

K. Appendix 2

Reserve for Replacement Reimbursement Overview

The Management Agreement requires that prior approval be received from PHFA for any nonrecurring, non-emergency expenditure regardless of funding source (Operating income/Reserve Funding) costing \$5,000 or more for any property containing 100 units or less. The threshold is \$10,000 for any property with more than 100 units.

A request may be denied if prior approval is required and not obtained, so always remember to follow the appropriate guidelines for your property.

When requesting prior approval, three bids shall be submitted to the property's Technical Services Representative. The management agent shall indicate the preferred bidder and the funding source with the submission. Once the bids have been reviewed, the Technical Services Representative will approve or disapprove the request based on the information provided, need for repair/replacement and account standing.

If approved, the work request is transmitted to the Financial Analyst assigned to that particular development for funding review and approval. The Financial Analyst will issue a decision letter with the approved funding source. If denied, you will receive a decision letter with denial reason.

Once work is completed, copies of the paid invoices should be forwarded to your Technical Services Representative along with proof of payment. Once the work has been verified by the Technical Services Representative, (site visit maybe required) the request is forwarded to the Financial Analyst for payment of the request.

PHFA highly recommends that reserve for replacement work requests be submitted **quarterly**. PHFA gets a large number of reserve for replacement reimbursement requests near year-end. Please plan fourth quarter submissions judiciously since many properties submit their largest requests at year end. Due to this factor PHFA's approval process and payment prior to the end of the calendar year may not be possible.

Any work requests submitted for reimbursement that are more than one year old will be **denied** Reserve for Replacement funding.