Best Practices for Submitting Annual Reports

The Owner’s Annual Certification

1. The number of units occupied as of 12/31 of the reporting year in questions 1 – 6 should match those indicated on the Project Summary Report in WBARS.

   Note: if the requirements listed for a funder in WBARS do not match those on the Owner's Certification, please check directly with that funder.

2. Set-asides units (numeric section 2) + Common Area Units (question #3) + market-rate units (question #4) + vacancies (question #5) must equal total units (#1 in the shaded column). If the Project Summary Report is not reflecting the correct numbers then check the information on Table 1 for accuracy.

3. Ensure that the Common Area Units are identified by the unit number and the Building Identification Number in question #3.

4. Owner’s signature must be an original. We recommend that Owners sign in blue ink. If the signing authority has changed, provide Corporate Resolutions or a copy of the Minutes authorizing new person to sign.

WBARS Summary

When in the Summary, if you have a Large Household set-aside click on the little icon to the left. This will show the bedroom sizes. If you see any two bedrooms you will know those units do not meet the LH set-aside.

Table 1 in WBARS

1. Both Table 1 as it appears in WBARS and the Excel Export of the table generated with “Unit Information Year-To-Date” selected should be reviewed for accuracy prior to submitting the report.

2. The report should include activity for each unit for the entire year.

3. All Yellow validations should be explained with a Comment on the Table 1 Detail page (resident record). Yellow validations indicate possible non-compliance.

4. Pay special attention to highlighted information and information in bold as these indicate areas of possible non-compliance and may or may not generate a validation message. Information will be highlighted or bolded as follows:
   a. Certification dates – will be highlighted if the certification date is in the wrong calendar year or there is more than 12 months between certification dates.
   b. Gross Income – will be bolded if it exceeds the Max Income and highlighted if it exceeds 140% of the Max Income.
   c. Total Rent with Utility Allowance – will be highlighted if it exceeds the Maximum Allowed Rent.
   d. Vacant – will be highlighted if the unit was vacant for more than 90 days.

5. If a unit was vacant for more than 90 days during the calendar year, provide the date the unit was rent ready and a written explanation as to why the unit was vacant for an extended period. See Extended Vacancy/Rent-Ready Report.

6. Common Area Units (CAUs) being utilized as such must be designated as a CAU in the Unit Designation field on the Table 1 Detail page. If a CAU is occupied by a qualified household, then it should be designated as a “Restricted” unit.
Resident Packages

1. Assemble the certifications in the order listed on the Compliance Checklist. You do not need to include a copy of the Compliance Checklist; we provide it as a tool for you to use when compiling your resident certifications.

2. Only include forms that are necessary for each specific certification. This includes Leases and Lease Riders, which are only requested for years when the property will have an On-site Visit.

3. 🔄 Paper Clips are problematic. Please invest in a heavy-duty stapler or use binder clips.

4. **Show your calculations!** Remember to use the greater of the actual salary (as you calculate it) or the salary derived from year-to-date figure. The Eligibility Certification contains a section to assist in calculating income.

5. Include copies of the initial and first recertification of any household whose income exceeded 140% AMGI during the calendar year, even though the unit may not have been selected.

6. Include the initial certification of any household whose income was within $500 of the applicable income limit, even though the unit may not have been selected.

7. Staple each individual certification, with a heavy-duty stapler if necessary. Paper clips and binder clips can fail and create chaos in our file room.

8. Submit the certifications in the order requested.

Extended-Vacancy/Rent-Ready Report

This report is optional and is intended to be used when a property has units that have not been made rent-ready within 30 days and/or have been vacant for longer than 90 days. If used, this report should be submitted with the annual report that is due every year on the 31st of January.

*Reminder:* The IRS has stated that two or three days should be long enough to make a unit rent-ready. The Commission has taken a more reasonable stance and feels that units should be made rent-ready within 30 days.

A unit that is not made rent-ready in the prescribed time-frame may be an instance of noncompliance and is reportable to the IRS.

For further information please refer to **Unit Occupancy** in the *Tax Credit Frequently Asked Questions* and Chapter 6 in the 8823 Guide.

Miscellaneous

Include current utility allowances covering the entire reporting period. If no changes have been made since the previous year, indicate to whom you spoke, date, phone number, and state “no changes.” Remember to circle with a pen (not a hi-lighter) the amounts you used to determine the utility allowance.

An Affirmative Marketing Report is required on properties with WSHFC Bonds.

It is always nice to receive a brief cover letter, especially if there is something unusual, such as a household not recertified within the required 12 months.
If your organization has a policy to funnel all questions regarding compliance through one or two of your people, in no time those people will become your resident experts. This is just a suggestion and as always, we welcome questions from any and all.

Resident certification packages typically have fewer mistakes if a policy is in place to have “a second (and sometimes a third) set or eyes” look at the certification packages prior to final approval.

The *Special-Needs Vacancy Report* needs to be completed anytime the property’s Special-Needs set-asides have not been met. This report should then be included with the annual compliance report. Proper documentation needs to be attached to this report ensuring that the required good-faith marketing effort for at least the 30-day period after the rent-ready date has been met. Consult the Tax Credit Compliance Procedures Manual for additional information. You may also need to include special reports if the property has Farmworker and/or Transitional/Homeless Commitments. Refer to the Tax Credit Compliance Reports’ page on our website for these reports.