



## Does Your Compliance Percentage Measure Up?

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On November 29, 2004, TRACS posted the following two announcements on the Announcements page (<http://www.hud.gov/utilities/intercept.cfm?/offices/hsg/mfh/trx/announcements.pdf>):

- *On November 19th, 2004, TRACS implemented procedures to accomplish the compliance enforcement and voucher suspension. All vouchers, with the exception of vouchers with unit counts of 10 or below, that do not meet the Compliance Standard will be suspended.*
- *As requested by Housing, TRACS will begin suspending vouchers that do not meet the Tenant Compliance Standard. The only exception to the Tenant Compliance Standard will be those Contracts whose unit counts fall below the **Unit in Contract Standard** of 10. Consistent with prior communications with Industry, TRACS will tentatively plan to incrementally increase the Compliance Standard percentage over a period time, thus meeting the 85% Compliancy Rule by April 1, 2005.*

Each month, on or before the tenth of the month, a site submits its voucher for payment either directly to HUD or to its contract administrator (CA), who will then forward it to HUD. Whether the voucher is submitted to the CA for verification or directly to HUD, TRACS formulates the site's compliance percentage. If the property's compliance percentage fails to calculate at 85 percent or higher, the voucher is at risk of being suspended or not paid. Vouchers that slip below 85 percent are monitored on a daily basis, and once the percentage reaches the acceptable minimum threshold the voucher should be released for payment. TRACS arrives at this percentage by taking the "Active Tenant Count" (number of active certs with an effective date within the last 13 months) divided by the "Regular Units Billed" (as reported in Part II on the voucher cover page).

### Background

Owners/agents (O/As) are responsible for monitoring the compliance percentages of properties. Since 1999, they have been able to monitor each property's percentage through Secure Systems (<http://www.hud.gov/offices/hsg/mfh/trx/trxsum.cfm>), an Internet application that gives users the ability to query the TRACS system to retrieve information on a property's voucher, tenant, address, and certification information. The O/A would log in and perform a voucher query.

Once a query is run, there are two places the compliance percentage is listed: in the Compliance Percentage column and next to the Active Tenant Count. The percentage that appears in the Compliance Percentage column indicates what the percentage was at the time of submission; the percentage listed next to the Active Tenant Count indicates what the current percentage is. Once TRACS 202B is implemented, even O/As without Internet access can successfully maintain each site's compliance percentage; all vouchers submitted in the TRACS 202B format will have expanded messaging to keep users informed of the statuses. The compliance percentage will be added to the acknowledgment message that is sent to the person who submits the voucher. While this means that the O/A and/or the site can track the percentage without using Secure Systems, there are added benefits to using this application (see *Added Benefits* below).

### Compliance Percentage Error

Currently, if the site's compliance percentage fails the set threshold, the user that submitted the voucher will receive the error code VST53. This is a TRACS Voucher/Payment Status message that states "Voucher failed compliance percentage standard." This error code is informational only. Once the compliance percentage surpasses the threshold, the user will receive a VPS10 message code advising that the "Voucher has been accepted for payment."

### **Percentage Below 85 Percent**

Any percentage below 85 percent suggests that the site is billing for units that do not have an active certification in the TRACS system. In other words, TRACS is missing vital current tenant information. If the O/A has access to Secure Systems, he or she can log into the Internet application and run a TRACS Certification Query. This query allows the user to access tenant certification information more quickly and to sort the list by unit or name. A list will provide the user the most current certification for each tenant effective within the past 15 months. Armed with this information, the O/A or CA can address missing certifications with the site and advise of further action. Usually, the missing certifications need to be submitted to TRACS so that its database can be updated. Once the certifications are resubmitted, the compliance percentage should elevate to the appropriate level and release the suspension on the voucher so the site can receive proper payment.

### **Percentage Above 100 Percent**

While it is incredibly important that the site's compliance percentage be at least 85 percent, it is just as important that the compliance percentage not exceed 100 percent. If the site's percentage exceeds 100 percent, it may mean that there are more tenants in the TRACS database than the site normally has vouchers for. This usually occurs when a move-out or termination has been processed by the site but not sent or received by TRACS and/or the CA. In this case, the site would need to locate the missing move-out or termination and resubmit this certification.

### **No Access to Secure Systems**

Even if neither the O/A nor the site has access to Secure Systems, there are steps that can be taken immediately to rectify this particular voucher error. If the site receives the error code VST53 and does not presently have login rights to Secure Systems, we advise the site to begin by going to the Secure Systems web site and requesting a login. This process of gaining access to Secure Systems can take up to two weeks, but will have added benefits in the end. While the site is waiting for a login, we advise it to immediately run a baseline file in its current program. If you require assistance in running a baseline file, RealPage provides a Tech Note at <http://www.realpage.com/support/docs.asp>. A baseline file is composed of the last full certification (MI, AR, IR, or IC) for each current household. Once the baseline file is created, the user should immediately submit this information to the appropriate party. After the file has been submitted, we recommend that you wait two days before contacting the HUD office to double check all information. While most of these certifications are already housed in the TRACS database, this step will begin the site on the correct path to syncing up its database with TRACS and will, therefore, increase its compliance percentage. This process will ensure that TRACS receives every current certification that the site has processed in its program. The site can also contact its HUD office and request that HUD pull a tenant listing by unit so that the site can see what the most recent certification for each tenant is.

### **Added Benefits**

Earlier in this article, I mentioned that there are benefits to requesting a login to Secure Systems. The main reason to request a login is the ability to track the compliance percentage—not only for one property, but also for all properties assigned to the user. In addition, a login allows the user to retrieve Benefit History Reports for tenants at each property, and Secure Systems can also research voucher and certification errors that have occurred each month. Another benefit is the ability to track voucher payments online. It may take up to two weeks to receive the login, but it is well worth the wait.

For a comprehensive guide on “How to access and use TRACS / TASS,” you can visit Ross Business Development located at <http://www.rbdnow.com/guidebooks.htm>. If you have questions about how to set up Secure Systems, you can call 1-888-245-4860. If you still have questions after you set up Secure Systems, you can call the hotline at 1-800-767-7588.

If you need further information, HUD has an FAQ covering tenant errors, vouchers, and Secure Systems at <http://www.hud.gov/utilities/intercept.cfm?/offices/hsg/mfh/trx/announcements.pdf>.