

## UTILITY ALLOWANCE REIMBURSEMENT POLICY

### *HUD properties ONLY*

#### **Overview**

In properties with individually metered units, residents pay their own utility bills – usually gas and/or electric. However, HUD has established and requires a means to help ensure that residents can pay their utility bills. Therefore, as part of the HUD assistance payment, residents may receive either a utility allowance or a utility reimbursement depending on the amount of the household's adjusted gross income.

If the resident receives a utility reimbursement, the reimbursement must be paid to the resident within 5 business days of receipt of the Housing Assistant Payment (HAP) or Voucher payment. (Refer to the HUD Handbook 4350.3 REV 1)

#### **Directions**

To accomplish this task, the Bookkeeper must cut the utility reimbursement check when the HAP (voucher) is submitted to HUD for payment. The check should then be sent to the site and "held" for the resident until the subsidy payment has been received and the Bookkeeper has notified the site. **NOTE: If the property has an "expired or pending" section 8 contract renewal, check with your Regional Property Supervisor regarding disbursement of the utility reimbursement checks.**

The Bookkeeper must notify the property on the day that the subsidy payment is received to stay in compliance with Federal guidelines and so that:

- A) The Property Manager can enter the subsidy payment into Rent Roll.
- B) The Property Manager can release the utility reimbursement check to the relevant resident household.

Once the Bookkeeper has notified the Property Manager, the Property Manager must immediately (on that same day) notify the resident household in writing (Form M-24h), and, by telephone and/or in person that their utility reimbursement check is available in the office. A copy of the written notification must be kept in the resident file. If the resident does not pick up their utility allowance check by the 3<sup>rd</sup> day after notification, another written notice must be sent and a copy must also be placed in the resident file.

If by the 5<sup>th</sup> day, the resident has not picked up their utility reimbursement check, the Property Manager must send the check to the resident via certified mail. The receipt must be placed in the resident file as well. If a return receipt was requested, that response must also be kept in the resident file. We need to be able to prove that the utility reimbursement check was delivered on time.

The disbursement of the check is to be recorded on the Utility Allowance Disbursement Log (Form M-23h). The log is to be maintained in an office file.