



Completing Annual Recertifications on Time

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Performing annual recertifications on time is critical to maintaining property compliance. A recertification must be performed annually for each household that is LIHTC qualified. This means that if you are claiming tax credits on a unit, you must verify the income, assets, and program eligibility annually. In addition, a new TIC must also be completed for each household.

To reduce the risk of failing to complete recertifications on time, it is wise to set a management standard or policy for performing annual recertifications. There are typically three methods for managing the recertification process. The first is to make each recertification due exactly 365 days from the previous certification date. With this method, your staff has the most time to complete the recertification; however, if the 365 days pass and the recertification is not completed, you can be reported for noncompliance. When using to this method, it is wise to get started early in order to allow enough time to handle any situation that may occur that could prevent you from completing the recertification on time.

The second method is to make each recertification due on the first of the month. This differs from the 365-day method in that instead of completing the recertification exactly 365 days later, the recertification is due on the first of the month in which the previous recertification was completed. For example, if Sally moved in on June 15, 2005, her next recertification date would be June 1, 2006. By moving all recertifications to the first of the month, your staff is able to easily keep up with recertifications due for a specific month.

The last method is to make all recertifications due at the same time every year. For example, you may want to perform all annual recertifications in January and have the next annual recertification date for your entire property set to February 1 of each year. In this case, a resident that had moved in June 15, 2005, would have his or her next annual recertification date on February 1, 2006, to coincide with all the residents at your property.

While recertifications are not required to be completed when resident leases are renewed, it is wise to try and have lease dates and recertification effective dates on the same date. This reduces confusion and helps your staff ensure that the recertifications are completed on time. It also helps you avoid noncompliance issues that can occur with residents that do not cooperate with the annual recertification process by giving you the option to terminate their leases.



Remember, failure to complete annual recertifications on time is a reportable noncompliance issue. Setting a corporate standard practice and training your staff to start the recertification process early will help ensure recertifications are completed in a timely manner.

