

## **Budget Based Rent Adjustment Checklist**

This checklist identifies documentation that is required for a complete budget based rent adjustment submission.

- **Certification of Compliance with Notification Requirements**
- **Copy of the Notice to Tenants**
- **Copies of all written comments submitted by tenants to the owner/agent**
- **Utility Allowance Review, required yearly (RA-13) or Utility Allowance Analysis and backup, required every 3 years, (RA-14), if applicable.**
- **Documentation of debt service if it has changed since previous request.**
- **Cover Letter that briefly does all of the following:**
  - ✓ Summarizes the reasons why a rent increase is needed and the date the increase will be effective.
  - ✓ Percentage of rent increase requested.
  - ✓ Describe project's physical condition and any improvements that have been budgeted for.
  - ✓ Identify any proposed change in services, equipment or charges and reasons for the change.
- **Completed Budget worksheet (Form HUD 92457-A)**
  - ✓ For any property not required by HUD to submit an audited financial statement, the owner must submit a copy of the most recent fiscal year financial statements.
  - ✓ Must not be a Negative Budget.
  - ✓ Must be signed and dated.
- **An explanation and supporting documentation for line items**
  - ✓ An increase of more than 5% and/or \$500 requires an explanation.
  - ✓ New line items not included in the prior year's budget requires an explanation and supporting documentation.
- **Examples of supporting documentation include:**
  - ✓ Current (past 12 months) copies of contracts, invoices, bills or estimates obtained.
  - ✓ Dated notice of increase from a utility company, insurance provider etc.
- **Provide an itemized list for the following categories budgeted for regardless of whether or not the owner is requesting an increase:**
  - ✓ 6390 Misc. Admin. Expenses
  - ✓ 6590 Misc. Operating and Maintenance Expenses
  - ✓ 6790 Misc. Taxes, Licenses, Permits and Insurance
  - ✓ 6890 Misc. Financial Expenses

For example, if you are budgeting a total of \$1000 in line 6390, you must itemize each expense such as \$600 for postage, \$300 stationary and \$100 for copying expenses.
- **Status report on the project's implementation of its current Energy Conservation Plan (if applicable)**
- **Owner's Certification regarding purchasing practices and expenses**
- **Reserve Analysis and HUD Form 9250 SENT TO HUD** if requesting increase in Reserve for Replacement deposits.