



# Philadelphia Housing Authority

Budget Policy and Procedures

Board and Resident Leadership

Presentation

April 2012



# Today's Objectives

- 👍 Familiarize you with the New Budget Policy and Procedures,
  - 👍 Process vs. Procedures: Process is changing but Procedures are substantially the same
  - 👍 Tasks, timelines and calendars outlined
  - 👍 Detailed Training on Systems with Budget Manuals
- 👍 Build understanding of Program (or Performance) Based Budgeting



# PHA Budget Process

Today's issues to address within the Budget Process:

- ✓ Must Address Declining Resources
- ✓ Increase Operational Efficiency
- ✓ More Accountable and Informative Reporting



New Policy structure: (Combines Vision, Performance & Spending)

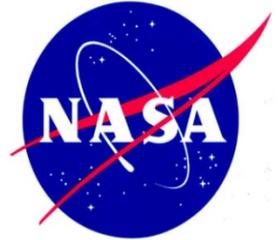
- ✓ Balanced Budgeting methodology
- ✓ Introduced Goals, Strategies & Performance measures
- ✓ Enhance System Usage & Monthly Analysis
- ✓ Adds Budget Revision & Budget Document Presentation
- ✓ Authority Wide Detailed Procedural Training & Desk Guides



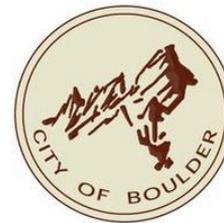
# The Model Works

## Why Program or Performance - Based Budgeting?

- 👍 National Best Practice
- 👍 HUD Requirement
- 👍 Increased transparency & accountability
- 👍 Better understanding of connection between money & programs/outcomes
- 👍 “Meaningful” Model
- 👍 Flexibly works for entities of all sizes & missions



Boston Water and Sewer Commission



# The Time Is Right

## Why is it a good time for the PHA to move toward a more PBB model?

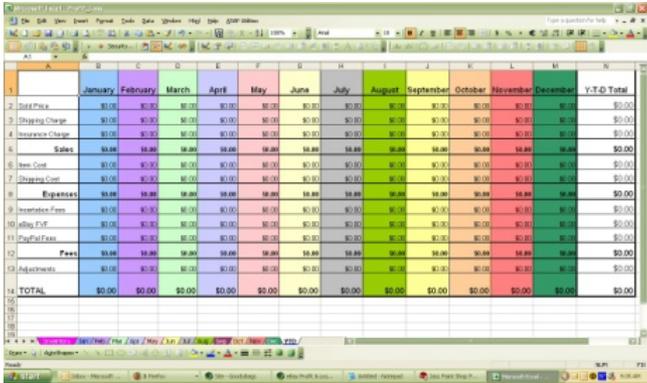
- 👍 **Reinvigorated commitment to transparency & communication**
- 👍 **Greater need for accurate information**
- 👍 **Departments crave empowerment and information**
- 👍 **Increased demand for strategic savings**
- 👍 **Further reestablishment of public trust in the PHA as a good steward of public monies**
- 👍 **Technology currently exists & begs to be utilized**



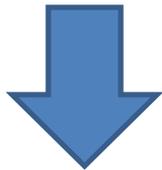
# Legacy Process

**No updates to an old manual-driven process, no reporting, no accountability and few understood the process**

- × Ground-up, line-item detail approach
- × Manually driven – very labor and data-intensive
  - × *167 cost centers, multiple rounds of data entry, error-prone*
- × Inadequate utilization of systems & reports
- × No internal or external reporting
- × Prescriptive rather than collaborative
- × Mired in detail, disconnected from the “big picture” impact and no analytics of data
- × Departments not empowered nor held accountable as stewards of their own funding
- × Little top-down messaging or incentive for Departments to actively participate



	January	February	March	April	May	June	July	August	September	October	November	December	Y.T.D Total
1													
2	Old Price	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$12.00
3	Shipping Charge	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$12.00
4	Insurance Charge	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$12.00
5	Sales	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$96.00
6	Item Cost	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$12.00
7	Shipping Cost	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$12.00
8	Expenses	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$96.00
9	Insurance Fee	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$12.00
10	Other Fee	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$12.00
11	Payroll Fee	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$12.00
12	Fees	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$96.00
13	Adjustments	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$12.00
14	TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

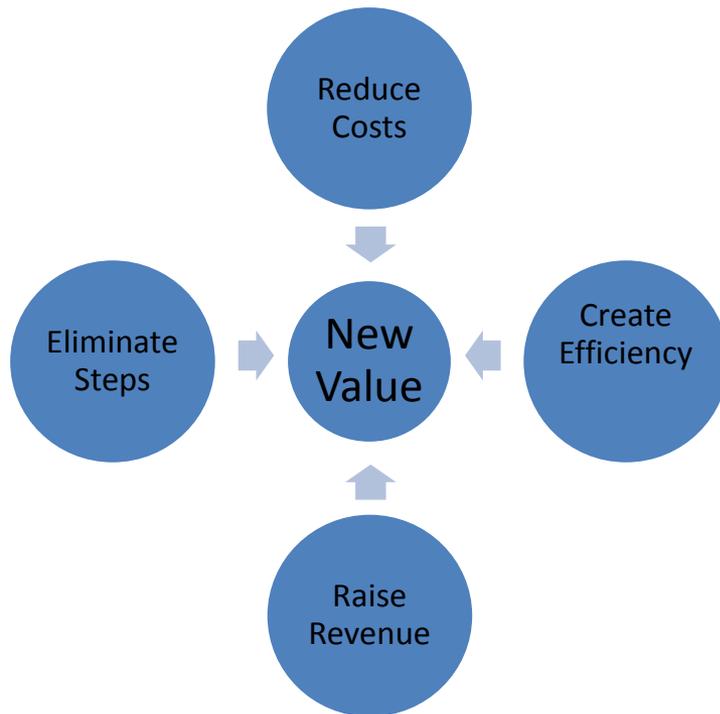


# New Budget Process

- 👍 Highly collaborative, Budget Office responsible for high-level guidance, budget approval, and management of resources related to fulfillment of programmatic goals
- 👍 Departments are entrusted to be responsible for their budget development, accountable for outcomes and commended for efficiencies
- 👍 Highly accountable – Monthly, Quarterly, Mid-Year, & Year-End Reviews and Mid Year Budget Revision and Reporting to Board and Public
- 👍 Maximum utilization & knowledge of existing technologies
- 👍 Comprehensive Software and Process Training provided for all staff including Budget Guidebooks and Training Manuals



# Budget Strategies



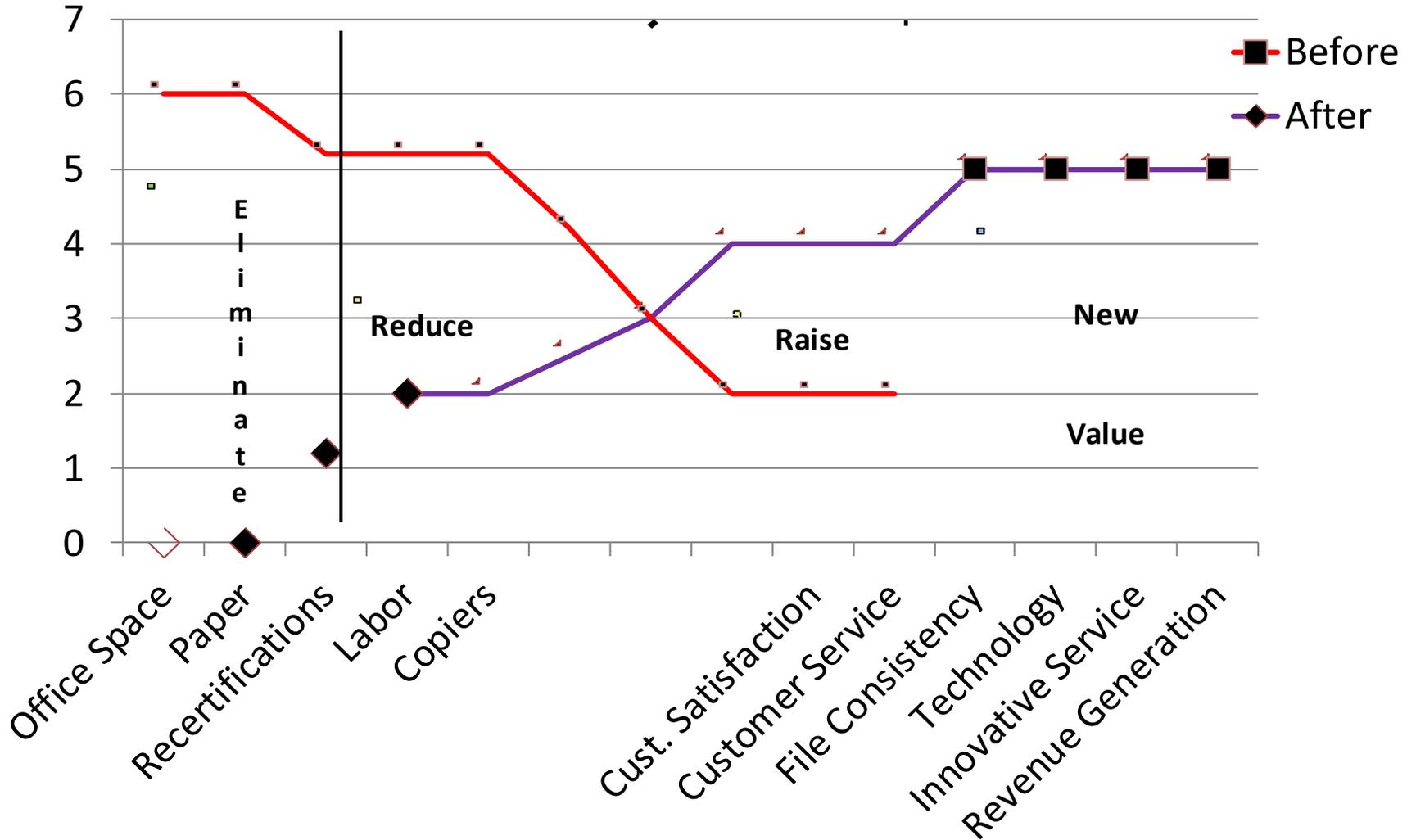
## New Policy Encourages Generating New Value

- How should we prioritize our goals to achieve the best results for our Communities?
- How can we more efficiently achieve our goals?
- Did we achieve our targets?



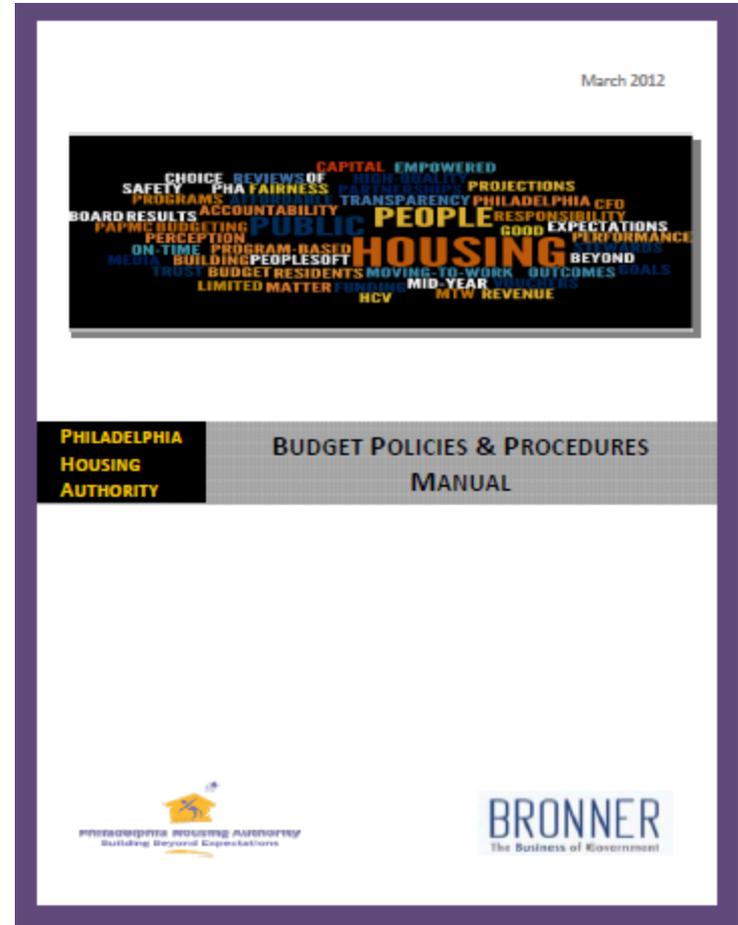
# COST IN

# QUALITY OUT



# The Policy

- ✓ A central repository for budget policies & processes
- ✓ Cover letter states the intentions to restore public trust & involvement, & impart greater transparency into the fiscal process (More Reporting)
- ✓ National best practices & rationale
- ✓ Assigns custodians, calendars, & process maps to make the Policy useful for a variety of audiences & ensure adherence
- ✓ Living Document – Procedures can easily be updated and Training to Staff will be continual.



# The Policy – Layout

Section 1: Current Process Overview

Section 2: General Budget Policies

Section 3: Budget Development Policies

Section 4: Budget Development Process – Operating & MTW

Section 5: Budget Development Process – Limited Partnerships

Section 6: Budget Development Process – Capital

Section 7: Budget Management & Monitoring Processes

Section 8: Program-Based Budget Process Overview



# The Policy - Visuals

## Helpful Process Flows/Maps & Organizational Charts throughout

### Budget Office



**STEP 1:** Budget Office pre-populates certain formula data (utilities calculations, rent, etc) in *PeopleSoft* modules for Departments.

### REVIEW

**STEP 4:** Completed and reviewed modules should be submitted in *PeopleSoft* to the attention of the Budget Office.

**STEP 5:** The Budget Office reviews budgets relative to their fulfillment of leadership goals and objectives. Occasional back-and-forth may occur between Budget Office and Departments for relevant revisions.



**STEP 6:** Automatic alert sent to Departments notifying that their budgets have been approved and are still subject to final approval from the Executive Office and Board.



**IMPORTANT:** Anyone completing the module for their Department/Program, should be mindful of budgeting ample time to allow for manager and department head reviews before submission to the Budget Office.

Department

Department

Department

Department



**STEP 2:** Departments receive training from the Budget Office on how to understand and complete their budget modules in *PeopleSoft*.



**STEP 3:** Departments receive automatic alerts in *PeopleSoft*, notifying the availability of their modules for completion.



Director of  
PAPMC

CHIEF FINANCIAL  
OFFICER

President of  
Limited  
Partnerships

PAPMC Accounting  
Manager

Director of PAPMC  
Operations

PAPMC Accounting  
Supervisor

Senior Site Managers

PAPMC Senior  
Program Analyst

Site Managers

## The PAPMC/Limited Partnerships Team



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