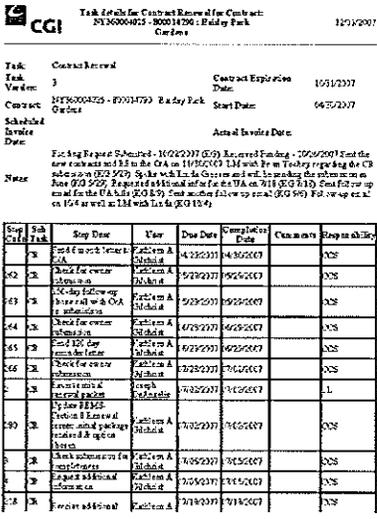


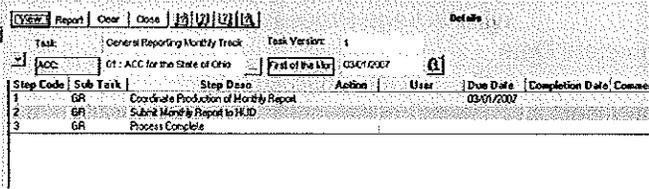
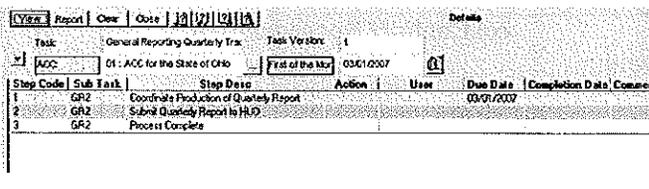
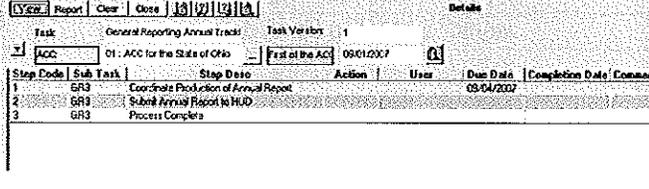
APPENDIX F FUNCTIONAL REQUIREMENTS

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Functional Requirement	A,B,C, or D	Comments
xiv. Sent to HUD for Approval (over 5%)	A	As Above
HUD	A	As Above
xv. Date RCS Ordered from	A	As Above
xvi. Date HUD RCS Received	A	As Above
xvii. Package Processing Complete Date	A	As Above
xviii. Date RCS sent to Appraiser	A	As Above
xix. Package Approved by MSHDA (QC)	A	As Above
xx. Sent to HUD for Funding	A	As Above
xxi. Contract to sent to Owner for Signature	A	As Above
xxii. Contract Received from Owner	A	As Above
xxiii. HUD Approved Funds	A	As Above
xxiv. MSHDA Executed	A	As Above
xxv. Renewal Complete	A	As Above
xxvi. Housing Assistance Payment (HAP) to Owner	A	As Above
xxvii. HAP to HUD	A	As Above
xxviii. HAP to Ft. Worth	A	As Above
xxix. Entered into REMS	A	As Above
xxx. Comments (unlimited text field)	A	As Above
xxxi. Contract/Payment Status	A	As Above
xxxii. Was Application Processed with 30 Days?	A	As Above
b. (M) System must calculate the number of days between the contract expiration and the date the renewal was sent to HUD.	A	As Above
c. (M) System must calculate the number of days between the date the renewal was received at MSHDA and the date the renewal package was sent to HUD. System will alert user when 30 days is approaching.	A	As Above
d. (M) System must have the ability to generate a rent schedule.	C	As Above
e. (M) System must be able to compute OCAF calculations to be used for the rent schedules. This field must be a protected field.	C	As Above
f. (M) System must have the ability to separate traditional data from performance based contract administration data for reporting purposes.	C	Will require modifications but included in price
g. Interfaces – (M) Finance will need to view contract/payment status each month.	A	As Above
h. Reports - (M) The system must provide for the following reports:		
i. Renewals of Expiring Section 8 Contracts Monthly Summary (Exhibit	A	The information is captured on the Tracking forms and reported to HUD on the invoice

APPENDIX F
FUNCTIONAL REQUIREMENTS

Functional Requirement	A,B,C, or D	Comments
CA-28).		<p>Monthly Reports tracking form</p>  <p>Quarterly Reports tracking form</p>  <p>Annual Reports tracking form</p> 
ii. Outstanding Renewal Packages (Exhibit CA-29)	A	As Above
iii. Rent Schedule (Exhibit CA-37)	C	As Above
iv. OCAF Worksheet (Exhibit CA-38)	C	As Above
v. Notification of Funding (Exhibit CA-39)	C	As Above
vi. Future Contract Expiration Report. (Exhibit CA-40) - Report shows contracts that will expire within the next 60-90 days.	A	As Above
28. General Reporting Requirements (IBPS #15)		As Above
a. (M) System must track and store the information regarding Contract Administrations monthly billing report to HUD.	A	As Above
i. System must record date the report was sent to HUD	A	As Above
ii. System must give a summary of reporting requirements per quarter.	A	As Above
b. Interfaces (M) System must have the ability to interface with external databases.	A	As Above

APPENDIX F
FUNCTIONAL REQUIREMENTS

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c. Reports - (M) The system must provide for the following reports:		As Above
i. General Reporting Requirements Monthly Summary (Exhibit CA-30)	A	As Above
18. Monitoring Physical Inspection Results (IBPS #16)		
a. (M) System must track and store all data required to monitor physical inspections.	A	
i. Development Name	A	
ii. Property Number	A	
iii. Contract Number	A	
iv. REMS ID	A	
v. Receipt of Report Date	A	
vi. Date Report Sent to Owner	A	
vii. Difference in Days between receipt and sent dates	A	
viii. Resolved Date	A	
ix. REAC Inspection Date	A	
x. REAC Score	A	
xi. Follow up Dates	A	
b. (M) System must track follow up attempts through resolution and alerts user when the 10 th day of the month is approaching to ensure follow up has been made.	A	
c. (M) System must alert user if 2 days has passed and physical inspection report has not been sent to owner.	A	
d. Reports - (M) The system must provide for the following reports:		
i. Physical Inspection Results Monthly Summary (Exhibit CA-31)	A	
ii. Outstanding Physical Inspection Resolutions (Exhibit CA-32)	A	
iii. Communication Tracking Report (Exhibit CA-33) Report must be applicable to all IBPS tasks.	A	
30. Corrective Action (IBPS #7)		
a. (M) System must track and store all information related to corrective actions encountered each month.	A	
i. Development Name	A	
ii. Property Number	A	
iii. Contract Number	A	
iv. REMS ID	A	
v. Voucher Verification Date	A	
vi. Date Notice of Corrective Action Sent to HUD	A	
vii. Overpayment?	A	
viii. Resolution Date	A	

APPENDIX F FUNCTIONAL REQUIREMENTS

Functional Requirement	A,B,C, or D	Comments
ix. Type of Correction	A	
x. Corrective Actions Resolved in 10 Days and Overpayments Resolved within 30 Days?	A	
b. Reports - (M) The system must provide for the following reports:		
i. Notification of Corrective Actions Monthly Summary (Exhibit CA-34)	A	
31. Billing		
a. (M) Each month, MSHDA is required to report the status of all 16 IBPS tasks to HUD and therefore the system must produce all of the following monthly summary reports in one report packet, for submission to HUD.	A	
i. Management and Occupancy Review Summary (Exhibit CA- 45)	A	
ii. Documentation of Owner Civil Rights Compliance (Exhibit CA-19)	A	
iii. Processing Rental Adjustment Summary (Exhibit CA-20)	A	

APPENDIX F FUNCTIONAL REQUIREMENTS

Functional Requirement	A,B,C, or D	Comments
<p>viii. Monitoring and Reporting Owner Follow-up (Exhibit CA-24)</p>	A	
<p>ix. Life Threatening Health and Safety Issues Summary (Exhibit CA-11)</p>	A	
<p>x. Non-Life Threatening Health and Safety Summary (Exhibit CA-16)</p>	A	
<p>xi. Section 8 Budgets, Requisitions, Revisions (Exhibit CA-25)</p>	A	

APPENDIX F FUNCTIONAL REQUIREMENTS

Functional Requirement	A,B,C, or D	Comments
CA-26) xii. Year-End Statement (Exhibit	A	
(Exhibit CA-27) xiii. Contract Administrator's Audit	A	
xiv. Renewals of Expiring Section 8 Contracts (Exhibit CA-28)	A	
xv. General Reporting Requirements (Exhibit CA-30)	A	

APPENDIX F FUNCTIONAL REQUIREMENTS

Functional Requirement	A,B,C, or D	Comments
xvi. Monitoring Physical Inspection Results (Exhibit CA-31)	A	
xvii. FMR Calculations (Exhibit CA-42)	A	
xviii. Maximum IBPS Fee Calculations (Exhibit CA-43)	A	
xix. Monthly Incentive/Disincentive IBPS Fee Calculation (Exhibit CA-44)	A	
b. (M) System must calculate and track incentives and disincentives based on the contract administrator's performance on each task. Incentive/Disincentive calculations must follow the HUD guidelines established in the Annual Contributions Contract (ACC).	A	As Above

APPENDIX F
FUNCTIONAL REQUIREMENTS

Functional Requirement	A,B,C, or D	Comments
a. Invoices for Subcontractors and Vendors		Invoice Support for Sub Contractors will involve adding additional grouping options to the current invoice procedures.
i. (M) The system must track and calculate monthly invoices for the Contract Administration subcontractors/vendors. The following data must be captured by the system and will be manually entered by staff:	C	As Above
1. Month of billing	C	As Above
2. Year	C	As Above
3. Program billed for (PBCA: Section 8 or CORE: Section 8 and Section 236).	C	As Above
4. Number of units according to program	C	As Above
5. Price per unit to be billed	C	As Above
6. Price per property to be billed	C	As Above
7. Basic Fees	C	As Above
8. Incentive Fees (PBCA, paid quarterly)	C	As Above
9. Beginning Balance	C	As Above
10. Invoice Paid	C	As Above
11. Description of work	C	As Above
12. Billing Period	C	As Above
13. Date of Payment	C	As Above
b. (M) The system must be able to calculate the Program Year to Date totals, Remaining Amount of Subcontractor/Vendor Budget, Basic Fee Totals, and Total Approved Amounts.	C	As Above
c. (M) The system must be able to calculate the invoice amount based on the number of units per program and the price per unit.	C	As Above
d. (M) The system must be able to calculate the invoice amount based on the number of properties per the Section 8 PBCA program and the price per property.	C	As Above
e. (M) The system must include quarterly incentive amounts for the Section 8 PBCA program invoice calculations.	C	As Above
f. (M) The system must be able to track maintenance fees according to the modules used and the contract agreements in the Contract Administration Department.	C	As Above
g. (M) Users must be able to make manual adjustment to the data.	C	As Above

APPENDIX F
FUNCTIONAL REQUIREMENTS

Functional Requirement	A,B,C, or D	Comments
h. (M) The system will provide the ability to electronically and securely sign and certify approved invoices once they have been reviewed.	C	As Above
i. (M) Once the invoice has been reviewed and signed, the system will automatically generate an email that includes the MSHDA generated invoice and a link to the scanned invoices, for the subcontractor/vendors, to be sent to the supervisor for final approval.	C	As Above
j. (M) System will allow user to query data by the following scenarios:	C	As Above
i. Total paid to subcontractor/vendor by program year.	C	As Above
ii. Total paid per program (PBCA: Section 8 and CORE: Section 8 and Section 236).	C	As Above
iii. Total amount of basic fees and incentive fees paid to subcontractor/vendor for a specific period of time.	C	As Above
iv. Track invoices to show when payment was requested and when payment was approved and released.	C	As Above
k. (M) The system will generate a check request with the approved amounts to be sent to Finance for payment once the invoices have received final approval.	C	As Above
l. (M) System will maintain a historical view of the data.	C	As Above
m. Interfaces – (M) When the invoices have received final approval, the system will generate a check request and send it to Finance for payment.	C	As Above
n. Reports – (M) The system must provide for the following reports:		As Above
i. Per Unit Invoice (Exhibit CA-45)	C	As Above
iii. Per Property Invoice (Exhibit CA-46)	C	As Above
iv. Per Module Invoice (Exhibit CA-47)	C	As Above
	C	As Above
Compliance/Legal		
(All items listed for Compliance/Legal are Mandatory except where indicated.)		
32. Combined Application		

APPENDIX F
FUNCTIONAL REQUIREMENTS

Functional Requirement	A,B,C, or D	Comments
<p>a. <u>MSHDA has a combined application which is currently submitted in hard copy and can be downloaded from MSHDA's website. (The application can be retrieved by going to www.michigan.gov/mshda, under spotlight "MSHDA's Combined Application for Rental Housing Programs")</u> The data in this application must be electronically available to outside developers for electronic submission into the system. All data elements in the application must be stored in the system for usage and reporting by different areas in MSHDA.</p>	A	<p>Emphasys' FundingApp Portal allows housing agencies to design their own Application templates. The data elements collected in the Portal can be mapped and imported and stored in the back-end IM & C System for evaluation, tracking and reporting purposes.</p>
<p>b. New property applications must be assigned a MSHDA number</p>	A	<p>In the Funding App, a user would create a question (in this case "MSHDA number") and for the answer, select "text" and in default value, select calculation. From there, the user would select the mechanism for calculation – whether it is auto-number, or a mask with an increment.</p>
<p>c. Properties that already exist in the system and have a MSHDA number must be assigned an additional funding/project number for the type of funding they are requesting with the application submission without regard to the status of previous funding/projects. (An application may be submitted for more than one funding type. Each funding type must be assigned its own funding/project number.)</p>	A	<p>A question can be created and the default value can be calculated. In this particular approach, it would need to look up a value for each funding type. You could set that up within the Funding App and then just look it up via the feature: "Questions that answer this one" and reference the look up.</p>
<p>d. The "remote" user must be able to open the application make updates or changes and save the data for completion at a later time.</p>	A	<p>Every user has a login and password and can access (as long as they have internet access) the system. From there, they can edit any applications they've been working on that haven't been submitted or locked.</p>
<p>e. "Remote" users must be able to access the same application multiple times (multiple iterations).</p>	A	<p>Every user has a list of their current applications and as long as the timeline supports their editing, they can come back as often as they like to edit their application. After the editing period is over, all applications are locked and the user can't create a new application or edit an old one.</p>
<p>f. Multiple users must be able to access the same application.</p>	A	<p>The Funding App is a web-based system that supports multiple users accessing the system via the internet.</p>
<p>g. All changes to the application must update calculated figures with each change.</p>	A	<p>Anytime the application designer creates a dependency (questions that answer this one), a change in the source question's answer will lead to a newly created/calculated answer in the target's answer.</p>
<p>h. The Application once submitted must allow internal users to update the data, keeping a copy of the originally submitted application preserved.</p>	A	<p>A Funding App feature, "cloning" supports this capability by allowing a user to create a duplicate version of an application and then edit it – keeping them linked but separate.</p>

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Functional Requirement	A,B,C, or D	Comments
i. The "remote" user and internal staff must have the ability to print a completed copy of the application at any time	A	Funding App supports printing to a PDF. Any application, at any time, can be sent to a PDF for viewing and printing by any user with rights.
j. Once an application is submitted, the "remote" user(s) must not be allowed to edit the submitted document, but allowed to copy the information for a new application	A	Currently, internal users can "lock" any application – preventing remote users from editing. Further, applications can be cloned so that copies can be made.
k. The system must send confirmation to the "remote" user that the application was submitted and received	A	Each user must input their email when registering, and this is the email used when sending the confirmation.
l. For LIHTC developments, updated project information must be submitted at additional stages of the development. The system must provide a way for the user to electronically submit updated versions of the application for each stage. (Commitment, 10% Carryover Certification, Placed In Service, etc)	A	Funding App allows for the creation of multiple applications for applicants. This means you can have a separate Carryover application, if you like. On the other hand, if simple updating is required, Funding App allows you to unlock an application (a specific one) for someone to edit, and you can control the time window of when it's locked and unlocked.
33. Allocation		
a. Set-Up Annual Allocation Plan		
i. For each year, the system must have a place to store the annual credit that is available on an ongoing basis.	A	The Tax Credit System's Annual Allocation Plan stores the annual credit available for the entire allocation year and then by funding cycles, allocation set-asides and regions.
ii. The system must be able to store the annual credit amount and have a running balance of unallocated credit. The credit is split into funding rounds, "holdbacks", and set-asides. Each set-aside has a required percentage of the annual credit amount that must be awarded from it. See attached exhibit number 14-LA.	A	The Total Annual Credit Amount can be broken down by funding cycles (funding rounds), set asides and regions. As projects are allocated credits, the system updates the appropriate credit buckets. Unallocated credits are also stored by the entire allocation year and then broken down further by funding cycles (funding rounds), set-asides and regions.
iii. Users must have the ability to change the funding rounds, "holdbacks", set-asides, and set-aside percentage as needed.	A	Users are able to change the percentages assigned to set asides and/or move credits from one bucket to another as long as it is done from the "Unallocated" credits (in order to prevent over-allocating).
iv. The system needs to keep track of the amounts funded to each project based on the funding round, "holdback", and set-asides. These figures are used in our monthly, quarterly, and annual allocation reporting.	A	System keeps track of how much credits have been allocated to projects from each funding cycle, set-aside, region, etc.
v. The system needs to keep track of set-aside, project, and area limits along with a remaining balance for each based on the allocation amount.	A	System keeps track of all set-asides and a current balance for each.
b. Development Information		
i. Each property/project must be assigned an allocation officer.	A	Any HFA user in the system can be selected as the allocation officer of a project. The same or a different user can be selected as the compliance officer of the same project.

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Functional Requirement	A,B,C, or D	Comments
ii. For each project the system must track multiple amounts of credit allocation, including the year it was funded from.	A	The systems tracks the allocation year and tax credit allocated amounts for an original project and up-to three tax credit supplemental projects linked to the original project. Allocated amounts are also stored at the building level.
c. Funding Round		
i. Each Funding Round is based on the criteria in the Qualified Application Plan (QAP). The QAP is revised on a regular basis and could change the criteria of a funding round. The system must be flexible for changes to:		
▪ Number of Funding Rounds	A	Number of Funding Rounds can be changed within the system.
▪ Due Dates	A	Funding Cycle ending date can be changed within the system.
▪ "Holdback" Projects can Apply for Credit Under	A	The current system stores "holdbacks" in the form of Scoring Criteria. The Scoring Criteria can be changed at any time within the system.
▪ Set Asides	A	Set-Aside percentages, amounts and/or structure can be changed at any time within the system.
▪ Required Amount of Credit per Category and/or Set Aside	A	Set-Aside percentages, amounts and/or structure can be changed at any time within the system.
ii. Need the ability to track the following documents for when they were sent to another division for review, the status, and the results of the review.	A	The current system allows the agency to create a checklist of documents for each stage (application, scoring, underwriting, reservation, commitment, etc) and at the project level, track the documents that have been received and the ones that are still missing. Document review statuses and review results can be added.
▪ Marketing Report	A	User can currently add this document to the Document Checklist, assign the document to a property and track the status of the document (received, date received, not received).
▪ Environmental	A	User can currently add this document to the Document Checklist, assign the document to a property and track the status of the document (received, date received, not received).
▪ Affirmative Fair Housing Marketing Plan (AFHMP)	A	User can currently add this document to the Document Checklist, assign the document to a property and track the status of the document (received, date received, not received).
▪ Tax Abatement	A	User can currently add this document to the Document Checklist, assign the document to a property and track the status of the document (received, date received, not received).
▪ Special Needs	A	User can currently add this document to the Document Checklist, assign the document to a property and track the status of the document (received, date received, not received).
▪ Lease Purchasing	A	User can currently add this document to the Document Checklist, assign the document to a property and track the status of the document (received, date received, not received).
Document	A	User can currently add this document to the Document Checklist, assign the document to a property and track the status of the document (received, date received, not received).
▪ C N A	A	User can currently add this document to the Document

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Functional Requirement	A,B,C, or D	Comments
		Checklist, assign the document to a property and track the status of the document (received, date received, not received).
iii. Using the application data that is submitted, the system must be able to create the following forms and documents for LIHTC properties that have applied during a specific funding round.		
1. Applicant List		
a. Must be able to export the data to convert into specific formats	A	The Tax Credit System allows the users to export the data already in the system to MS Excel.
b. Must be able to update required data fields as necessary.	A	System allows required data fields to be updated as needed.
c. Data Elements		
i. Project Number	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
ii. Property Name	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Address iii. Full Property	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
iv. County	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
v. Type of target units at the site (i.e. Family, Elderly, etc)	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Building vi. Number of	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
of Units vii. Total Number	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
of Low Income Units viii. Total Number	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Name ix. Ownership	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Contact Name x. Ownership	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
the Ownership xi. Full Address for	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Phone Number xii. Owner Contact	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Address xiii. Owner Email	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.

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Functional Requirement	A,B,C, or D	Comments
Credit Requested xiv. Amount of Tax	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Credit Received xv. Amount of Tax	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Application Funding Round xvi. Date of	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Property is in (i.e. Application, Reservation, Commitment, Carryover, 8609, etc) xvii. Current Stage	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
of "holdback" Property has Applied Under (i.e. Small Projects, General, Preservation, Rural, etc) xviii. Name	A	"Holdbacks" are stored in the form of Scoring Criteria. Name of holdback can be defined in the scoring criteria line item.
Threshold Score xix. "Holdback"	A	Scores can be tracked in the system for any user-defined criteria.
the Application xx. Self Score from	A	The current Tax Credit System does not track self scores at this time; however, the IM & C System currently in development stores a self score for each Scoring Criteria defined by the HFA.
2. Scoring Summary		
export the data to convert into specific formats a. Must be able to	A	The Tax Credit System allows the users to export the data already in the system to MS Excel.
b. Data Elements		
i. Project Number	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
ii. Property Name	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
iii. Property City	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
iv. Property County	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Name v. Owner Contact	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Phone Number vi. Owner Contact	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Targeted Units – need the Number of Units and Name (i.e. 25 - Elderly, 15 - Family, 3 – Special Needs) vii. For Each Set of	A	Project's Targeted Unit Population breakdown is provided by our Tax Credit and MF Compliance Systems. These fields are also part of the system's data dictionary for creating reports and data exports.
Covenants (Deeper Targeting AMGI%) – all restrictions must be listed (i.e. 10 units at 50% of AMGI, 13 units at 25% AMGI, etc) viii. Agency	A	Agency Covenants for Rent are provided by our Tax Credit System in the following two formats: a # of Units at XX% of AMGI or a # of Units at Maximum Rent of The MF Compliance System collects and tests more complex Funding Source specific Rent and Income Covenants, FMR Covenants and Tax Exempt Bond

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Functional Requirement	A,B,C, or D	Comments
		Income Covenants.
ix. Type of Construction (New, Acquisition / Rehabilitation)	A	This field is available in the current system (Tax Credit Type Requested) and the system's data dictionary for creating reports and data exports.
x. Amount of Tax Credits Requested	A	The Tax Credit Requested Amount is available in the current system and the system's data dictionary for creating reports and data exports.
xi. "Holdback" the Property Requested Funding From (i.e. Small Projects, General, Preservation, Rural, etc)	C	Buckets are tracked in the way of Allocation Set-Asides. The project Set-Asides are collected by the system. Set-Asides are user defined, credits are assigned to them in the Annual Allocation Plan and Projects are awarded from them accordingly
xii. Each Set Aside the Property Requested Funding From (i.e. Non-Profit, Distressed, Elderly, Rural, etc)	A	The project Set-Asides are collected by the system. Set-Asides are user defined, credits are assigned to them in the Annual Allocation Plan and Projects are awarded from them accordingly.
xiii. Total Units	A	Total Number of Units in the Project is a field that is available today.
xiv. Total Low Income Units	A	Total Number of Low Income Units in the Project is a fields available today.
xv. Name of Contractor	A	The Tax Credit System collects Development Team, General Partners and Non-Profit participants associated with a property. Contractor(s) information is not collected in the LIHTC System; however, the IM& C System currently in development will track contractor(s) data as it is done in the GUI MF Compliance System (with a federal Tax ID Number).
xvi. Name of assigned Allocation Officer	A	The name of the Allocation Officer is available today. Any HFA user in the system can be selected as the allocation officer of a project. The same or a different user can be selected as the compliance officer of the same project.
xvii. Whether the property is located in a rural or urban area.	A	A Rural Development indicator is available in the system to mark properties located in rural areas.
3. Lottery List & 150% Lottery Funding List	C	System does not track this today.
a. Must be able to export the data to convert into specific formats	A	The Tax Credit System allows the users to export the data already in the system to MS Excel.
b. Based on Scoring Criteria and other factors as outlined in the current QAP, this listed is used during the lottery drawing to rank the properties.		
c. Data Elements		
i. Project Number	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
ii. Property Name	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
iii. Property City	A	This field is available in the current system and the system's data dictionary for creating reports and data

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Functional Requirement	A,B,C, or D	Comments
		exports.
iv. "Holdback" the Property Requested Funding From	C	The project Set-Asides are collected by the system. Set-Asides are user defined, credits are assigned to them in the Annual Allocation Plan and Projects are awarded from them accordingly
v. Amount of Tax Credits Requested	A	The Tax Credit Requested Amount is available in the current system and the system's data dictionary for creating reports and data exports.
vi. Assigned Staff Person	A	
vii. "Holdback" Threshold Score	A	Scores can be tracked in the system for any user-defined criteria.
viii. Self Score from the Application	A	The current Tax Credit System does not track self scores at this time; however, the IM & C System currently in development stores a self score for each Scoring Criteria defined by the HFA.
ix. Final Score	A	The System stores a Final Score for each property that is scored. This field is available.
x. Does Project Qualify for the Lottery – Yes / No	C	This indicator is not currently in the Tax Credit System but it can be added at the project level and to the data dictionary.
xi. Total Number of Units	A	Total Number of Units in the Project is a field that is available today.
xii. Total Number of Low Income Units	A	Total Number of Low Income Units in the Project is a field that is available today.
xiii. Each Set Aside the Property Requested Funding From (i.e. Non-Profit, Distressed, Elderly, Rural, etc)	A	The project Set-Asides are collected by the system. Set-Asides are user defined, credits are assigned to them in the Annual Allocation Plan and Projects are awarded from them accordingly.
xiv. Ownership Contact Name	A	Owner Contact information is collected by our Tax Credit System.
xv. If the Property Applied for Credit in the Previous Funding Round List that Project Number – Name the Funding Round	A	An indicator is not currently available; however, if the property applied for credits previously and was entered into the Tax Credit System and then rejected, the Project Number, Name and funding cycle applied for will be available.
xvi. Extra Consideration in the Lottery – Yes / No	C	This indicator is not currently in the Tax Credit System but it can be added at the project level and to the data dictionary.
4. "Release of Information" letters to other states	A	All of our current systems have a Mail Merge with MS Word to allow users to create custom letters using the fields from the system's database
a. Each property that applies for credit must submit a "Release of Information" form for each state that they have developed an LIHTC property. MSHDA then send a letter to each state asking for specific information. This letter is a standardized letter that is sent out during each funding round. The system needs to be able to create this letter.	A	The standardized letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
b. Data Elements		
i. Contact Name	A	
ii. Full Address of other State Agencies	C	Need to add necessary fields to collect addresses of all 50

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Functional Requirement	A,B,C, or D	Comments
		State Housing Agencies and Contact Names for them to print on MSHDA's standard letter to other HFAs.
34. Scoring		
a. MSHDA's Qualified Allocation Plan (QAP) determines the scoring criteria for funding LIHTC developments. The QAP is revised on a regular basis and could change the scoring elements. MSHDA must be able to create multiple scoring templates with effective dates.	C	The Tax Credit System allows for a single Scoring Criteria template per allocation year. Can add the ability for multiple Scoring Criteria templates by effective date to the existing LIHTC System. Multiple Scoring templates will be available in the IM&C System currently in development.
b. The system must contain functionality that will allow staff to change scoring templates as the QAP is modified.	A	The current system allows Scoring Criteria templates to be changed at any time.
c. Each property must be able to retain a specific scoring template based on each type and every time an application is submitted for a property. (A property may apply several times before receiving an actual allocation of credit.)	A	The system allows for multiple versions of Scoring to be created and stored for a single property.
d. Based on an application submission date and funding round the property must be linked to the appropriate scoring template and MSHDA must be able to store the property's results in its associated template.	C	We link applications to a single Scoring Criteria template per allocation year. Once 34a is completed, the system will be able to easily link applications to the corresponding funding cycle Scoring Criteria template.
e. The system needs to be able to calculate some of the scoring criteria data elements for each property where applicable. Need the ability to modify the criteria.	C	Assuming that the scoring criteria is collected in the Funding App, this data can be calculated and available to the agency for criteria modification. This data will then be imported into IM&C and will be ready by "go-live" of IM&C.
<ul style="list-style-type: none"> ▪ County Needs Score – Interface with an Internet Program - The LIHTC Point Score system can be found at <www.michigan.gov/mshda>. Under the box labeled "spotlight" is a link to the Combined Application for Rental Housing Programs. The link for the LIHTC Point Scores is located with the Combined Application. If a project is located in multiple census tracts with different scores, add the scores for each individual tract and divide by the total number of census tracts. 	C	Assuming that the scoring criteria is collected in the Funding App, this data can be calculated and available to the agency for criteria modification. This data will then be imported into IM&C and will be ready by "go-live" of IM&C.
<ul style="list-style-type: none"> ▪ Calculate the percentage of Total Development Costs that are funded by Federal, State, and Local sources and have the ability to separate types of financing for different scoring values. 	C	Assuming that the scoring rules are defined in the Funding App, this data can be calculated and split. This data will then be imported into IM&C and will be ready by "go-live" of IM&C.
<ul style="list-style-type: none"> ▪ Calculate the percentage of two and three bedroom units that are reserved for families with children to see if it exceeds the required 10%. 	C	Assuming that the applications are captured in the Funding App, this data can be calculated. This data will then be imported into IM&C and will be ready by "go-live" of IM&C.
<ul style="list-style-type: none"> ▪ Calculate the amount of Community Space, in an elderly property, to see if it exceeds the number of Residential Units times 15. 	C	Assuming that the applications are captured in the Funding App, this data can be calculated. This data will then be imported into IM&C and will be ready by "go-live" of IM&C.

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FUNCTIONAL REQUIREMENTS

Functional Requirement	A,B,C, or D	Comments
<ul style="list-style-type: none"> ▪ Calculate the points an application can receive based on its current unit size and rent levels for a County compared to the Statewide rent limits. (See the attached exhibit number 1-LA.) 	C	Assuming that the scoring rules are defined in the Funding App, this data can be calculated. This data will then be imported into IM&C and will be ready by "go-live" of IM&C.
<ul style="list-style-type: none"> ▪ Calculate the percentage of proposed market rate units in the development 	C	Assuming that the data is captured in the Funding App, this data can be calculated. This data will then be imported into IM&C and will be ready by "go-live" of IM&C.
<ul style="list-style-type: none"> e. The system must be able to print out the Quick Reference Scoring Sheet for each property along with a worksheet showing how calculations were computed. (See attached exhibit number 2-LA.) 	A	Project Scoring worksheets can be printed today. It displays all scoring criteria line items and corresponding score. Totals are printed at the end of the report.
35. Underwriting		
<ul style="list-style-type: none"> a. Create the Tax Credit worksheet showing the amount of credit the project is eligible for based on the criteria of the QAP and information submitted in the corresponding application. The QAP is revised on a regular basis and could change the underwriting procedures. (See attached exhibit number 3-LA.) 	A	The Project's Maximum Allocable Credits are calculated and store in the system. (calculation is based on the selected underwriting standards).
<ul style="list-style-type: none"> b. The system must contain functionality that will allow staff to change the underwriting procedures as the QAP is modified. 	A	The current system allows Underwriting Standards to be changed at any time.
<ul style="list-style-type: none"> c. System needs to calculate and print a document showing the Sponsors' financial capacity – net worth equal to or greater than 5% of the total proposed mortgage loans. 	C	Assuming that the net worth data is collected in the Funding App, this data can be calculated and compared to other project data. It will be there by "go-live" of IM&C.
<ul style="list-style-type: none"> d. Need to be able to document all properties/project that a Sponsor is associated with and keep a running total of proposed mortgages. If a property/project is not funded or has been placed in service, the mortgages and property must be removed from the list. 	C	Our current Tax Credit System tracks project sponsors just with a name. We can create an agency-defined table/file of sponsors, then at the project level link sponsors from the sponsor's table to projects. This will allow us to generate all kinds of sponsors-projects association reports.
<ul style="list-style-type: none"> e. System needs to calculate and print a document showing the Contractors' financial capacity – net liquid assets equal to or greater than 3% of the proposed construction contract. 	C	Assuming that the net assets data is collected in the Funding App, this data can be calculated and compared to other project data. It will be there by "go-live" of IM&C.
<ul style="list-style-type: none"> f. Need to be able to document all properties/project that a Contractor is associated with and keep a running total of proposed construction contracts. If a property/project is not funded or has been placed in service, the construction contract and property must be removed from the list. 	B	Contractor information is not currently tracked in the Low Income Housing Tax Credit System; however, it is currently tracked in the GUI MF Compliance System with a Tax ID Number. This will also be available in the IM& C System currently in development In the MF Compliance System, Contractors are tracked with a Federal Tax ID Number and project/contractor association reports can be printed.
<ul style="list-style-type: none"> g. System needs to create and print a Pro Forma, which also indicates the Cash Flow. (See attached exhibit number 4-LA.) 	A	A 30-Year Pro Forma Report can be printed in the Tax Credit System.
<ul style="list-style-type: none"> h. Users must be able to change underwriting standards on an as needed basis. 	A	The current system allows Underwriting Standards to be changed at any time.

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FUNCTIONAL REQUIREMENTS

Functional Requirement	A,B,C, or D	Comments
i. The system must be able to store the Federal Qualified Census Tract Numbers (QCT) and be updated with effective dates when changed.	A	QCT are collected and stored in the system by county and effective date.
j. The system must be able to store the HUD 221(D)(3) mortgage limits and be updated with effective dates when changed. MSHDA uses figures for this that are 110% of the published limits.	A	Collected and stored today in our Low Income Housing Tax Credit System. These limits are stored by County and effective date.
36. Rejection Letter		
a. If a property/project is rejected/not funded, a letter of rejection must be sent to the ownership. The system needs to create a template letter to the owner and have the ability for the assigned allocation staff person to fill out the exact reason for the rejection. (A property/project may be rejected for one or more reasons.)	A	The Rejection Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
37. Reservation/Carryover		
a. The system needs to create the following letters and documents via a merge feature with MSHDA's standard format.	A	System allows users to create Letter templates and populate fields from the system's data dictionary. Notices/Letters are generated by the system for an individual project or all "due" projects.
<ul style="list-style-type: none"> ▪ Reservation Letter 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Reservation Invoice 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Reservation Document 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Carryover Document 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Gross Rent Floor Election Form 	A	This document can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Letter to Political Jurisdiction 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Reservation / Carryover Data Sheet – The information contained on this Data Sheet is used to create all of the above letters and documents. See attached exhibit number 5-LA for the required data fields. 	C	"Government CEO Name and Title" not available will need to be added.
<ul style="list-style-type: none"> ▪ Letter for when the 10% Certification is due 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
38. 10% Certification for Carryover		

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Functional Requirement	A,B,C, or D	Comments
<p>a. Pursuant to Section 42(h)(1)(E)(ii) of the Internal Revenue Code (IRC), a property is given until the end of the calendar year or six (6) months after the date a Carryover Document was issued, whichever is later, to prove that it has expended at least 10% of the total reasonably expected basis in the project. This information must be stored in the system.</p>	A	The Tax Credit System stores all data pertaining to the 10% Certification for Carryover (Carryover Allocation Date, Developer Eligible Basis, Expenditure Amount, system-calculated % Reasonably Expected Basis, system-calculated 10% Min Expenditure Due Date, etc).
<ul style="list-style-type: none"> ▪ Reasonably Expected Basis 	A	This field is stored in the system.
<ul style="list-style-type: none"> ▪ Actual Expended Costs 	A	This field is stored in the system.
<ul style="list-style-type: none"> ▪ Percentage of Expenditures – (Calculated Field) 	A	This field is stored in the system.
<ul style="list-style-type: none"> ▪ Date costs were expended 	A	This field is stored in the system.
<p>b. The system must also create and store an additional set of underwriting documents</p>	A	This can be accomplished by using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Create the Tax Credit worksheet showing the amount of credit the project is eligible for based on the criteria of the QAP and information submitted in the corresponding application. (See attached exhibit number 3-LA.) 	A	The Project's Maximum Allocable Credits are calculated and store in the system. (calculation is based on the selected underwriting standards).
<ul style="list-style-type: none"> ▪ System needs to create and print a Pro Forma, which also indicates the Cash Flow. (See attached exhibit number 4-LA.) 	A	A 30-Year Pro Forma Report can be printed in the Tax Credit System.
<p>c. The system needs to create the following letters and documents via a merge feature with MSHDA's standard format.</p>	A	System allows users to create Letter templates and populate fields from the system's data dictionary. Notices/Letters are generated by the system for an individual project or all "due" projects.
<ul style="list-style-type: none"> ▪ Updated Carryover Document 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Cover Letter for the Executed Carryover Document 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
39. Commitment		
<p>a. The system needs to create the following letters and documents via a merge feature with MSHDA's standard format.</p>		System allows users to create Letter templates and populate fields from the system's data dictionary. Notices/Letters are generated by the system for an individual project or all "due" projects.
<ul style="list-style-type: none"> ▪ Commitment Letter 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Commitment Invoice 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Commitment Document 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.

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Functional Requirement	A,B,C, or D	Comments
<ul style="list-style-type: none"> ▪ Commitment Data Sheet – The information contained on this Data Sheet is used to create all of the above letters and documents. See attached exhibit number 8-LA for the required data fields 	A	Fields in exhibit 8-LA are available today.
40. Regulatory Agreement		
<ul style="list-style-type: none"> a. The system needs to create the following letters and documents via a merge feature with MSHDA's standard format. 	A	System allows users to create Letter templates and populate fields from the system's data dictionary. Notices/Letters are generated by the system for an individual project or all "due" projects.
<ul style="list-style-type: none"> ▪ Regulatory Letter 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Regulatory Invoice or Refund Letter 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Regulatory Agreement 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Regulatory Data Sheet – The information contained on this Data Sheet is used to create all of the above letters and documents. See attached exhibit number 7-LA for the required data fields. 	A	Fields listed in exhibit 7-LA are available today although the format for the project's targeted population is collected differently than in our system.
41. 8609		
<ul style="list-style-type: none"> a. The system must also create and store an additional set of underwriting documents 	A	This can be accomplished by using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Create the Tax Credit worksheet showing the amount of credit the project is eligible for based on the criteria of the QAP. (See attached exhibit number 3-LA.) 	A	The Project's Maximum Allocable Credits are calculated and store in the system. (calculation is based on the selected underwriting standards).
<ul style="list-style-type: none"> ▪ System needs to create and print a Pro Forma, which also indicates the Cash Flow. (See attached exhibit number 4-LA.) 	A	A 30-Year Pro Forma Report can be printed in the Tax Credit System.
<ul style="list-style-type: none"> b. The system needs to be able to divide the annual credit allocated to a property between multiple buildings, years of allocation, and separate the allocation based on Acquisition, Rehabilitation, and New Construction. 	A	The Low Income Housing Tax Credit System prorates the annual credit allocated to a project between all buildings based on the low income square footage of each building (system's default) or a credit breakdown factor calculated off the CPA Approved Eligible Basis for each building in the property.
<ul style="list-style-type: none"> c. The system must create and print the IRS 8609 Form(s) (the form must be current with the IRS version and updated when the IRS revises the form.) 	A	The latest revision of the IRS 8609 Forms and Instruction are generated by the system today.
<ul style="list-style-type: none"> ▪ Need to print a draft version (indicating it is a draft) of the forms (i.e. a watermark) 	A	At this time, the system does not mark an 8609 Form as a draft; however, users can reprint 8609 forms at any time allowing them to view the information before printing the final version.
<ul style="list-style-type: none"> ▪ Need to print the final version which is submitted to the IRS and the Property Owners 	A	Final version of the IRS 8609 Forms and Instructions are generated by the system today.

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Functional Requirement	A,B,C, or D	Comments
<ul style="list-style-type: none"> ▪ Need ability to print an amended version of the form as needed 	A	Amended IRS 8609 Forms and Instructions are generated by the system today.
<ul style="list-style-type: none"> d. The system needs to create the following letters and documents via a merge feature with MSHDA's standard format. 	A	System allows users to create Letter templates and populate fields from the system's data dictionary. Notices/Letters are generated by the system for an individual project or all "due" projects.
<ul style="list-style-type: none"> ▪ 8609 Cover Letter 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Releasing 8609 Data Sheet – The information contained on this Data Sheet is used to create the above letters and receive the final approval for releasing the final version of the 8609(s). See attached exhibit number 8-LA for the required data fields. 	A	Fields in exhibit 8-LA are available today.
42. Document tracking		
<ul style="list-style-type: none"> a. Document tracking must be available for each property and must be reportable on a property, range of properties, document type, and or document status. 	B	In the Tax Credit System, a checklist of required documents is tracked by Project and allocation stage (Application, Reservation, Underwriting, Commitment, Carryover, etc.) Missing documents are also tracked. The ability to attach and view documents (MS Word, .PDF) for specific projects and stages from within the system is not available in our current system; however, this will be available in the IM& C System currently in development.
b. Need to maintain the following data fields		
<ul style="list-style-type: none"> ▪ Reservation Date 	A	Reservation and Reservation Notification Dates are fields that are collected and stored today.
<ul style="list-style-type: none"> ▪ Commitment Due Date 	A	Commitment Approval and Commitment Notification Dates are collected and stored today.
<ul style="list-style-type: none"> ▪ Commitment ETA (Number of days before it is due, overdue, or received.) 	A	Each allocation stage, including Commitment, stores the number of days elapsed since the prior stage was completed. This allows the user to monitor days elapsed between stages.
<ul style="list-style-type: none"> ▪ Whether the property received "Readiness to Proceed Points" – used to determine the appropriate documents necessary to be submitted 	B	A "Property received Readiness to Proceed Points" indicator is not available today or may be tracked under a different label. Will need additional clarification on that one field.
<ul style="list-style-type: none"> ▪ 10% Certification Due Date 	A	10% Minimum Expenditure Due Date is system-calculated (the later of 12/31 of allocation year or 6 months after carryover allocation date)
<ul style="list-style-type: none"> ▪ 10% Certification ETA (Number of days before it is due, overdue, or received.) 	A	Since the 10% Minimum Expenditure Due Date is system-calculated as explained in the above item, the system can easily determine the # of days before it is due or overdue. Once the 10% Expenditure Test is processed within the system, the received / approved date is updated.
<ul style="list-style-type: none"> ▪ Year Placed in Service Application is due 	C	The Year a Place in Service / Carryover Application is due is not currently tracked by the Low Income Tax Credit System; however, this will be available in the IM& C System currently in development.
<ul style="list-style-type: none"> ▪ If Regulatory Agreement has been completed 	C	This indicator is not currently in the Tax Credit System but it can be added at the project level and to the data dictionary.

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Functional Requirement	A,B,C, or D	Comments
<ul style="list-style-type: none"> ▪ If 8609(s) have been completed 	A	8609 Allocation Date and Issuance Date are tracked in by the system.
43. Fee Tracking		
a. The system must allow for storage of fees due and received for each property.	A	Project Fees are tracked by the system. The Cash Receipts process feeds the Fees Received column (Amount Paid) and keeps a history of fee payments. The system also provides a "Waive Fee" process to allow the agency to waive any fee in its entirety or partially.
<ul style="list-style-type: none"> ▪ Fee Type 	A	Fee Type is available from a pre-defined table of fee types.
<ul style="list-style-type: none"> ▪ Date of Check 	A	Check Number, Check Date, Payment Amount, Fee being paid, Owner TIN etc is tracked by the Cash Receipts process.
<ul style="list-style-type: none"> ▪ Amount Owed 	A	Fee Outstanding Balance (Amount Owed) is calculated by the system.
<ul style="list-style-type: none"> ▪ Amount Paid 	A	Amount Received (Paid) is updated by the Cash Receipts process.
<ul style="list-style-type: none"> ▪ Balance owed to MSHDA (if a positive figure) 	A	Calculated by the system.
<ul style="list-style-type: none"> ▪ Balance owed to the Owner (if a negative figure) 	A	Calculated by the system.
b. The total fees due column must be able to accept positive and negative figures.	B	Our current system, allows a negative "Outstanding Fees Amount" which is calculated by the system: (Total Fee Due amount – Waived Fees/Fees Received from cash receipts). System can be modified to allow a negative Total Fees Due Amount OR a new "Fees Owed Amount" column can be added. The figure in the new column will be included in the calculation the "Outstanding Fees Amount".
c. These figures are used in creation of the Invoices for Reservation/Carryover, Commitment, and Regulatory Agreement stages.	N/A	NOTE: This is a comment rather than a functional requirement.
Compliance		
44. Tenant File Audits		
a. The system must calculate due dates for tenant file audits based on the last audit date and the frequency, which varies from property to property, based on program requirements (funding sources)	C	Audit due dates, last audit date and audit findings history are tracked today in our Multifamily Compliance System. This information; however, is not currently tracked on a funding source-by-funding source basis. This capability can be added.
b. The system must also calculate the first audit due date based on program requirements (funding sources)	C	This capability can be added as well. Since a first audit will not have a prior audit as a starting point to calculate the very first audit due date, we would need clarification from MSHDA as to what date to use initially.
c. A Contractor must be assigned to a property. (A Contractor is an external agent.)	A	Contractors as well as Compliance Monitoring Agents are tracked with a Federal Tax ID Number (TIN).

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Functional Requirement	A,B,C, or D	Comments
d. An audit frequency must be assigned to a property.	C	Our Random Unit Audit Selection Process does not require an audit frequency because all Low-Income Restricted units need to be audit within a 3 year period, so the process can be launched on an on-going basis. If still desired, an audit frequency can be added at the Project level so that the Random Selection Process can be grab Projects that are due for audit within a specified range of dates.
e. The system must be able to indicate all audits due, in a specific time frame, for each assigned Contractor.	A	Available today in our Multifamily Compliance System. Once a property has been scheduled for audit, the system can easily identify all audits that are due within a date range.
f. The system must allow Contractors to enter electronically into the database the following data fields.	A	<p>Our current Multifamily Compliance System collects and tracks a huge amount of data in regards to Audit Selection, Audit Scheduling, Audit Findings/Results, 8823 Non-compliance History resulted from audits, etc.</p> <p>B. Information will be accepted electronically from Contractors/Compliance Monitoring Agents.</p> <p>Note: The items marked with an "A" below are currently available in the MF Compliance System; however, they are not received electronically from Contractors/Auditors. That functionality will be delivered before the go live date.</p>
<ul style="list-style-type: none"> ▪ Audit Scheduled Date 	A	Audit Schedule Date is collected and stored in the Audit Scheduling process.
<ul style="list-style-type: none"> ▪ Audit Scheduled Time 	A	Audit Schedule Time as well as the person conducting the Audit are collected and stored in the Audit Scheduling process.
<ul style="list-style-type: none"> ▪ Rescheduled Audit Date 	A	A Rescheduled Date is not available; however, users can override the original Audit Schedule Date with a new date.
<ul style="list-style-type: none"> ▪ Rescheduled Audit Time 	A	A Rescheduled Time is not available; however, users can override the original Audit Schedule Time with a new time.
<ul style="list-style-type: none"> ▪ Reason for Rescheduling 	C	This information is not collected by the current MF Compliance System; however, a Rescheduled Audit Date, Rescheduled Time and a Comments field (Reason for Rescheduling) will be added to the system. The existing "Schedule for Annual Audit Report" will also be modified to print the new Rescheduling information.
<ul style="list-style-type: none"> ▪ Auditor Name 	A	This field is collected and stored in the Audit Scheduling process.
Audit Letter <ul style="list-style-type: none"> ▪ Date Contractor Issued Initial 	A	System currently stores the Audit Notification Date containing the date the Notification Letter was printed within the MF Compliance System.
<ul style="list-style-type: none"> ▪ Number of Files Reviewed 	A	The Random Unit Audit Selection process selects at least 20% of all income restricted units within the chosen range of projects and counties.
<ul style="list-style-type: none"> ▪ Each Unit Number, with Building Number, that was audited 	A	Each Unit Number, with corresponding BIN and Project ID audited are stored in the system.

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Functional Requirement	A,B,C, or D	Comments
<ul style="list-style-type: none"> ▪ For Each File with an issue(s), document the noncompliance found 	A	In the Audit Findings section of the system, the user can select file audit non-compliance descriptions from a user-defined list and record findings on a unit by unit basis (audited units).
<ul style="list-style-type: none"> ▪ Number of Vacant Units 	A	Number of Vacant Units is stored in the system broken down further by: LI vacant units, MKT vacant units, Number of occupied units, LI occupied, MKT occupied, etc.
<ul style="list-style-type: none"> ▪ Is there a site vacancy improvement plan in place? (Y/N) 	C	This indicator is not available today but it will be incorporated into the system in the form of a checkbox.
<ul style="list-style-type: none"> ▪ Response Deadline/Correction Due Date 	A	Non-Compliance Correction Due Date is calculated and tracked today (8823 correction period is defined by HFA on a project by project basis).
<ul style="list-style-type: none"> ▪ Date Owner/Agent Responded 	A	A "Findings Owner/Agent Response Date" is available today.
<ul style="list-style-type: none"> ▪ Date of Contractor's Non Response Letter 	C	This date is not available today but it could be added to the system. A Non-Response Letter Template can be created using our Mail Merge process.
<ul style="list-style-type: none"> ▪ Date of Contractor's Close-out Letter 	A	An "Audit Close-Out Letter Date" is tracked today.
<ul style="list-style-type: none"> ▪ Are there outstanding noncompliance issues? (Y/N) 	A	This flag is not necessary. The MF Compliance System can easily identify Projects/Buildings/Units with noncompliance issues.
<ul style="list-style-type: none"> ▪ 8823 Recommended (for each units reviewed) 	A	The HFA user has the option to issue 8823 forms for any of the non-compliance encountered and logged in the system.
<ul style="list-style-type: none"> ▪ HAP Adjustment Needed 	C	This indicator is not available today but it will be incorporated into the system in the form of a checkbox.
<ul style="list-style-type: none"> ▪ Contractors Comments 	A	The Audit Findings section of the system allows for comments from the auditor.
<ul style="list-style-type: none"> ▪ Extension Request Date 	C	Extensions requests are not tracked today; however, the non-compliance correction period for any Audit Findings event created can be extended.
<ul style="list-style-type: none"> ▪ Extension Approved by 	C	Extensions requests are not tracked today; however, the system can be modified to track non-compliance correction extensions: <ul style="list-style-type: none"> - Add an Extension Request Date. - Add an Extension Approved by field (combo box for the user to select from the list of HFA personnel already in the MF System). - Add a Comments (Reason for Extension) field. - Add a Extension Correction # of Days for the system to calculate the Extension Correction Deadline similarly to the 8823 correction deadline determination.
<ul style="list-style-type: none"> ▪ Extension Comments 	C	Extensions requests are not tracked today; however, the system can be modified to track non-compliance correction extensions: <ul style="list-style-type: none"> - Add an Extension Request Date. - Add an Extension Approved by field (combo box for the user to select from the list of HFA personnel already in the

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Functional Requirement	A,B,C, or D	Comments
		MF System). - Add a Comments (Reason for Extension) field. - Add a Extension Correction # of Days for the system to calculate the Extension Correction Deadline similarly to the 8823 correction deadline determination.
Deadline <ul style="list-style-type: none"> ▪ Extension Correction 	C	Extensions requests are not tracked today; however, the system can be modified to track non-compliance correction extensions: - Add an Extension Request Date. - Add an Extension Approved by field (combo box for the user to select from the list of HFA personnel already in the MF System). - Add a Comments (Reason for Extension) field. - Add a Extension Correction # of Days for the system to calculate the Extension Correction Deadline similarly to the 8823 correction deadline determination.
g. The system must calculate the following data fields:		
<ul style="list-style-type: none"> ▪ Number of Files to be Reviewed – Total Restricted Units times 20%, rounded up to whole number. (For LIHTC developments this number is calculated per building.) 	A	The System's random unit audit selection process selects at least 20% of restricted units for the selected property(ies) and counties.
<ul style="list-style-type: none"> ▪ Number of Files with Compliance Issues 	A	Total number of Projects, Building and Units with non-compliance is available in the system.
<ul style="list-style-type: none"> ▪ Vacancy Percentage – Vacant Units divided by Total Units 	A	Vacancy percentage as well as Occupancy percentage can be calculated by the system.
h. The system must have a place for MSHDA to review and close out the Contractors audit. Noting the following data fields;	A	
<ul style="list-style-type: none"> ▪ Review Date 	A	Tracked by the system.
<ul style="list-style-type: none"> ▪ Outstanding Violations 	A	Tracked by the system.
<ul style="list-style-type: none"> ▪ Reviewed By 	A	Tracked by the system.
<ul style="list-style-type: none"> ▪ Closure Date 	A	Tracked by the system.
<ul style="list-style-type: none"> ▪ Comments 	A	Tracked by the system.
<ul style="list-style-type: none"> ▪ 8823 Issued (Y/N) 	A	Flag is not available; however the actual 8823 events are stored historically in the system.
<ul style="list-style-type: none"> ▪ Date 8823 Issued 	A	Tracked historically by the system.
forms <ul style="list-style-type: none"> ▪ 8823 Reference(s) of Issued 	A	8823 Events are store with an attachment page which is used for additional comments and/or references to documents.
i. The system must produce the following reports		
<ul style="list-style-type: none"> i. Unit Selector Report – Available to the Contractor and MSHDA 	A	Once the Random Audit Selection process concludes an "Audit Selection Report" is generated. The report can be reprinted at any time. The report contains a list

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Functional Requirement	A,B,C, or D	Comments
		of all properties selected for audit.
1. Units specified due to tenant complaints or other inquires as needed.	C	This information is not available today. We can modify the Audit Scheduling section in the MF Compliance System to identify units with tenant complaints.
2. For LIHTC developments the units last physically inspected must be audited	A	The system does not have two separate Random Selection processes for Tenant File Audits and Physical Inspections. The same selection is used for both; therefore the same units selected for the physical inspection can be audited for tenant files.
3. Within five (5) audits, all restricted units must be audited (20% of restricted units are reviewed during each audit).	B	We will modify our current random selection process to adhere to this MSHDA requirement. We anticipate a completion date of six months from "go live".
4. The unit selection must include units of varying types and restrictions (i.e. bedroom size, percentage of area median income)	A	All restricted units are included in the random selection process regardless of type and restrictions. User has the ability to exclude vacant units if desired.
5. For LIHTC developments, the number of required units, are calculated per building.	A	The Audit Selection Process randomly selects at least 20% of qualified projects, buildings, and units according to user-specified selection parameters. Projects are selected for audit in the following manner: (1) Projects with no previous audit record in AOD/MF take precedence; (2) Projects with previous audit records are sorted in increasing likelihood for selection from earliest to most recent previous audit date. Buildings and units are likewise selected.
ii. Contractor Calendar / Audit Due Date – Available to the Contractor and MSHDA		
1. Data Elements		
a. Property Name	A	This field is collected and stored in the system.
b. Property #	A	This field is collected and stored in the system.
c. Property Address	A	This field is collected and stored in the system.
d. Property City	A	This field is collected and stored in the system.
e. Property County	A	This field is collected and stored in the system.
f. Contractor	B	This data element will be incorporated into the system.
Company Name		
g. Auditor Name	A	This field is collected and stored in the system.
h. Audit Due Date	A	This field is collected and stored in the system.
i. Scheduled Audit	A	This field is collected and stored in the system.
Date		
j. Scheduled Audit	A	This field is collected and stored in the system.
Time		
k. Actual Date Audit	A	This field is collected and stored in the system.
Completed		
l. Audit Frequency	B	Our Random Unit Audit Selection Process does not require an audit frequency because all Low-Income Restricted units need to be audited within a 3 year period, so the process can be launched on an on-going basis. If still desired, an audit frequency can be added at the Project level so that the Random Selection Process can include only the Projects that are due for audit

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Functional Requirement	A,B,C, or D	Comments
		within a specified range of dates.
m. Funding Source	A	This field is collected and stored in the system.
2. Selection Criteria		
a. Data Range	A	This field is collected and stored in the system.
b. Due Dates	A	This field is collected and stored in the system.
c. Scheduled Date	A	This field is collected and stored in the system.
d. Actual Date Audit	A	This field is collected and stored in the system.
Completed		
e. Contractor	B	This data element will be incorporated into the system.
Company Name		
iii. Status Report – Available to MSHDA and Contractors		
1. This report needs to show the status of audits.		
a. Is the audit past due	A	This is not stored in the system but it can be calculated by comparing the current date with the Audit Scheduled Date.
b. Are responses past due	C	This is not stored in the system but it can be calculated if a response due date is added to the system.
2. The report should show all pertinent property data and audit data	A	Audited Property data, Audit and Audit Findings data is available in the system.
iv. File Audit Summary Report of Non-Compliance Findings (See attachment number 9-LA)	A	The Audit Findings Report in the system lists all non-compliance recorded for the audited units.
j. The system needs to create the following letters and documents via a merge feature with MSHDA's standard format. (Available to the Contractor and MSHDA)	A	Our current Multifamily Compliance System offers a Mail Merge with MS Word to allow users to create and customize letter templates and populate fields from the system's data dictionary. Notices/Letters are generated by the system for an individual project or all "due" projects.
▪ Scheduling Letter	A	This Letter template can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
▪ Initial Audit Report	A	This Letter template can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
▪ Non-Response Letter	A	This Letter template can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
▪ Contractor Close-out Letters	A	This Letter template can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
k. For LIHTC developments all corrected and non-corrected noncompliance must be reported to the IRS via a Form 8823 if the property is in its initial fifteen (15) year compliance period.	A	The system generates the latest revision of the bar-coded IRS 8823 Form for all non-corrected noncompliance. 8823s are not generated during the Extended Use Period.
45. Physical Inspection		
a. MSHDA inspects all properties using HUD's Uniform Physical Conditions Standards (UPCS) and some additional MSDHA standards.	N/A	NOTE: This is a comment rather than a functional requirement.

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Functional Requirement	A,B,C, or D	Comments
b. The system must calculate due dates for physical inspections based on the last inspection date and the frequency, which varies from property to property, based on program requirements (funding sources)	C	<p>Audit due dates, last inspection date and inspection findings history are tracked today in our Multifamily Compliance System.</p> <p>This information; however, is not currently tracked on a funding source-by-funding source basis. This capability can be added.</p>
c. The system must also calculate the first inspection due date based on program requirements (funding sources)	C	<p>This capability can be added as well.</p> <p>Since a first inspection will not have a prior audit as a starting point to calculate the very first inspection due date, we would need clarification from MSHDA as to what date to use initially.</p>
d. A Contractor must be assigned to a property. (A Contractor is an external agent.)	A	Contractors as well as Compliance Monitoring Agents are tracked with a Federal Tax ID Number (TIN).
e. An inspection frequency must be assigned to a property.	C	<p>Our Random Unit Audit Selection Process does not require an audit/inspection frequency because all Low-Income Restricted units need to be audited within a 3 year period, so the process can be launched on an on-going basis.</p> <p>If still desired, an audit/inspection frequency can be added at the Project level so that the Random Selection Process can be grab Projects that are due for audit within a specified range of dates.</p>
f. The system must include a way to identify what type of inspection is required for each property. (i.e. UPCS, UPCS Plus, RHS, etc)	C	Can add an Inspection Type field by property.
g. The system must be able to indicate all inspections due, in a specific time frame, for each assigned Contractor.	A	Available today in our Multifamily Compliance System. Once a property has been scheduled for audit, the system can easily identify all audits that are due within a date range.
h. The system must allow Contractors to enter electronically into the database the following data fields.	A	<p>Our current Multifamily Compliance System collects and tracks a huge amount of data in regards to Audit Selection, Audit Scheduling, Audit Findings/Results, 8823 Non-compliance History resulted from audits, etc.</p> <p>B. Information will be accepted electronically from Contractors/Compliance Monitoring Agents.</p> <p>Note: The items marked with an "A" below are currently available in the MF Compliance System; however, they are not received electronically from Contractors/Auditors. That functionality will be delivered before the go live date.</p>
<ul style="list-style-type: none"> ▪ Inspection Scheduled Date 	A	Audit Schedule Date is collected and stored in the Audit Scheduling process.
<ul style="list-style-type: none"> ▪ Inspection Scheduled Time 	A	Audit Schedule Time as well as the person conducting the Audit are collected and stored in the Audit Scheduling process.
Date <ul style="list-style-type: none"> ▪ Rescheduled Inspection 	A	A Rescheduled Date is not available; however, users can override the original Audit Schedule Date with a new date.
Time <ul style="list-style-type: none"> ▪ Rescheduled Inspection 	A	A Rescheduled Time is not available; however, users can override the original Audit Schedule Time with a

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Functional Requirement	A,B,C, or D	Comments
		new time.
<ul style="list-style-type: none"> ▪ Reason for Rescheduling 	C	This information is not collected by the current MF Compliance System; however, a Rescheduled Audit/Inspection Date, Rescheduled Time and a Comments field (Reason for Rescheduling) can be added to the system. The existing "Schedule for Annual Audit Report" can also be modified to print the new Rescheduling information.
<ul style="list-style-type: none"> ▪ Inspection Name 	A	The auditor/inspector name field is collected and stored in the Audit Scheduling process.
<ul style="list-style-type: none"> ▪ Type of Inspection (Reinspection, UPCS, UPCS Plus, REAC) 	C	An Inspection Type field by property can be added.
<ul style="list-style-type: none"> ▪ Date Contractor Issued Initial Inspection Letter 	A	System currently stores the Audit/Inspection Notification Date containing the date the Notification Letter was printed within the MF Compliance System.
<ul style="list-style-type: none"> ▪ Number of Units Inspected – MHI Interface 	A	The Random Unit Audit Selection process selects at least 20% of all income restricted units within the chosen range of projects and counties.
<ul style="list-style-type: none"> ▪ Each Unit Number, with Building Number, that was inspection – MHI Interface 	A	Each Unit Number, with corresponding BIN and Project ID audited/inspected are stored in the system.
<ul style="list-style-type: none"> ▪ For each unit with an issue(s), document the violation found – MHI Interface 	A	In the Audit Findings section of the system, the user can select inspections non-compliance descriptions from a user-defined list and record findings on a unit, building or project basis (audited properties).
<ul style="list-style-type: none"> ▪ Response Deadline/Correction Due Date 	A	Non-Compliance Correction Due Date is calculated and tracked today (8823 correction period is defined by HFA on a project by project basis).
<ul style="list-style-type: none"> ▪ Date Owner/Agent Responded 	A	A "Findings Owner/Agent Response Date" is available today.
<ul style="list-style-type: none"> ▪ Date of Contractor's Non Response Letter 	C	This date is not available today but it could be added to the system. A Non-Response Letter Template can be created using our Mail Merge process.
<ul style="list-style-type: none"> ▪ Date of Contractor's Close-out Letter 	A	An "Audit Close-Out Letter Date" is tracked today.
<ul style="list-style-type: none"> ▪ Are there outstanding noncompliance issues? (Y/N) 	A	This flag is not necessary. The MF Compliance System can easily identify Projects/Buildings/Units with noncompliance issues.
<ul style="list-style-type: none"> ▪ Contractors Comments 	A	The Audit Findings section of the system allows for comments from the auditor.
<ul style="list-style-type: none"> ▪ Extension Request Date 	C	Extensions requests are not tracked today; however, the non-compliance correction period for any Audit Findings event created can be extended.
<ul style="list-style-type: none"> ▪ Extension Approved by 	C	Extensions requests are not tracked today; however, the system can be modified to track non-compliance correction extensions: <ul style="list-style-type: none"> - Add an Extension Request Date. - Add an Extension Approved by field (combo box for the user to select from the list of HFA personnel already in the MF System). - Add a Comments (Reason for Extension) field. - Add a Extension Correction # of Days

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Functional Requirement	A,B,C, or D	Comments
		for the system to calculate the Extension Correction Deadline similarly to the 8823 correction deadline determination.
<ul style="list-style-type: none"> ▪ Extension Comments 	C	Extensions requests are not tracked today; however, the system can be modified to track non-compliance correction extensions: <ul style="list-style-type: none"> - Add an Extension Request Date. - Add an Extension Approved by field (combo box for the user to select from the list of HFA personnel already in the MF System). - Add a Comments (Reason for Extension) field. - Add a Extension Correction # of Days for the system to calculate the Extension Correction Deadline similarly to the 8823 correction deadline determination.
Deadline <ul style="list-style-type: none"> ▪ Extension Correction 	C	Extensions requests are not tracked today; however, the system can be modified to track non-compliance correction extensions: <ul style="list-style-type: none"> - Add an Extension Request Date. - Add an Extension Approved by field (combo box for the user to select from the list of HFA personnel already in the MF System). - Add a Comments (Reason for Extension) field. - Add a Extension Correction # of Days for the system to calculate the Extension Correction Deadline similarly to the 8823 correction deadline determination.
i. The system must calculate the following data fields:		Interface with MSHDA's Physical Inspection Software System (MHI) is not available. The responses below are in reference to the current MF Compliance System's functionality.
<ul style="list-style-type: none"> ▪ Number of Units to be Inspection – Total restricted units or total units based on program requirements (funding sources) times 20%, rounded up to whole number. (For LIHTC developments this number is calculated per building.) 	A	The System's random unit audit selection process selects at least 20% of restricted units for the selected property(ies) and counties.
<ul style="list-style-type: none"> ▪ Number of Units with Compliance Issues – Interface with MHI 	A	Total number of Projects, Building and Units with non-compliance is available in the system.
j. The system must have a place for MSHDA to review and close out the Contractors physical inspection. Noting the following data fields:	A	
<ul style="list-style-type: none"> ▪ Review Date 	A	Tracked by the system.
<ul style="list-style-type: none"> ▪ Outstanding Violations 	A	Tracked by the system.
<ul style="list-style-type: none"> ▪ Reviewed By 	A	Tracked by the system.

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Functional Requirement	A,B,C, or D	Comments
▪ Closure Date	A	Tracked by the system.
▪ Comments	A	Tracked by the system.
▪ 8823 Issued (Y/N)	A	Flag is not available; however the actual 8823 events are stored historically in the system.
▪ Date 8823 Issued	A	Tracked historically by the system.
k. The system must interface with another MSHDA software system which holds all physical inspection date. This system is our MHI software.	B	We will build an interface with the current MSHDA physical inspection software system to upload the pertinent information to MF Compliance. We anticipate a completion date of six months from "go live".
i. The system must produce the following reports:		
i. Unit Selector Report – Available to the Contractor and MSHDA	A	Once the Random Audit Selection process concludes an "Audit Selection Report" is generated. The report can be reprinted at any time. The report contains a list of all properties selected for audit.
1. Units specified due to tenant complaints or other inquires as needed.	C	This information is not available today. We can modify the Audit Scheduling section in the MF Compliance System to identify units with tenant complaints.
2. Within five (5) audits, all restricted units or total units, based on program requirements (funding sources) must be inspected (20% of restricted units are inspected during inspection).	B	We will modify our current random selection process to adhere to this MSHDA requirement. We anticipate a completion date of six months from "go live".
3. The unit selection must include units of varying types and restrictions (i.e. bedroom size, percentage of area median income)	A	All restricted units are included in the random selection process regardless of type and restrictions. User has the ability to exclude vacant units if desired.
4. Type of Inspection Required	C	An Inspection Type field by property can be added.
5. For LIHTC developments this number is calculated per building.	A	The Audit Selection Process randomly selects at least 20% of qualified projects, buildings, and units according to user-specified selection parameters. Projects are selected for audit in the following manner: (1) Projects with no previous audit record in AOD/MF take precedence; (2) Projects with previous audit records are sorted in increasing likelihood for selection from earliest to most recent previous audit date. Buildings and units are likewise selected.
ii. Contractor Calendar / Inspection Due Date – Available to the Contractor and MSHDA		
1. Data Elements		
▪ Property Name	A	This field is collected and stored in the system.
▪ Property #	A	This field is collected and stored in the system.
▪ Property Address	A	This field is collected and stored in the system.
▪ Property City	A	This field is collected and stored in the system.
▪ Property County	A	This field is collected and stored in the system.
▪ Contractor	B	This data element will be incorporated into the system.
Company Name		

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Functional Requirement	A,B,C, or D	Comments
▪ Inspector Name	A	This field is collected and stored in the system.
Date ▪ Inspection Due	A	This field is collected and stored in the system.
Inspection Date ▪ Scheduled	A	This field is collected and stored in the system.
Inspection Time ▪ Scheduled	A	This field is collected and stored in the system.
Inspection Completed ▪ Actual Date	A	This field is collected and stored in the system.
Frequency ▪ Inspection	B	Our Random Unit Audit Selection Process does not require an audit frequency because all Low-Income Restricted units need to be audited/inspected within a 3 year period, so the process can be launched on an on-going basis. If still desired, an audit/inspection frequency can be added at the Project level so that the Random Selection Process can include only the Projects that are due for audit/inspection within a specified range of dates.
▪ Type of Inspection	C	An Inspection Type field by property can be added.
▪ Funding Source	A	This field is collected and stored in the system.
2. Selection Criteria		
▪ Data Range	A	This field is collected and stored in the system.
▪ Due Dates	A	This field is collected and stored in the system.
▪ Scheduled Date	A	This field is collected and stored in the system.
Inspection Completed ▪ Actual Date	A	This field is collected and stored in the system.
Company Name ▪ Contractor	B	This data element will be incorporated into the system.
iii. Status Report – Available to MSHDA and Contractors		
1. This report needs to show the status of Inspection.		
past due ▪ Is the Inspection	A	This is not stored in the system but it can be calculated by comparing the current date with the Audit/Inspection Scheduled Date.
due ▪ Are responses past	C	This is not stored in the system but it can be calculated if a response due date is added to the system.
2. The report should show all pertinent property data and Inspection data	A	Audited Property data, Audit and Audit Findings data is available in the system
I. The system needs to create the following letters and documents via a merge feature with MSHDA's standard format. (Available to the Contractor and MSHDA)	A	Our current Multifamily Compliance System offers a Mail Merge with MS Word to allow users to create and customize letter templates and populate fields from the system's data dictionary.
▪ Scheduling Letter	A	This Letter template can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
▪ Initial Inspection Letter	A	This Letter template can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.

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Functional Requirement	A,B,C, or D	Comments
<ul style="list-style-type: none"> ▪ Non-Response Letter 	A	This Letter template can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Contractor Close-out Letter 	A	This Letter template can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
m. For LIHTC developments all corrected and non-corrected UPCS violations must be reported to the IRS via Form 8823, if the property is in its initial fifteen (15) year compliance period.	A	The system generates the latest revision of the bar-coded IRS 8823 Form for all non-corrected noncompliance. 8823s are not generated during the Extended Use Period.
46. Collection of Tenant Data		
a. The system must allow external users to enter tenant data or upload transactions on a continual basis.	A	The COL Portal allows external users to upload or enter tenant data on a continual basis.
b. The information must be stored for all transactions submitted.	A	The COL Portal as well as the MF Compliance System store all tenant transactions entered into the system (Move-ins, Move-outs, Unit Transfers, Re-Certs, etc).
c. The tenant data transaction uploads must be "XML" standards	A	We have been uploading Emphasys- formatted XML files with tenant activity from third-party property management software for almost 5 years. We were active participants in the design of NAHMA's XML Standard for Tenant Certifications. We are working on incorporating the standard in the near future while still supporting our existing XML file structure.
d. The external users must be password protected and allowed to only enter data for specific properties	A	Users of the Certification Online Portal are required a Username and Password to login. Each property manager only has access and views the properties that belong to him/her.
e. Each transaction must indicate which program restrictions it is meeting	A	Tenant transactions are not linked to program restrictions. Restrictions are tested and monitored in the Multifamily Compliance System once the tenant transactions are submitted and tested for compliance.
f. The system should be able to print a Michigan Tenant Income Certification (TIC) from the data that is submitted. See attached exhibit number 10-LA.	C	Our Certification Online Portal (COL) generates the NCSHA recommended TIC form.
g. Transactions for tenant data consist of the following types		
<ul style="list-style-type: none"> ▪ Move In 	A	This tenant transaction type is handled by the COL and MF Compliance systems.
<ul style="list-style-type: none"> ▪ Move Out 	A	This tenant transaction type is handled by the COL and MF Compliance systems.
<ul style="list-style-type: none"> ▪ Annual Recertifications 	A	This tenant transaction type is handled by the COL and MF Compliance systems.
<ul style="list-style-type: none"> ▪ Interim Recertifications 	A	This tenant transaction type is handled by the COL and MF Compliance systems.
<ul style="list-style-type: none"> ▪ Gross Rent Changes 	A	This tenant transaction type is handled by the COL and MF Compliance systems.
<ul style="list-style-type: none"> ▪ Transfers 	A	This tenant transaction type is handled by the COL and MF Compliance systems.
<ul style="list-style-type: none"> ▪ Initial Certification – Program Changes 	A	This tenant transaction type is handled by the COL and MF Compliance systems.

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Functional Requirement	A,B,C, or D	Comments
<ul style="list-style-type: none"> ▪ Termination – Program Changes 	A	Although we don't track a "Termination" type transaction, this can be handled as a Move-Out transaction, since a move-out will in fact occur.
<ul style="list-style-type: none"> h. The system should have the capability to run compliance checks against program and property restrictions for the external user after entering a transaction to validate compliance. 	A	<p>Checks against Income and Rent limits are offered to the external user in our Certification Online Portal (COL).</p> <p>All other compliance tests, including IRS Tax Credit compliance, are performed by the Multifamily Compliance System once the tenant transactions are submitted.</p>
<ul style="list-style-type: none"> i. Need the ability for the external user to indicate what programs the household is being counted for. This should come through with each transaction. The programs would be the same as the ones associated to each property. (i.e. LIHTC, HOME(Low or High), MSHDA Bonds, etc.) 	A	<p>We have this ability today in our Certification Online Portal (COL) as well as our Multifamily Compliance System.</p> <p>There is an "Other" classification that can take care of the "MSHDA Bonds" indicator.</p>
47. Review of Tenant Data		
<ul style="list-style-type: none"> a. The system will need to be able to run compliance checks for each program and restrictions associated with a property, based on the Federal Requirements from the IRS or HUD (based on program). 	A	Compliance checks on IRS, HUD and Agency Income and Rent requirements are available today by a range of dates (reporting period).
<ul style="list-style-type: none"> ▪ The checks will need to be able to be run by compliance officer assigned to the property or by the entire portfolio 	C	We can add the ability to run the checks by the compliance officer (agency user) assigned to the property.
<ul style="list-style-type: none"> ▪ The checks will need to be run on a date range as specified 	A	Compliance checks on IRS, HUD and Agency Income and Rent requirements are available today by a range of dates (reporting period).
<ul style="list-style-type: none"> b. The system must run checks on all restrictions associated with each program that is assigned to a property. 	A	System launches only the Compliance checks that are applicable to the project (funding source-specific income and rent restrictions, other restrictions, IRS, HOME, etc).
<ul style="list-style-type: none"> c. All tenant data errors must be reportable by property, compliance officer, and/or date range on an ongoing basis. 	A	Tenant data is validated as it is being entered or uploaded via XML file. Errors are generated immediately to the compliance officer or external user.
<ul style="list-style-type: none"> d. The system must also produce a separate report indicating all vacant units and the length of time each unit has been vacant. This report must be able to be run by property, compliance officer, and/or date range on an ongoing basis. 	C	<p>Our Multifamily System offers several reports that print the occupancy status of units.</p> <p>We can build a new report, if MSHDA desires, specifically to list vacant units and the time they have been vacant.</p>
<ul style="list-style-type: none"> e. The system must be able to have an error override if the error is not substantiated. 	A	Assuming that "error override" means an ability to not place a property out of compliance even if the compliance checks found a non-compliance event in one or more units, this is available today in our MF Compliance System.
<ul style="list-style-type: none"> f. The system must produce a standard letter for all compliance errors, by property, which has not been overridden by a compliance officer. 	A	Assuming that "compliance errors" are "non-compliance events" found during the compliance checks, then this capability is available. Our current Multifamily Compliance System keeps the non-compliance history of all properties and offers a Mail Merge with MS Word to allow users to create and customize letter templates and populate fields from the system's data dictionary. Notices/Letters are generated

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		by the system for an individual project or all projects with non-compliance issues for a user-specified range of dates.
g. Once an error has been identified and is not overridden or corrected, the system should not continue to create a new error for the original error for each consecutive compliance check. The unit should still be identified as out of compliance.	A	Available today in our Multifamily Compliance System. Each reporting period considers only the tenant activity that occurred during that period. Issues with older reporting periods are not included in the new period except if household was not income-qualified at move-in in which case the unit remains out of compliance in all subsequent reporting periods until the household vacates the unit and the unit acquires the designation of the new household that moves in.
48. Producing 8823		
a. The system must create and print the IRS 8823 Form(s) (the form must be current with the IRS version and updated when the IRS revises the form.)	A	The latest bar-coded revision of the IRS 8823 is generated by the Multifamily Compliance System.
b. IRS Form 8823s are produced only for LIHTC developments in their initial fifteen (15) year compliance period. The system must be able to warn or reject the user when an 8823 is being entered for a project after the end of the initial compliance period.	A	We offer the agency, on a project by project basis, the ability to pick and choose which IRS checks are to be performed during the Extended User Period. The system does not generate 8823 Forms after the initial compliance period.
c. All 8823s are given a reference number. This number is assigned by the next available number and is across the portfolio. No number is repeated.	A	Our MF System generates the latest revision of the IRS 8823 bar-coded form and keeps a history of all 8823 events ever created in order to reprint forms if necessary. The IRS does not require a reference number on each 8823 form generated. This may be an internal MSHDA reference number which we can build pending specs from MSHDA.
d. Information for the ownership, allocation amount, number of buildings, total number of units must be automatically populated on the form.	A	All fields required by the IRS 8823 form are populated today by the Multifamily Compliance System.
e. The contacts person's name and phone number must be automatically filled fields and changeable when needed, both on the form and on the main setting level. (System Level)	A	The contacts person's name and phone number are automatically populated on the form and are changeable at the system level rather than on the form in order to protect the integrity of the data on the form.
f. The signature name and title must be automatically filled fields and changeable when needed, both on the form and on the main setting level. (System Level)	A	The signatory name and title are automatically populated on the form and are changeable at the system level rather than on the form in order to protect the integrity of the data on the form.
g. The property name, property number, and Agency reference number must be printed on the bottom of the 8823 and its corresponding notes page(s).	C	Available today in our Multifamily Compliance System with the exception of the reference number referenced in item 48c above.
h. The system needs to keep a tracking of the 8823 process and what steps, as prescribed by MSHDA have been taken for each form. (Checklist)	C	Our MF System keeps the history of all 8823 events ever created in order to track and reprint any forms if necessary. Additional clarification and specifics are needed on the "MSHDA checklist of steps that have been taken for each form".

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Functional Requirement	A,B,C, or D	Comments
i. The system needs to create the following letters and documents via a merge feature with MSHDA's standard format.	A	Our current Multifamily Compliance System offers a Mail Merge with MS Word to allow users to create and customize letter templates and populate fields from the system's data dictionary. Notices/Letters are generated by the system for an individual or all projects.
<ul style="list-style-type: none"> ▪ Cover Letter to Owner 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
<ul style="list-style-type: none"> ▪ Cover Letter to Management Agent 	A	This Letter can be designed by MSHDA using our Mail Merge process and the fields from the system's data dictionary.
j. Reports		
i. Status Report for 8823s that are due to the IRS		
<ol style="list-style-type: none"> 1. All noncompliance issues discovered with the tenant file audit process, physical inspection process, and review of submitted tenant data must have an 8823 issued within 45 days after the close of the compliance period. 	A	The MF System, generates several 8823 status reports: 8823s due, 8823s corrected, 8823's uncorrected (out of compliance), 8823s created but not yet printed/issued, 8823s already printed/issued, etc. All necessary project-related data and dates about the 8823 are stored in the system's Event File and are available at a click of a button.
<ol style="list-style-type: none"> 2. In order to meet this requirement, the system must be able to report which 8823's have not been issued based on the correction deadlines that were set for each property in their related stages. 	A	The MF System, generates several 8823 status reports: 8823s due, 8823s corrected, 8823's uncorrected (out of compliance), 8823s created but not yet printed/issued, 8823s already printed/issued, etc. All necessary project-related data and dates about the 8823 are stored in the system's Event File and are available at a click of a button.
ii. Report of Uncorrected 8823s	A	The MF System, generates several 8823 status reports: 8823s due, 8823s corrected, 8823's uncorrected (out of compliance), 8823s created but not yet printed/issued, 8823s already printed/issued, etc. All necessary project-related data and dates about the 8823 are stored in the system's Event File and are available at a click of a button.
<ol style="list-style-type: none"> 1. If an 8823 does not have a correction date entered on the form, the system must be able to produce a report showing all uncorrected 8823 with the issuance date. 	A	The MF System, generates several 8823 status reports: 8823s due, 8823s corrected, 8823's uncorrected (out of compliance), 8823s created but not yet printed/issued, 8823s already printed/issued, etc. All necessary project-related data and dates about the 8823 are stored in the system's Event File and are available at a click of a button.
iii. Checklist Report (Tracking of MSHDA process steps)		
<ol style="list-style-type: none"> 1. The system must be able to produce a report based on the stage tracking for the 8823 process. 	C	8823 stage/status tracking is not part of our system today. We can either modify the system to add the fields (checklist of steps) necessary to track the latest status of an outstanding 8823 non-compliance issue <u>OR</u> we can import this checklist from another MSHDA data source, if available (i.e. MSHDA checklist of steps for 8823 forms issued). The HFA user will be able to update the checklist with the latest status of the 8823 non-compliance process.

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		A Checklist Report can then be written to print the new 8823 status information.
2. The report must indicate which step each 8823 is at and be reportable based on each stage.	C	Once the Checklist Report is added to the system (as described in the item above), the report will print the available step checklist and the latest status of each item in reference to an outstanding 8823 non-compliance items.
iv. 8823 Issued Report		
1. The system must be able to run a report based on multiple criteria for all 8823's issued through out the portfolio	A	8823 status reports can be run for the following criteria: 8823s corrected, 8823's uncorrected (out of compliance), 8823s created but not yet printed/issued, 8823s already printed/issued, etc.
<ul style="list-style-type: none"> • Non Compliance box checked 	A	8823 status reports can be run for the following criteria: 8823s corrected, 8823's uncorrected (out of compliance), 8823s created but not yet printed/issued, 8823s already printed/issued, etc.
<ul style="list-style-type: none"> o Corrected or Uncorrected 	A	8823 status reports can be run for the following criteria: 8823s corrected, 8823's uncorrected (out of compliance), 8823s created but not yet printed/issued, 8823s already printed/issued, etc.
<ul style="list-style-type: none"> • Property 	A	8823 status reports can be run by an individual or all projects/properties.
<ul style="list-style-type: none"> • Owner 	A	8823 status reports can be run by Tax ID Number.
<ul style="list-style-type: none"> • Management Agent assigned to the property at the time the 8823 was issued 	A	8823 status reports can be run by Tax ID Number.
<ul style="list-style-type: none"> • Year the 8823 was issued 	A	8823 status reports can be run by a range of dates.
<ul style="list-style-type: none"> • Year the noncompliance started – Out of Compliance Date 	A	This is not a report filtering criteria at this time; however all 8823 events store the Out of Compliance and Correction Date (if corrected) and therefore it will be very simple to add an additional filter by Out of Compliance Date to the report request screen.
49. Billing (Accounts Payable)		
a. MSHDA has several Contractors that conduct tenant file audits and physical inspections on the Authority's rental housing portfolio. The system needs to electronically create a report to verify accuracy in the Contractors submitted bills/invoices.	C	
b. The system must store Contractors per unit price for each property that they are assigned to. The price is based on the Contractor and/or property types	C	
c. The system must also maintain the total contract amount per contractor.	C	
d. The system must also calculate the remaining balance of the contract amount after subtracting out invoices already paid.	C	
e. Contractors are not allowed to bill for a property until MSHDA has received the audit or	C	

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inspection report.		
f. The amount billed for each property is based on the number of units inspected or audited times the properties stored per unit cost for that contractor.	C	
g. Multiple Contractors may be assigned to a property.	C	
h. The system must also produce a check request, which is required, in order for our Finance Division to issue a check to the Contractor.	C	
i. The system must also produce a report, for each billing/invoice cycle, to accompany the check request. This report must include:	C	
▪ The Dates of all prior invoices submitted	C	
▪ The Date of the current invoice	C	
▪ Total Dollar Amounts of each invoice	C	
▪ Running Balance of the Remaining Contract Amount	C	
▪ The Contract Number	C	
j. The system must also produce a report, for each billing/invoice cycle, to accompany the check request. This report must include:	C	
▪ Contract Company Name	C	
▪ Amount of Current Invoice	C	
▪ Type of Work that the Contractor Performed for MSHDA	C	
50. Invoicing (Accounts receivable)		
a. For LIHTC developments only MSHDA bills the management agent/owner of the property Annual Compliance Fees and/or Physical Inspection Fees. Not all LIHTC properties are billed for fees. The system must be able to electronically produce an invoice for the development if needed. See attached exhibit number 11-LA.	A	You can create a template in Word and merge the fields from the system into the invoice.
b. The Annual Compliance fees are based on a per unit cost and billed only to properties that have not paid up front lump sum payment. This is a yearly fee which the system must automatically produce based on the number of low-income units in a property.	A	
c. The physical inspection fee is based on a per unit cost for units physically inspected and billed once every three years. The system must automatically produce the invoice for a development. This fee is assessed only to properties allocated LIHTC prior to 2001.	A	

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d. The system must be able to produce a report based on the invoices issued for each property, billing type, amounts not yet paid, etc.	A	
51. Weekly Marketing Report		
a. For MSHDA financed developments, the management agents must report weekly on the status of their rent up, until they reach 95% occupancy. The report contains information on total units, vacant units, applications, traffic, and tenant data from occupied units.	C	
b. This information must be submitted electronically from management agents.	C	
c. The system must collect all of the required data fields and report them as directed in the attached exhibit number 12-LA.	C	
d. The system must maintain all submitted data and produce a status report that will show where all properties are in the rent-up process.	C	
52. Annual Certification of Continuing Compliance		
Annual Certifications of Compliance are due for several programs. The system must have a place to store the due date, received date of each certification, and whether or not the certification is acceptable. The system must be able to track extension requests Extension Request Date	A	Annual Certification of Continuing Program Compliance forms are filled out and submitted to the housing agency, by external users, from our current Certification Online Portal. All Annual Certification related data and generated 8823 events are kept historically and available for review at any time.
<ul style="list-style-type: none"> ▪ Extension Approved by 	C	Extensions requests are not tracked today; however, the system can be modified to track non-compliance correction extensions: <ul style="list-style-type: none"> - Add an Extension Request Date. - Add an Extension Approved by field (combo box for the user to select from the list of HFA personnel already in the MF System). - Add a Comments (Reason for Extension) field. - Add a Extension Correction # of Days for the system to calculate the Extension Correction Deadline similarly to the 8823 correction deadline determination.
<ul style="list-style-type: none"> ▪ Extension Comments 	C	Extensions requests are not tracked today; however, the system can be modified to track non-compliance correction extensions: <ul style="list-style-type: none"> - Add an Extension Request Date. - Add an Extension Approved by field (combo box for the user to select from the list of HFA personnel already in the MF System). - Add a Comments (Reason for Extension) field. - Add a Extension Correction # of Days for the system to calculate the

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		Extension Correction Deadline similarly to the 8823 correction deadline determination.
<p>Deadline</p> <ul style="list-style-type: none"> • Extension Correction 	C	<p>Extensions requests are not tracked today; however, the system can be modified to track non-compliance correction extensions:</p> <ul style="list-style-type: none"> - Add an Extension Request Date. - Add an Extension Approved by field (combo box for the user to select from the list of HFA personnel already in the MF System). - Add a Comments (Reason for Extension) field. - Add a Extension Correction # of Days for the system to calculate the Extension Correction Deadline similarly to the 8823 correction deadline determination.
<p>a. If a certification was not submitted by the appropriate deadline or unacceptable the system must generate a letter of non-submittal or rejection to the owner/agent of the property with a second deadline date.</p>	A	System has an Annual Certifications Outstanding Report that prints all certifications due within a range of dates. A letter template for the described letter can then be created and printed within our system using the System Letters/Mail Merge process.
<p>b. For LIHTC development an 8823 must be produced for failure to submit or failure to submit an acceptable annual certification if no response is received by the second due date</p>	A	8823's for missing, incomplete or inaccurate Annual Owner Certification are generated by our MF Compliance System. The system also offers a manual 8823 event creation process that allows users to create an event and print an 8823 form at any time.
53. Development Information		
<p>a. For each property the system must store the last building placed in service date (single date). This would be the latest placed in service date, new construction or rehabilitation, across all buildings in a property (do not use acquisition placed in service date).</p>	A	The MF Compliance System stores the New Construction, Acquisition and Rehab Placed in Service Dates of each building in a property, first PIS date, last PIS date, etc
<p>b. For each property the system must store the first building placed in service date (single date). This would be the first placed in service date, new construction or rehabilitation, across all buildings in a property (do not use acquisition placed in service date).</p>	A	The MF Compliance System stores the New Construction, Acquisition and Rehab Placed in Service Dates of each building in a property, first PIS date, last PIS date, etc.
<p>c. Each property must have a compliance officer assigned to the property.</p>	A	Any HFA user in the system can be selected as the compliance officer of a project.
<p>d. The system must contain a place to designate other assigned staff to the property. (i.e. attorney, asset manager, HDO, etc)</p>	A	The entities/contacts that can be assigned to a property in the MF Compliance System at this time are: Owner, Manager, General Partners, Non-Profit Participants, Contractors and Sub-Contractors and Compliance Monitoring Agent.
<p>e. Each property must have a place to enter staff note about the property. This needs to be updatable and keep all information entered,</p>	A	The System offers a Project Memo function that allows users to add/edit/delete/print Memos by project and effective date. Project memos are accessible from within a project as well as from the main menu.
<p>f. For each property the system must store the total number of units.</p>	A	Total Number of Units is stored at the property level as well as at the building level.

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g. For each property the system must store the total number of low-income units.	A	Total number of Low Income Units is stored at the property level as well as at the building level.
h. For each property the system must store the total number of market rate units.	A	Total number of Market Rate Units is stored at the property level as well as at the building level.
i. For each property the system must store the total number of common area units	A	Total number of Common Area Units is stored at the property level as well as at the building level.
j. Each property must be able to have multiple programs assigned to a property.	A	The MF Compliance System, federal programs such as LIHTC, HOME, CDBG, ESG, HOPWA, etc, are called Funding Sources because they can all help subsidize a property. A single property can have multiple Funding Sources (federal as well as agency defined) assigned to it but the property is assigned to a single Program such as Multifamily Rental Rehab, Multifamily Construction, Payment Assistance, etc. These programs are user-defined as need be.
k. Each Program must be able to have its own set of restrictions tied to the property. (No program has identical restrictions it is based on property.)	A	The Multifamily Compliance System allows the user to setup, test and keep a compliance history of Funding Source-specific Rent and Income Restrictions / Covenants by property. In addition to the Funding Source specific Income and Rent restrictions, the MF System allows you to set up and test Rent restrictions against Fair Market Rent Limits (FMR) and Tax Exempt Bond Income restrictions.
l. Each property must have a place to indicate if the property is also funded by Rural Housing Services (not monitored by MSHDA), and which type of loan the property has (RHS 515 or RHS 538)	A	Funding Sources are user defined and can be assigned to a property. The MF Compliance System will allow MSHDA to create a Rural Housing Services RHS515 or RHS538 Funding Source, link it to property and setup up and test Income and Rent restrictions for it.
m. Each Property must have a place to indicate that the entire property is inactive for compliance monitoring.	A	The Compliance Monitoring Guidelines screen of the MF Compliance System contains a "Project Inactive for Compliance Monitoring" checkbox in order to allow the user to indicate projects that are inactive for monitoring. The screen also collects the Date the Project became Inactive for monitoring.
n. Each Program must have a place to indicate that the program is inactive for compliance monitoring.	C	At this time this is done only at the Property level not at the Program or Funding Source level. All Funding Source specific income and rent restrictions can be tested on an on-going basis (user determined) and can be bypassed at any time; however, if this ability is desired by MSHDA we can modify the MF System to do the following: Add an "Inactive for Compliance Monitoring" checkbox at the Funding Source/Program level so that the system will no longer test income and rent restrictions under the inactive funding source.
o. The system must store all effective dates for a program. These dates indicate if a program is active. The first three are based on Section 42 of the IRC and the last two are based on Section 142 (d) of the IRC.		The MF Compliance System collects the following information:
<ul style="list-style-type: none"> ▪ First Year Credit Claimed 	A	First Year of the Credit Period (collected at the building level)
<ul style="list-style-type: none"> ▪ 15 year LIHTC 	A	- The Initial Period of LIHTC Compliance

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		(15 Years minimum). - Start Date for the Initial Compliance Period. - End Date of the Initial Compliance Period.
<ul style="list-style-type: none"> ▪ Extended Use Years 	A	<ul style="list-style-type: none"> - # of years for the Extended Use Period. - Beginning of the Extended Use Period (system calculated). - End of the Extended Use Period (system calculated).
<ul style="list-style-type: none"> ▪ Mortgage Loan Period 	A	The Mortgage Loan Period, Amortization Term, Principal Amount, Interest Rate, Debt Service Amount, Loan Type, etc of every loan associated with the property resides in the Tax Credit Allocation System (Permanent Financing) rather than the MF Compliance System.
<ul style="list-style-type: none"> ▪ Qualified Period 	C	A Qualified Period is not tracked today, or at least not under that label. If not available today, a Start and End Date can be added to the system to track this information.
<p>p. Each Program has multiple restrictions associated with it. The system must be flexible to changes in the types of restrictions for future use. The restrictions include:</p>	A	The Multifamily Compliance System has the ability to setup and test different types of restrictions in the manner described below:
<ul style="list-style-type: none"> ▪ A specific number of units restricted to an area median income (AMI) percentage and a gross rent AMI percentage. The income and rent percentage may be the same or different for a unit restrictions. 	A	The MF Compliance System offers the ability to setup (by funding source) multiple combinations of income and rent covenants in two different formats: # of units at a % of AMI <u>or</u> # of units at a maximum amount of
<ul style="list-style-type: none"> ▪ Number of Units that have to be occupied by Elderly meeting the Authority's definition of Elderly 	A	<p>"Targeted Population Types" are user defined in the Multifamily System.</p> <p>At the Project level, under "Targeted Occupant Type" the user can setup a combination of required units for different population types.</p> <p>At the unit/household level the user assigns a population type to the household.</p> <p>At any given time the HFA user can launch the "Target Population Status Test" for the entire project, the system will generate a status report showing the projections versus the actual units found and a difference column.</p>
<ul style="list-style-type: none"> ▪ Number of Units that have to be occupied by Elderly meeting HUD's definition of Elderly 	A	<p>"Targeted Population Types" are user defined in the Multifamily System.</p> <p>At the Project level, under "Targeted Occupant Type" the user can setup a combination of required units for different population types.</p> <p>At the unit/household level the user assigns a population type to the household.</p> <p>At any given time the HFA user can launch the "Target Population Status Test" for the entire project, the system will generate a status report showing the projections versus the actual units found and a difference column.</p>

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<ul style="list-style-type: none"> ▪ Number of Units that have to be occupied by Persons with Special Needs 	A	<p>“Targeted Population Types” are user defined in the Multifamily System.</p> <p>At the Project level, under “Targeted Occupant Type” the user can setup a combination of required units for different population types.</p> <p>At the unit/household level the user assigns a population type to the household.</p> <p>At any given time the HFA user can launch the “Target Population Status Test” for the entire project, the system will generate a status report showing the projections versus the actual units found and a difference column.</p>
<ul style="list-style-type: none"> ▪ Number of Units that have to be occupied by Families 	A	<p>“Targeted Population Types” are user defined in the Multifamily System.</p> <p>At the Project level, under “Targeted Occupant Type” the user can setup a combination of required units for different population types.</p> <p>At the unit/household level the user assigns a population type to the household.</p> <p>At any given time the HFA user can launch the “Target Population Status Test” for the entire project, the system will generate a status report showing the projections versus the actual units found and a difference column.</p>
<ul style="list-style-type: none"> ▪ Number of Units that have to be occupied by Families with Children occupying units with three (3) or more bedrooms 	A	<p>“Targeted Population Types” are user defined in the Multifamily System.</p> <p>At the Project level, under “Targeted Occupant Type” the user can setup a combination of required units for different population types.</p> <p>At the unit/household level the user assigns a population type to the household.</p> <p>At any given time the HFA user can launch the “Target Population Status Test” for the entire project, the system will generate a status report showing the projections versus the actual units found and a difference column.</p>
<ul style="list-style-type: none"> ▪ Number of Units that have to be occupied by persons who are considered Homeless 	A	<p>“Targeted Population Types” are user defined in the Multifamily System.</p> <p>At the Project level, under “Targeted Occupant Type” the user can setup a combination of required units for different population types.</p> <p>At the unit/household level the user assigns a population type to the household.</p> <p>At any given time the HFA user can launch the “Target Population Status Test” for the entire project, the system will generate a status report showing the projections versus the actual units found and a difference column.</p>
<ul style="list-style-type: none"> ▪ Number of Units that have to be occupied by Persons with a Handicap 	A	<p>“Targeted Population Types” are user defined in the Multifamily System.</p> <p>At the Project level, under “Targeted Occupant Type” the user can setup a combination of required units for different population types.</p> <p>At the unit/household level the user assigns a population type to the household.</p> <p>At any given time the HFA user can launch the “Target</p>

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		Population Status Test" for the entire project, the system will generate a status report showing the projections versus the actual units found and a difference column.
<ul style="list-style-type: none"> ▪ Target housing population for Affirmative Fair Housing Marketing Plan 	A	<p>"Targeted Population Types" are user defined in the Multifamily System.</p> <p>At the Project level, under "Targeted Occupant Type" the user can setup a combination of required units for different population types.</p> <p>At the unit/household level the user assigns a population type to the household.</p> <p>At any given time the HFA user can launch the "Target Population Status Test" for the entire project, the system will generate a status report showing the projections versus the actual units found and a difference column.</p>
<ul style="list-style-type: none"> ▪ Rent AMI percentages are based on the number of persons in the household or number of bedrooms (one or the other) 	A	The Multifamily Compliance System has a "Pre-1990" and "Post-1989" indicator, at the project level, to calculate and test maximum rents based on bedroom size (Post-1989) or number of persons in the household (Pre-1990).
<ul style="list-style-type: none"> ▪ Annual Recertification is not required 	A	The MF System has a Recertification Waiver checkbox to indicate when recerts are no longer required. The Waiver Requested Date and Waiver Approved Date are also collected.
<ul style="list-style-type: none"> ▪ Income Limits always based on 4 person limit no matter size of household 	A	Income Limits are always calculated off the 4 person 50% VLI Limits published by HUD.
<ul style="list-style-type: none"> ▪ Income limits are adjusted for household size up to the four person limits 	A	<p>The Income Limits are adjusted by the <u>actual</u> household size.</p> <p>If MSHDA requires Income Limits to be adjusted only up to the 4 person limits, it can be programmed. Will need additional details and specifics from MSHDA.</p>
<ul style="list-style-type: none"> ▪ Rents are based on 1 person per bedroom, not 1.5 	A	<p>Maximum Rents for properties under the IRS Section 42 Low-Income Housing Tax Credit (LIHTC) program are based on 1.5 person per bedroom, as mandated by the IRS.</p> <p>Rent Limits under other affordable housing programs are based on 1 person per bedroom.</p>
<ul style="list-style-type: none"> ▪ 125% & 150% income restricted units – tenants can qualify for these units if their income is below the limits or if they are elderly 	C	The MF System, at this time, does not qualify tenants based on their population type (elderly, disabled, drug dependent, etc). They are qualified exclusively based on their annual income. The system will be modified to incorporate this feature.
<ul style="list-style-type: none"> ▪ Rent is greater of xx% of AMI or 30% of Adjusted Income 	C	<p>The MF System can handle both scenarios <u>individually</u>; however, it does not allow two scenarios to be combined.</p> <p>This feature will be incorporated.</p>
<ul style="list-style-type: none"> q. The system must be able to store the date a recertification waiver was issued and a date if it was subsequently rejected for LIHTC developments. 	A	The Compliance Guidelines screen of the MF System collects a Recertification Waiver checkbox, Waiver Requested Date, Waiver Approved Date and a Rejection Date.
<ul style="list-style-type: none"> r. The system must have a place to store the type and status of legal transactions in process. (i.e. foreclosure, qualified contract, etc) 	A	The MF Compliance System keeps track of Project and Building Dispositions and creates 8823 events for these transactions accordingly. We currently track the following disposition types: Sales, Foreclosures, Other,

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		etc.
s. The system needs to produce a report which includes:	A	Our current Report Generator (Selection Criteria function) allows the user to create a custom report and/or data export with the data elements listed in this section.
i. Property Location	A	Project/Building Address, City, County, MSA, Region, etc are fields currently part of the system's data dictionary.
ii. Owner Information	A	Dozens of Owner data fields (TIN, Name, Address, Contacts, Entity Type, e-mail, etc) are currently part of the system's data dictionary.
iii. Management Agent Information	A	Dozens of Project Manager data fields (TIN, Name, Address, Contacts, Entity Type, e-mail, etc) are currently part of the system's data dictionary.
iv. All Programs associated with the Property (funding sources)	A	A property's Program and all associated funding sources are fields currently in the system's data dictionary.
v. All Active Restrictions, based on program	A	Rent and Income restrictions for any funding source are fields in the system's data dictionary.
vi. Start and End Dates for each Program Restrictions	A	Each Funding Source specific Income & Rent Restrictions are tested within a Reporting Period Start and End Date.
vii. Unit Configuration Make-up		
1. Total Number of Units	A	Total Number of Units (by Project and by Building) are fields available in the system's data dictionary.
2. Total Low Income Units	A	Total Low Income Units (by Project and by Building) are fields available in the system's data dictionary.
3. Total Market Rate Units	A	Total Market Rate Units (by Project and by Building) are fields available in the system's data dictionary.
4. Total Common Area Units	A	Total Common Area Units (by Project and by Building) are fields available in the system's data dictionary.
54. Income Limits		
a. For each Program, the system must store, by effective date, the income and rent limits by county.	A	Income Limits are collected and stored by County, MSA and effective date.
b. The rent and income limits are based either on HUD's published income limits for the section 8 program or a calculation based off of the 50% AMI income limits.	A	Rent and Income Limits are based on HUD's (50%, 80% and 30%) limits or limits computed off the 50% limits (60%, 120%, 140%, 150%, etc).
c. Rent limits must also be calculated by the system.	A	Maximum Rents are calculated by the system and utilized system-wide for compliance checks.
d. The calculated income limits must be in a printable version to be posted on MSHDA external web site. This report must be based on an effective date and program type.	A	Rent and Income Limits can be printed out of the MF Compliance System to a PDF document that can be saved and posted on MSHDA external web site.
55. Building Level Information		
a. For each building the system must store the building Number	A	Building ID Number (BIN) is collected and stored in the system.
b. For each building the system must store the building Address	A	Building complete address is collected and stored in the system.

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c. For each building the system must store the building LIHTC Building Identification Number (BIN)	A	Building ID Number (BIN) is collected and stored in the system.
d. For each building the system must store the building Placed in Service Date for New Construction / Rehabilitation	A	Building PIS Dates for New Construction, Acquisition and Rehab are collected and stored in the system.
e. For each building the system must store the building Placed in Service Date for Acquisition	A	Building PIS Dates for New Construction, Acquisition and Rehab are collected and stored in the system.
56. Unit Level Information		
a. For each unit the system must store the Unit Number, associated with the building	A	Unit Numbers are collected under each Building and stored in the system.
b. For each unit the system must store all tenant information submitted for the unit based on effective date	A	The MF Compliance System stores all tenant history submitted by property manager (via COL) or entered directly into the MF System.
c. For each unit the system must store Number of Bedrooms	A	Unit Bedroom Size is collected and stored in the system.
d. For each unit the system must store Square Footage	A	Square Footage is collected and stored in the system.
e. For each unit the system must store Unit Type	A	We call this "Owner Designation" it is collected and stored today in addition to the Unit Type (apartment, duplex, high-rise, townhouse, detached, etc).
▪ Market	A	Collected and stored for each unit.
▪ Low Income	A	Collected and stored for each unit.
▪ Common Area	A	Collected and stored for each unit.
f. For each unit the system must store all Audit Dates when the unit was audited	A	Last Audit Date is stored at the unit level. The history of audits and audit findings is stored in the system Events File.
g. For each unit the system must store all Audit Findings associated with an audit date	A	The history of Audit Findings and corresponding 8823 non-compliance issues are stored in the system's Events File. Audit Findings Report allows the user to print the history on file.
h. For each unit the system must store all Inspection Dates when the unit was inspected	A	History of Inspections Dates and Inspections Ratings are collected and stored in the system.
i. For each unit the system must store all Inspection Violations associated with an inspection date	A	Inspection Violations can be collected and stored in the comments section of the Inspection History File.
57. Common Area Unit Change Requests		
a. The system should have a place to indicate that a unit is common area.	A	The Owner Designation field at the unit level allows the user to indicate if the unit is a common area unit (owner/manager occupied, employee-occupied).
b. The system must also be able to indicate the type of common area unit. (i.e. police sub-station, maintenance, full-time resident manager, security, etc)	C	The current types of common area units tracked today are "employee/manager occupied" and "owner occupied". Additional types can be added.
c. Based on MSHDA policy, common area units can only be added, deleted, or change location once every six months, the system should produce a letter indicating that the request has been accepted or denied.	C	An acceptance/denial letter template can be created within our system using the System Letters/Mail Merge process. An Eligible Change Date and Last Changed Approved Date for Common Area Units can be added to the system (as explained in the items below). The new

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		fields would be added to the system's data dictionary in order for them to be available for the desired MSHDA's approval/denial Letter.
d. The letter must also indicate the number of and location of all current common area units in the acceptance or denial letter.	A	The number of common space units and their location as well as the ability to create an acceptance or denial letter template are available today.
e. Electronic submission of the request from the owner and Acceptance/Denial letter is the preferred method.	C	An Acceptance/Denial letter template can be created within our system. We would need additional information on the electronic request submissions from the owners.
f. The system must store the date of the last approved change.	C	This date field can be added to the system and the system's data dictionary.
g. The system must calculate and store the date when the common area unit is eligible to be changed.	C	The eligibility date can be calculated based on MSHDA six months time lag and added to the system.
58. MSHDA Watch List		
a. The system needs a place to indicate that a property is on MSHDA's watch list.	C	Can be added to the system.
b. The system needs to store a date the property was put on the list.	C	Can be added to the system.
c. The system needs to store the reason the property was put on the list. This list is an Agency defined list that may grow.	C	Can be added to the system.
d. The system needs a place to indicate that the watch list is due to the owner or management agent assigned to the property.	C	Can be added to the system. Criteria to calculate the watch list due date must be known before an estimated cost can be determined.
e. The system needs to be able to produce a report of properties on the watch list. This report must be able to be selected by any of the watch list criteria.	C	A new report can be added to the system.
59. Document & Inquiry Tracking		
a. Document tracking must be available for each property and must be reportable on a property, range of properties, document type, and or document status.	A	Document tracking allows properties to be tracked, including data and status fields.
b. Need to maintain the following data fields	A	A variety of fields is available for determining what meta-data the agency wants to collect per document and per document within a process.
▪ CNA Issue Date	A	
▪ Date Sent to Contractors	A	
▪ Contractor Name	A	
Contractor ▪ Date Returned from	A	
CNAs ▪ Can be multiple record for	A	
▪ The system must allow for the creation of new documents	A	

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Functional Requirement	A,B,C, or D	Comments
<p>c. INQUIRY TRACKING: Ability to track inquiries received related to a specific property or general compliance questions and record the following information: 1. Contact Name, 2. Contact Company 3. Phone #, 4. Address, 5. Email, 6. Date Received, 7. Description of issue(s) (text field & 8. Type (file audit, physical inspection, maintenance, rent, security, other) 9. Inquiry Type (Congressional, FOIA, Mgt. Agent, Resident, Non-Resident) 10. Request Received by (email, mail, phone, fax, in-person), 11. Actions taken, 12. Date Closed 13. Name of staff person responding to the inquiry</p>	A	While document tracking will provide the process for tracking data for documents within a process, call center provides inquiry tracking. It will capture this data, as well as creating a mechanism for actions, and capturing who does it and when they get it done.
	A	
<p>d. For multiple inquires from the same individual or company, received on subsequent dates, allow the ability to record additional comments, notes, actions taken etc. related to the same issue</p>	A	Notes and comments can be appended to contacts for review of the entire interaction with the individual.
60. Document Imaging		
<p>a. The system needs to be able to store imaged documents at a property level. Currently documents are stored as PDF.</p>	A	Documents can be uploaded and/or scanned and attached.
<p>b. Each property will have multiple documents associated with the property.</p>	A	A file repository allows users to link as many documents as needed to a particular property.
<p>c. A property will have multiple versions of the same type document. (i.e. some properties have annual physical inspections performed and therefore will have a physical inspection report imaged yearly.)</p>	A	There is no limit to the number of files that can be attached, and multiple versions of a file can be uploaded and/or attached.
<p>d. A user must be able to view all documents associated with a property at the property level.</p>	A	Files can be visited by looking at all those attached to a property.
60. System Documentation		
<p>a. There needs to be system documentation and a user manual for the functionality of the software system for end users.</p>		
61. Interfaces		
<p>a. MHI – MSHDA's physical Inspection Software System. MHI retains inspection results, for every unit and building along with site violations for every inspection conducted on a property.</p>	C	
<p>b. County Need Score – Located on MSHDA's External Website</p>	C	
62. Reports		
a. IRS Form 8610 – LIHTC Properties Only		
<p>i. The system must create and print the IRS 8610 Form (the form must be current with the IRS version and updated when the IRS revises the form.)</p>	B	The 8610 Form is not generated today; however, it is a functional requirement for the IM & C System currently in development.

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ii. The system must automatically calculate all fields on the form as prescribed by IRS methodology.	B	Can be incorporated in our proposed software solution.
iii. The system must produce a report to indicate and list all developments used and how each field was calculated (back up documentation).	C	The described report can be added to the system. Would need additional information and specifics as to the format of this report.
b. NCSHA Annual Survey for LIHTC		
i. The system must be able to create a report and calculate all fields as required in the survey. This document will change from time to time. Please see attached exhibit number 13-LA for a sample of the survey.	C	Our current Tax Credit System generates an old version of the NCSHA Survey and it can be used as a starting point.
c. Resource Allocation		
i. The system must produce a report, for a specific year, which lists all properties that were reserved or allocated credit in the specific year and create a summary report of the properties. This summary must break the total data into specific categories. See attached exhibit 15-LA for a sample of the form.	A	The existing Data Export function will allow the user to extract this data (property information, allocation year, allocated credits, etc) to MS Excel for manipulation and for the user to generate all kinds of totals.
d. ABT Annual Data Collection for LIHTC Properties		
i. For all properties placed in service in a particular year, the system must produce an export that contains the following data elements.	A	Fields listed are available today and the existing Data Export function will allow MSHDA to create this export.
▪ Property Number	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
▪ Property Name	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
▪ Property Full Address	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
▪ Ownership Name	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
▪ Ownership Contact	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Phone Number	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
▪ Ownership Full Address	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
▪ Project Total Units	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
▪ Number of Units with 0	A	The Report Generator allows the user to create a

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Bedrooms		report that filters records by a specific Unit Bedroom Size and provide a total number of units at the end of the report.
Bedrooms <ul style="list-style-type: none"> ▪ Number of Units with 1 	A	The Report Generator allows the user to create a report that filters records by a specific Unit Bedroom Size and provide a total number of units at the end of the report.
Bedrooms <ul style="list-style-type: none"> ▪ Number of Units with 2 	A	The Report Generator allows the user to create a report that filters records by a specific Unit Bedroom Size and provide a total number of units at the end of the report.
Bedrooms <ul style="list-style-type: none"> ▪ Number of Units with 3 	A	The Report Generator allows the user to create a report that filters records by a specific Unit Bedroom Size and provide a total number of units at the end of the report.
Bedrooms <ul style="list-style-type: none"> ▪ Number of Units with 4 or more Bedrooms 	A	The Report Generator allows the user to create a report that filters records by a specific Unit Bedroom Size and provide a total number of units at the end of the report.
Bedroom size <ul style="list-style-type: none"> ▪ Total number of units by 	A	The Report Generator allows the user to create a report that filters records by a specific Unit Bedroom Size and provide a total number of units at the end of the report.
Units <ul style="list-style-type: none"> ▪ Number of Low Income 	A	This field is available by Project and by Building in the system's data dictionary for creating reports and data exports.
<ul style="list-style-type: none"> ▪ Year the last Building was Placed in Service 	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
<ul style="list-style-type: none"> ▪ Year of Allocation (initial allocation year if multiple years) 	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
<ul style="list-style-type: none"> ▪ Development Type – Acquisition / Rehabilitation or New Construction 	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
<ul style="list-style-type: none"> ▪ If the development received 4% credit, 9% credit, or both 	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
<ul style="list-style-type: none"> ▪ If the developer is a Non-Profit 	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
<ul style="list-style-type: none"> ▪ If the property received the 130% increase in basis due to being in a QCT 	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
<ul style="list-style-type: none"> ▪ If the property was funded by tax exempt bonds 	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
<ul style="list-style-type: none"> ▪ If the property was funded by Rural Housing Services 	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
<ul style="list-style-type: none"> ▪ If the property was funded with HOME funds 	A	The list of Funding Sources associated with a property can be printed from the system's Selection Criteria (Report Generator). The funding source list is a field in the system's data dictionary.

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Functional Requirement	A,B,C, or D	Comments
<ul style="list-style-type: none"> ▪ If the property was funded with CDBG funds 	A	The list of Funding Sources associated with a property can be printed from the system's Selection Criteria (Report Generator). The funding source list is a field in the system's data dictionary.
<ul style="list-style-type: none"> ▪ If the property was funded with an FHA loan 	A	The list of Funding Sources associated with a property can be printed from the system's Selection Criteria (Report Generator). The funding source list is a field in the system's data dictionary.
<ul style="list-style-type: none"> ▪ If the property was funded with HOPE VI funds 	A	The list of Funding Sources associated with a property can be printed from the system's Selection Criteria (Report Generator). The funding source list is a field in the system's data dictionary.
<ul style="list-style-type: none"> ▪ Target population of the property 	A	The Property's Target Population list can be printed from the system's Selection Criteria (Report Generator). The target population list is a field in the system's data dictionary.
<ul style="list-style-type: none"> ▪ If the property is part of a lease purchase development 	C	This indicator can be added to the system.
<p>e. Ad Hoc Reporting - The system must allow users to create reports when necessary.</p>	A	Our current Report Generator (Selection Criteria function) allows the user to create a custom report and/or data export with the data elements listed in this section.
<p>f. Caper Report</p>		
<p>i. The system must produce a report that list all properties that were funded with HOME funds to be included in a report that list the physical inspection conducted on the property and whether or not the inspection would have passed Housing Quality Standards (HQS).</p>	C	The described Caper Report can be added to the system. The system, currently stores the projects that were funded with HOME funds and also a summarized history of physical inspections. The Status (Passed or Failed) of HQS inspections is not collected today but it can be added in order for the Caper Report to print this information.
<p>ii. Letter indicating when the Project's placed in service deadline is met.</p>	A	A letter template for the described letter can be created within our system using the System Letters/Mail Merge process.
<p>iii. Yearly MSHDA must send letters to owners of LIHTC developments indicating when the property must place in service. The system needs to be able to create these letters using a merge function with MSDHA specific format.</p>	A	A letter template for the described letter can be created within our system using the System Letters/Mail Merge process.
<p>g. Yearly LIHTC Funding List</p>		
<p>i. Must be able to export the data to convert into specific formats</p>	A	The existing Data Export function will allow the user to extract this data (property information, building information, owner data, etc) to MS Excel for manipulation.
<p>ii. Data Elements</p>		
<ul style="list-style-type: none"> ▪ Property Number 	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
<ul style="list-style-type: none"> ▪ Property Name 	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
<ul style="list-style-type: none"> ▪ Full Property Address 	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.

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▪ County	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
▪ Type of target units at the site (i.e. Family, Elderly, etc)	A	The Property's Target Population list can be printed from the system's Selection Criteria (Report Generator).
▪ Number of Building	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
▪ Total Number of Units	A	This field is available by Project and by Building in the system's data dictionary for creating reports and data exports
Income Units ▪ Total Number of Low	A	This field is available by Project and by Building in the system's data dictionary for creating reports and data exports
▪ Ownership Name	A	This field is available by Project and by Building in the system's data dictionary for creating reports and data exports
Name ▪ Ownership Contact	A	This field is available by Project and by Building in the system's data dictionary for creating reports and data exports
Ownership ▪ Full Address for the	A	This field is available by Project and by Building in the system's data dictionary for creating reports and data exports
Number ▪ Owner Contact Phone	A	This field is available by Project and by Building in the system's data dictionary for creating reports and data exports
Requested ▪ Amount of Tax Credit	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Received ▪ Amount of Tax Credit	A	This field is available in the current system and the system's data dictionary for creating reports and data exports.
Funding Round ▪ Date of Application	A	Property's Application Date and Funding Cycle are stored by the system and are part of the system's data dictionary.
is in (i.e. Application, Reservation, Commitment, Carryover, 8609, etc) ▪ Current Stage Property	A	Property's current stage and stage status are stored by the system and are part of the system's data dictionary.
Property was Awarded Credit Under (i.e. Small Projects, General, Preservation, Rural, etc) ▪ Name of Category	A	The name/description of the Set-Aside(s) fulfilled by the property are stored in the Annual Allocation File and can be printed.
Property was Awarded Credit In ▪ Name of Funding Round	A	The name/description of the Funding Cycle (round) is stored in the Annual Allocation File and can be printed.
Finance		
(All items listed for Finance are mandatory)		
63. Functionality General Ledger (GENLED)		
a. Produce monthly, quarterly and annual Financial Statements in a format provided by Finance Staff (See GL report 1)	A	See attached Income Statements

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b. Produce general ledgers in a format provided by finance staff. (See GL report 2)	A	See attached Trial Balance
c. Automated interfaces to other systems (See GL system interface 1)	C	Key integration will be defined during the requirements elicitation phase. Assuming that the data movement is from the General Ledger and that an export is required to push data out to other receiving systems, and the the total number of end nodes is less than 5, and that all nodes will receive all or a subset of the same data (meaning not 5 distinct interfaces), and that those interfac are all read-only, then this will be complete by Go-Live.
d. Ability to download information into Excel spreadsheets (cannot be an alternative to providing standard reports).	A	The Elite system provides multiple methods for downloading information into Excel. The user can access the database through Excel or right click on any grid within the system and download the contents into Excel.
e. Journal Voucher – manual, repeating, standard and from interfaces with other systems (See GL system interface 2)	A	<p>The General Ledger Journal Entry options to record transactions not done by any other sub-ledgers (e.g. AP, AR, Property Management)</p> <ul style="list-style-type: none"> o Journal Entry Types <ul style="list-style-type: none"> ▪ Actual Actual journal entries are posted to the general ledger in the same manner as transactions from any Elite subsidiary ledger. These transactions will be reported as current business activities on all financial reporting. ▪ Accrual/Reversal Has the same properties as an "actual" journal entry. When completed, the user will be offered an opportunity to create the reversing transaction in a subsequent fiscal period. Any changes to the journal prior to posting will be mirrored on the reversing entry. Once either journal entry has been posted, changes to the other are no longer allowed. ▪ Encumbering Transactions created in this category are treated in the same manner as those generated from the Procurement system. This option may be used to encumber or obligate funds that are not addressed though normal procurement activities. Liquidation of a manual encumbering JE is not automatically generated. ▪ Beginning Balance This is utilized only to load starting balances when implementing the general ledger for the first time. Conversion and closing programs will create these transactions automatically. All beginning balance transactions are posts to fiscal period zero (0).

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Functional Requirement	A,B,C, or D	Comments
		<ul style="list-style-type: none"> ▪ Adjustment Has the same properties as an "actual" journal entry, it may be used to delineate transactions as adjustments to existing transactions. This is a recommendation; there is no programming that forces this relationship. ▪ Finance Adjustment Used to add transactions to non-calendar financial periods 13 – 15, this transaction will have the same properties as an "actual" journal entry. For importing journal entries from interfaced systems: The System: <ul style="list-style-type: none"> ▪ Verifies that the Import File exists ▪ Verifies that the format of each field in the Import File is correct (e.g. dates, amount number formats, length restriction, Reference Field, etc.) ▪ Verifies that the amount field is balanced ▪ IF either format is incorrect or amount is not balanced THEN display an error message and stop ELSE stores journal entries and line description. Generates journal number after the file is successfully imported and display it to the user. ▪ Related Journal Entry If a manual journal entry is being used to correct a previous entry or to modify or reverse a system generated entry, the original transaction number should be associated. This adds the journal entry to the same transaction string as the original entry. For example, if a manual JE is used to correct distribution of an Accounts Payable distribution that has already been posted to the ledger, associating the transactions will allow Financial Explorer to show both the original transaction as well as the correcting entry. All Journal Entries must pass the validation test: Valid Account Combination Budget Sufficiency (as applicable) User Rights to use the Account Allocation validation Out of Balance Details regarding items that do not pass validation may be accessed with a right mouse click.
f. Account Set-up and Maintenance	A	Account setup is performed by defining the chart of account segments (up to 10 segments and 80 alphanumeric characters). Each segment of the GL account string is then defined one time.

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Functional Requirement	A,B,C, or D	Comments
		Through the control feature of Valid Combinations and User Rights the agency can determine the segments that may be combined to create valid account strings and restrict (if desired) the users who may use either the segments or the combinations.
g. Journal Vouchers must balance and accounts must exist or error out.	A	See answer to "e" above.
h. Ability to handle over 5000 GL Accounts, approximately 6000 GL transactions per month.	A	The number of valid combinations is virtually limitless.
i. Flexibility in obtaining specific information	A	The system is user friendly and provides various methods for viewing information online or in reports. If a specific set of data is needed, the user may always access the database and directly extract the requisite information or use one of various reporting tools.
j. Useable Investment System	A	See Investment System section.
k. Expandable GL Account number structure	A	We have a GL Interface that provides the user the ability to map one chart of accounts to another.
l. Be able to interface with other divisions – example automated interface with Multi-Family Mortgage Servicing to reduce manual journal entries	C	All of the proposed system interfaces are included, however, any interfaces with third-party products will be developed as a modification.
m. Ability to view account activity online	A	The Financial Explorer provides the ability to drill into GL account activity online. Additionally, trial balance detail activity listings (as with all reports) may be printed to the Window rather than a printer. If the user then wishes to print the report, they may save it to a pdf file and print.
n. Roll all investments into one system – Currently the investment transactions are entered manually	A	Investment transactions are in one system – Investment system.
o. Ability to have automatic interfaces with Banks and Brokerages	A	The Bank Book provides download ability for check and ACH files for positive pay and upload of bank reconciliations.
p. Ability to interface with the data related to non-cash financial transactions back to the GENLED system from Existing Housing	A	The system interfaces allow the user to interface the transaction from subsidiary ledgers, review, batch, approve and post.
q. We have unique programs and a unique structure that probably will require substantial customization.	C	
r. User friendly (Easy to find information, and input, within a few clicks within a window, instead of several click arrows to navigate.)	A	The system is very user friendly. The workflow provides for easy of use.
s. Customer Service (non adversarial)	A	
t. ACCOUNTS PAYABLE - Information is received by manual input of check requests or from interfaces with other systems within MSHDA.		

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Functional Requirement	A,B,C, or D	Comments
i. Ability to disburse funds (issue checks) to pay:		
1. MSHDA operating expenses,	A	Invoices are entered into the system, validation is performed for the GL account combination and budget sufficiency. (3-way match is performed if the invoice is entered in Procurement). The invoice is aged and paid. System reports provide cash requirements and the ability to take advantage of trade discounts.
2. Loan closings, and	B	Will be developed.
3. Grants	C	Custom modification.
ii. Ability to interface with General Ledger system to make journal entries.	A	This is standard functionality. The AP transactions are interfaced, reviewed and approved and posted.
iii. Ability to interface with other systems to receive and share disbursement requests and accounting information. (See AP system interfaces for listing.)	C	Custom modification.
iv. Ability to have information provided from the accounts payable system to produce 1099s.	A	The 1099 functionality is found in the Elite Bank Book. Generation of the 1099s in both paper and electronic format for IRS submission is facilitated by the system.
v. Receives check requests from other systems with which it interfaces. (See AP system interfaces for listing.)	A	Invoices are entered into the system, validated (3-way match if from Procurement) aged and paid. System reports provide cash requirements and the ability to take advantage of trade discounts.
vi. Ability to print checks	A	Check printing is conducted in Payment Processing. Once payments are batched and approved. The authorized user posts the commitments and prints the checks. Check layouts come standard and are easily altered or newly created to facilitate any type of pre-printed check stock or blank laser form.
vii. Ability to print W-2's for taxable travel expenses.	A	User defined setting.
viii. Ability to have manual entry of check requests from staff.	A	The decentralization of duties to include check requests is the option of the user. The Elite system security and user rights provides the ability to allow users access to specific functionality.
ix. Ability to handle approximately 900 checks per month.	A	The number of checks is limitless. We have users using the system for 50 to over 20,000 checks per month.
x. Ability to obtain historical information.	A	Retention of historical information is limited only to disk space.
xi. Ability to download information into Excel spreadsheets (cannot be an alternative to providing standard reports).	A	The Elite system provides multiple methods for downloading information into Excel. The user can access the database through Excel or right click on any grid within the system and download the contents into Excel.
xii. User friendly (Easy to find, and input, information within a few clicks within a window, instead of several click arrows to navigate.)	A	The system is very user friendly. The workflow provides for easy of use.
xiii. Customer Service (non-adversarial)	A	

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<p>u. INVESTMENTS - Investments are monitored on Excel and manually entered by Journal Voucher into our current system. The main function of the investment system is to account for the Authority's investments. The investments include, but are not limited to:</p>	A	<p>The proposed Investment System allows the user to enter and track the activity of their investment portfolio. The Investment system automatically produces General Ledger entries for all purchases, sales, and other investment activity. The system allows the user to define their own table of Investment Types (Money Market, CD, T-Bills, etc). For each Investment Type the user can define the certain parameter (i.e. Accrues Interest, Interest Payments are added back to Par, etc.) that will be used in the calculation of those types of investments. Through the Cash Management system additional parameters can be defined that will determine what transactions are posted from the Trustee to the Investment.</p>
<ul style="list-style-type: none"> ▪ Money Market Funds 	A	<p>Currently being processed in the system by some or all of our users.</p>
<ul style="list-style-type: none"> ▪ Certificate of Deposit 	A	<p>Currently being processed in the system by some or all of our users.</p>
<ul style="list-style-type: none"> ▪ Repurchase Agreements 	A	<p>Currently being processed in the system by some or all of our users.</p>
<ul style="list-style-type: none"> ▪ US Treasury Bills 	A	<p>Currently being processed in the system by some or all of our users.</p>
<ul style="list-style-type: none"> ▪ Notes and Bonds 	A	<p>Currently being processed in the system by some or all of our users.</p>
<ul style="list-style-type: none"> ▪ US Treasury Strips and Agency Zeros 	A	<p>Currently being processed in the system by some or all of our users.</p>
<ul style="list-style-type: none"> ▪ GNMA Passthrough Certificates 	A	<p>Currently being processed in the system by some or all of our users.</p>
<ul style="list-style-type: none"> ▪ Floating Rate Mortgage Backed Securities and Investment Contracts 	A	<p>Currently being processed in the system by some or all of our users.</p>
<p>The system must have/be:</p>		
<p>i. Ability to accrue interest, amortize premium or discount, determine gain or loss on sale, calculate return, and produce monthly journal vouchers for the investment activity by account.</p>	A	<p>The proposed Investment System automatically accrues interest on every investment using the activity posted to the investment each month. The system automatically produces interest payments and maturities and it includes a full reconciliation process for interest calculated and interest received by the trustee. Gain and Loss on investments is calculated by the system either when the user sells or calls an investment, or as an option, when the user generates monthly entries a reversing entry can be generated to adjust the books to market for GASB 31 compliance. Market prices are automatically posted from the Cash Management System daily or monthly (depending on the Trustee) so Book vs. Market Reports are always available to the user. The system also produces monthly journal entries for investment purchase, sale, transfers, and calls; for deposits, withdrawals, cash receipts, and adjustments; and for interest accrual and amortization or premium and discount.</p>
<p>ii. Ability to properly account for Mortgage backed investments projected monthly interest, and interest received transactions for Fannie Mae, and Freddie Mac Investments.</p>	A	<p>The system has the ability to track MBS as both Purpose Investments and Non-purpose Investments. The system automatically calculates the interest due on these investment on due date specified by the user. Cash Management then feeds the Principal payment</p>

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Functional Requirement	A,B,C, or D	Comments
		received by the Trustee and posts it to the investment. The system will automatically calculate the next payment date based on the payment frequency defined by the user.
iii. Ability to calculate rates, and partial sales, on Treasury Bills.	A	Rates will be automatically downloaded using the Cash Management System, or they can also be manually entered into the system. The Investment Systems also includes the ability to post a partial sale to an investment. When the user enters the par and cost of the sale the system calculated the gain or loss, and the interest due based on the sale date.
iv. Ability to properly account for Zero coupon bonds. (Straight-line method is not considered acceptable)	B	The bond accretion calculation is not currently in the system but it is planned for a future release before the "go live" date. We currently use this formula in our Bond Debt Service system and plan to migrate it to the Investment System within the coming year.
v. Ability to use cusip number to identify investment, and the ability to have multiple transactions such as buy, sell etc. under that cusip separate instead of tracked as one lump sum.	A	The Investment System tracks investments both by CUSIP number and by a system assigned random number. This allows users to decide whether to bulk or keep separate multiple investments with the same CUSIP number.
vi. The ability to track investments in each of over 100 different accounts and produce reports both by account and for the entire portfolio.	A	When an investment is purchased in the system, the user enters the Indenture, Series, and Investment Fund (COI, Revenue, DS Reserve, etc.) that the investment belongs to. All reports in the system can be run for one, all, or a range of funds.
vii. The ability to handle the current portfolio consisting of approximately 800 different investments held in over 100 different funds, with approximately 100 transactions per month, without the need for Excel. Investments should be tracked by the system.	A	The proposed system can handle an unlimited amount of investments organized among a variety of portfolios (Indentures, Series, Funds..) We currently have users running the system that have over 2,000 investments and 6,000 transactions a month. The system tracks and calculates all interest and amortization, weighted average yield, and more. The system also keeps all activity historically and we have users that have been on the system for approximately twenty years.
viii. Ability to interfaces with the general ledger system and make journal vouchers for purchases, sales, interest received, discount or premium amortization, gain or loss on sale, and interest income for each fund.	B	The Investment Module produces an export file through the GLI system which is part of this proposal that can be imported into most 3 rd party General Ledger systems. This export file includes journal entries for all of the items mentioned. We will be reviewing the import functionalities of the Elite General Ledger to ensure the seamless interface between the two systems before the "go live" date.
ix. Ability to manually enter investment transactions into the system.	A	The proposed system has the ability to manually enter deposits, withdrawals, interest and principal cash receipts, rate changes, and even manual adjustments. In addition, activity posted to the investments can be modified through a history adjustment function which includes a full audit trail of changes made.
x. Ability to have market prices of investments, as of a particular date, entered both manually or through a downloaded pricing	A	The Investment Management system allows the user to manually post market prices by investment Type or by CUSIP Number. In addition, Market Prices are

APPENDIX F
FUNCTIONAL REQUIREMENTS

Functional Requirement	A,B,C, or D	Comments
system.		imported automatically through the Cash Management System as reported by the Trustee. In both cases, Market Prices are kept historically.
xi. Must interface with the general ledger system in order to make the monthly journal vouchers. (see Inv. system interfaces)	B	The Investment Module produces an export file through the GLI system which is part of this proposal that can be imported into most 3 rd party General Ledger systems. This export file includes journal entries for all the entries needed to book investment activity, purchases, sales, accruals, and amortization. We will be reviewing the import functionalities of the Elite General Ledger to ensure the seamless interface between the two systems before the "go live" date.
xii. The ability to download information into an Excel spreadsheet. (cannot be an alternative to providing standard reports.)	A	All data items on the system can be accessed with any ODBC compliant software including Excel, Crystal Reports, and more.
xiii. User friendly (Easy to find, and input, information within a few clicks within a window, instead of several click arrows to navigate.)	A	
xiv. Customer Service (non-adversarial)	A	
xv. The following transactions should be able to be entered manually and through a download from a bank or safekeeping agent.	A	
<ul style="list-style-type: none"> • Purchases 	A	All purchases can be manually entered. Additional purchases (deposits) of any investment purchased at par can be automatically downloaded from the trustee via the Cash Management system.
<ul style="list-style-type: none"> • Sales 	A	All sales can be manually entered. Additional sales (withdrawals) of any investment at par can be automatically downloaded from the trustee via the Cash Management system.
<ul style="list-style-type: none"> • Interest Payments 	A	Interest Payments can either be manually entered or automatically generated by the system. The system includes an Interest Reconciliation wizard that allows the user to view interest payments calculated by the system that do not match with the payment reported by the trustee. With a click of a button, the user can reconcile the investment to the payment reported to the trustee.
<ul style="list-style-type: none"> • Investment Transfers between funds 	A	The proposed system includes an Investment Transfer function that allows the user to pick an investment and the Indenture, Series, or Fund they want to transfer to. The user can also select a Par Amount if the entire investment is not being transferred. The system then calculates all entries needed to move the funds to the new distribution (indenture, series, fund). These entries include interest accrued/purchased, unamortized discount/premium, and par.
<ul style="list-style-type: none"> • Redemption 	A	The system allows the user to define Callable investments up front. The user can enter a series of possible call dates and prices and the system will notify