



The Cornwell Associates, Accountants, Inc.

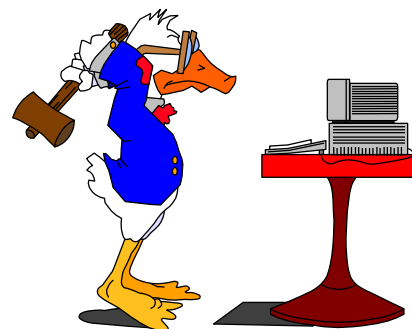
Newsletter

Please Welcome the new additions to our

Ray Johnson joined our Accounting Team. Ray brings with him over 23 years of Accounting experience, as well as experience in design and maintenance of computer networks.

Shirley Mogensen joined our Computer Department. Shirley has over 15 years experience in client and computer support and training in the financial services industry. Shirley will provide HelpDesk support, Windows implementation and training.

Seth Enos joined our Computer Department. Seth is a graduate of the Computer Information Science program at Santa Fe Community College. Seth will assist Shirley in providing HelpDesk support, Windows implementation and training.



Call our Computer Department HelpDesk before resorting to this!

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We Are Moving!

The Cornwell Associates, Accountants, Inc. business office will be moving to a new location in Gainesville. We will forward our new mailing address and the date of the move very soon. All phone numbers will remain the same.

The Cornwell Associates will be closed on the following dates so our staff can celebrate the holidays with their families. The Staff here at Cornwell Associates wishes everyone a Happy and Safe Holiday Season!

December 24th- Noon
December 25th

December 31st- Noon
January 1st

**Schedule of Events
for December 31 FYE**

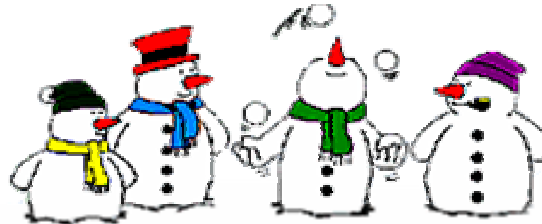
- *Credit Rents to Tenants—make sure you cut checks to tenants before closing December.*
- *Collection Loss— Get Board approval and get these written off in the system before running month end reports and closing December.*
- *Annual Inspection—must be done for every unit and a work order must have been generated.*
- *Major Systems Inspection Work Orders must be done and recorded.*
- *Material Inventory done or scheduled to be done. Final report of levels by end of December.*
- *Fixed Asset Inventory complete and ready to depreciate.*
- *PIC-All tenant exams, move-ins, move-outs, inspection dates reported no later than December 21. All fatal errors corrected.*
- *Look at the PHAS and SEMAP criteria to determine if you have submitted all necessary information. PIC is the basis for scoring in several of the components for these critical year end certifications.*

December 2002

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				



The 2002 Cornwell Associates, Accountants, Inc. Annual Accounting & Computer Conference on October 16th, 17th, and 18th was a success this year mostly due to the participation from our Clients! Thank you for joining us and we look forward to seeing you again next fall!



UPCOMING DEADLINES

December 2002

- IRS 941 and UCT-6 for 3rd Quarter Payroll
- September 2002 FYE PHA's and SEMAP scores available

RASS Calendar

December FYE

- PHA update and certify unit addresses by July 12.
 - PHA completes and certifies Implementation plan by September 12.
- RASS Calendar for 2003 has not yet been posted.

RASS Calendar can be accessed at http://www.hud.gov/offices/react/products/rass/business_calendar.cfm

REAC PHA Financial Reporting Schedule

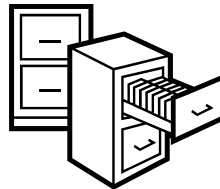
Fiscal Year End	30-Sep	31-Dec	31-Mar	30-Jun
Unaudited Extension Request Deadline	15-Nov	13-Feb	16-May	16-Aug
Unaudited Due Date	30-Nov	28-Feb	31-May	31-Aug
*Due dates do not include extensions				
*Late penalty: 1 point score deduction every 15 days the submission is late with a maximum late penalty deduction of 5 points				
Audited Due Date	30-Jun	30-Sep	31-Dec	31-Mar
*No extensions allowed for audited Submissions				

Software & Licensing Storage Procedure

Justin Blakely
Senior Network Systems Engineer

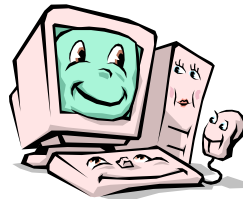


Recently, a few of Cornwell’s clients have experienced situations that required complete reinstallation of software on that organization’s computer equipment. Causes of this are related to hardware failures and viruses. When a situation like this arises, it is in your organization’s best interest to be able to locate the correct software and licensing. If we cannot locate the software and the corresponding licensing in these situations, we will be unable to install the software and your organization may need to purchase updated versions of it. This will add to your organization’s downtime and escalate cost.



Cornwell recommends your organization store all software, licensing and computer records in a central secure location. This could be a dedicated filing cabinet or drawer that can be secured to prevent theft. It is Cornwell’s procedure to return all software and licensing to the client after installation and it is the client’s responsibility to safely store it. We will not install software for a client if they cannot prove it is a legal and licensed version. If you have any questions and want to discuss the proper way to store software and licensing, please contact me.

Don’t forget to do your back-ups daily & download latest virus definitions weekly.



Symantec pcAnywhere
Tom Donnelly
Network Systems Engineer

In order for the Cornwell Associates staff to maintain a high level of customer service we must be able to communicate with your computers. The Symantec pcAnywhere software enables us to troubleshoot your computer issues from our office. This lowers maintenance costs on your network and allows for quick solutions to minor software problems. It is very important that you have the most up-to-date version of pcAnywhere installed, or version 10.5. The newest version not only increases security and optimizes performance, but it also is a little easier to use.

During the Cornwell Associates Conference we discussed how to check for the version that you are using. When you initially open the pcAnywhere software, the opening box indicates which version you have. Otherwise, the Conference training manual includes the step-by-step information to check for the current version. If you have any inquiries call Justin or Tom at the office.



David's Corner

By David W. Cornwell

DEAR SANTA:



Some items I would like to see in my stocking for Xmas – PROMISES FOR:

1. MASS, SEMAP, FASS, etc. etc. will be monitored on a monthly basis; final reconciliations and reporting will be started within the first 10 days after the end of a client's fiscal year end (wouldn't it be great to have everything approved by the Board of Commissioners **BEFORE** submittal?).
2. Related to #1 above: a separate file is created for **EACH** of the indicators for all of the required reports. These folders contain the exact documentation used to support the PHA's assertion on the scoring. This file can be pulled out a year from now for independent auditors, HUD, REAC.
3. Fix PIC errors **PRIOR** to transmitting the next month's transmission file.
4. Reconcile the list of 58s sent to PIC to the list of 58s you should have sent on a monthly basis.
5. PHAs require, via contract, a draft copy of the audit, findings, management letter and proposed adjustments for two weeks of review and comment **BEFORE** final copies are issued by the auditor. Since the field offices want copies of the management letter, save yourself some headaches up front by making sure everything is accurate.

AND finally, as few lumps of coal as possible.....

Have a Happy Holiday.....slow down.....and have some fun!



During the Christmas buying season, Visa cards alone are used an average of 5,340 times every minute in the United States.



Collateralization

“The issue of collateralization and the use of our Form HUD-51999, General Depository Agreement, dated June 1991, is mandatory per the Public Housing Low Rent Consolidated Annual Contributions Contract, the old Form HUD-53011, Part II, Section 401, or the new Form HUD-53012A, Part I, Section 9 and the Section 8 Consolidated Annual Contributions Contract, Form HUD-52520, Section 13. Any and all financial institutions that a Public Housing Authority deposits funds with must sign a Form HUD-51999 and a copy must be submitted to our office”

- John G. Niesz, Director of Office of Public Housing-Jacksonville, FL

If your legal counsel finds that the Form HUD-51999 violates any Florida Statutes then a request for a waiver of the section deemed to be in violation, with justification attached, must be submitted to the HUD office.

If you have an questions, contact Roslyn M. Panichas, Financial Analyst at (904) 232-1777 x 2061

All About HUD

REAC~

Secure Systems passwords expire every twenty-one (21) calendar days. The 21-day clock will start ticking the first time a user logs in to Secure Systems. When a user's password expires, he/she will be presented with the "Change Password" page instead of the Secure Systems main menu. All Secure Connection users will be required to create a new password at each expiration notice.

Passwords must be six (6) characters in length, should be comprised of both letters and numbers, and are case sensitive. Users may reuse old passwords if they so wish, as long as they change the password from its current value. Each time a password is changed, the 21-day clock resets.

PICHelp Call Center

Beginning September 9th, PICHelp began accepting PIC problem calls via a toll-free phone number. Just call 1-800-366-6827 to talk to a live help specialist. If all lines are busy, leave them a voice mail with your name and number and they will call you back within four (4) hours or less.

E-LOCCS

HUD is expecting that all PHAs will be requisitioning and reporting obligations and expenditures through e-LOCCS by October 1, 2002. HUD plans to require monthly reporting of obligations at that point. After October 1, 2002, PHAs will not be able to requisition funds from LOCCS-VRS.

HUD/REAC

Physical Inspection has a new toll free number:

1-888-245-4860

Effective October 21, 2002, this new toll free number must be used for all Physical Inspection questions. The old toll free number will no longer be in service.

PIH-REAC systems are supported **Monday through Friday** between the hours of 7AM and 6PM Eastern Time.

PIH-REAC's next scheduled release will take place on **12/13/2002**.

HUD Notifies Owners and Agents; Property Inspection Reports will no longer be mailed. Effective October 15, 2002

HUD will provide physical inspection reports only on-line via the Internet. After October 15, 2002 Owners and their staff will retrieve inspection results through the HUD secure connection using preexisting protocols, of which owners and agents are already familiar

We welcome all suggestions from our clients. Please feel free to e-mail us any topics you would like published at michelleboyd@cornwell-assoc.com.

Working with Auditors

Tom Maloney
Accountant

REAC recently posted an article to its web site detailing enforcement actions taken against Independent Public Auditors (IPA's). HUD's objective is to aggressively pursue action against auditors who have egregiously violated professional standards and HUD requirements. The enforcement actions taken range from referrals to State Boards of Accountancy, the AICPA, and the Departmental Enforcement Center. So far, the result of these referrals has been three IPA's have agreed to neither perform nor plan any governmental audits or attestation services that would include Public Housing Authorities and one IPA has been proposed for debarment.

These enforcement actions by HUD come on the heels of the issuance of GAAP Flyer #6 "PROCURING AN AUDIT". If you are responsible for the procurement of audit services or the conduct of the audit, you should be familiar with this primer on the auditing process. GAAP Flyer #6 is written in an easy to understand (relatively speaking) format and describes why an audit is necessary, the different types of audits available, and spends quite a bit of time discussing the preparation of a Request For Proposal (RFP).

The Flyer also contains a section on Red Flags and Warnings, for example:

- The cheapest auditor is not necessarily the best. Be wary of a very low, unrealistic bid.
- Beware of the auditors doing only a few days Field Work in an A-133 audit.
- Be alert to auditors performing audits in many different states. Could be a licensing problem.
- Watch out for auditors having no experience in PHA or Multi-Family audits.

Also included in GAAP Flyer #6 is a section on Auditee (The Housing Authority) and Auditor responsibilities. While this is 'must reading' if you have any responsibility for the financial records or the audit, I will discuss two of these responsibilities as they affect your relationship with Cornwell Associates:



- The preparation of the Financial Statements is Management's responsibility. As your Fee Accountants, we prepare your Financial Statements, taking into account laws, regulations and the provisions of contracts or grant agreements, as well as maintenance of accounting records, internal controls, budget controls and source documentation.
- The electronic submission of these Financial Statements to REAC is also the responsibility of management. As your Fee Accountant, the submission of these electronic reports is our responsibility. The timely submission of these reports to REAC is what you pay us to accomplish.

To take this a step further, it is NOT the auditor's job to submit the Financial Statements to REAC. The submission of these reports to REAC is construed as 'preparing the financial statements' – a management responsibility. If completed by the auditor, this could result in a loss of independence.

If you are afraid that you might die laughing — you are suffering from cherophobia.

David's Trivia

Who Invented the Scissors?

In Omaha, NE it is illegal to do what in church?

Answers can be found on the last page.



Customer Service

To ensure quality customer service, the following procedure will be used when contacting our office:

Michelle Boyd, our Receptionist, handles all incoming calls. When calling, you should let her know what the problem or concern is, new or current. Michelle will assign you a Service Request number, when applicable, if it is a new issue. If you have already begun working with a Cornwell Associate on this issue, she will give you the Service Request number already assigned.



Michelle will then transfer you to the Cornwell Associate that can best handle your situation. If that Associate is out in the field or on another call, Michelle will e-mail and/or page them immediately with your contact information and the Service Request number. Please refer to the specific Service Request number assigned to each specific issue whenever communicating with us.

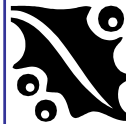
Using this procedure will ensure all concerns that our clients may have are recorded and resolved in a timely fashion. Please let us know if you have any questions.

"JUST A REMINDER"

SHORT TIME OR ONE DAY TRAVEL

Per the State travel policy, which we are sure all Housing Authorities are appropriately following, states:

"If the travel is not over-night, there is no per-diem or actual cost for meals". This applies to Commissioners, Staff and Consultants.



*Cornwell Suggestion for December:
If you print your checks using a laser printer, use colored paper (pink and yellow for example) when making your photocopies. This can help in maintaining accurate records of all checks that are run.*

Also, remember to ALWAYS remove the magnetic toner when finished printing your checks!

50058 Mailing Address/Unit Address Clarification

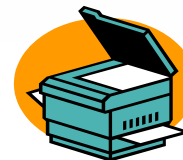


On the form 50058, Unit to be Occupied on Effective Date of Action:

5a. "Unit Address" is taken from the address listed under unit properties, not the address on the Family Master screen Address 2.

5b. "Is mailing address same unit as unit address Y or N." The computer automatically fills in this section if your Unit Address and Address 1 from the Family Master screen are the same, if not it will put an N and list both addresses.

5c. "Family's Mailing Address" is taken from the Family Master screen Address 1.





*Cornwell Associates,
Accountants, Inc.
803 NW 23rd Avenue
Gainesville, FL 32609*

*Phone: 352.371.6809
Fax: 352.375.2747*



DAVID CORNWELL: davidcornwell@cornwell-assoc.com
LAUREN CORNWELL SMOAK: laurensmoak@cornwell-assoc.com
JUSTIN BLAKELY: justinblakely@cornwell-assoc.com
MICHELLE BOYD: michelleboyd@cornwell-assoc.com
DARLA CALCOTE: darlalcote@cornwell-assoc.com
TOM DONNELLY: tomdonnelly@cornwell-assoc.com
SETH ENOS: sethenos@cornwell-assoc.com
MARCIE GOOLSBY: marciegoolsby@cornwell-assoc.com
RAY JOHNSON: rayjohnson@cornwell-assoc.com
TOM MALONEY: tommaloney@cornwell-assoc.com
SHIRLEY MOGENSEN: shirleymogensen@cornwell-assoc.com

WE'RE ON THE WEB!
WWW.CORNWELL-ASSOC.COM

OUR PROMISE

The Cornwell Associates, Accountants, Inc. assume full responsibility for customer service to your satisfaction. Providing knowledge, materials and products in a friendly, efficient and professional manner has been the concept behind customer service for decades. In responding to your needs with a positive attitude toward constructive criticism, we strive for excellence in accountability and performance.

The Cornwell Associates, Accountants, Inc. have earned a reputation for superior knowledge of the Department of Housing and Urban Development programs, rules, and regulations. We provide clients with the knowledge, materials and products needed to meet the demands of the Housing Industry today. We intend to uphold our reputation and continue deserving your confidence.

ANSWERS: 1. LEONARDO DE VINCI 2. BURP OR SNEEZE
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