Capital Improvement Loan Programs, under A. Total Funds Available, 4. Working Capital Funds, and 5. Other (specify), under B. Total Funds Needed (see asterisks). Where applicants are required to complete a MIO Plan, HUD-9835-B will be completed as for Operating Assistance.