

The Cornwell Associates, Accountants, Inc **Newsletter**



Our Address has Changed!!

**4421 NW 39th Avenue, Building #3
Gainesville, FL 32606-7223**

*We are still having mail sent to our old address
and P. O. Box. Please remember to notify all of
your departments of our address change.*

Thank you!!

The Cornwell Newsletter is
OnLine! Go to
www.cornwell-assoc.com and
choose the "news" button.

Inside this issue:

Dates to Remember	2
No Power, Then What?	3
Word Search/Scramble-Trivia Answers	3
PHAS Proposed Changes	4
Disaster Preperation	4
David's Corner	5
Optical vs. Rollerball	6
Tracking Family Self-Sufficiency Escrow	6
Just In Case- Vacancy Work Orders & Your	7
Pay Attention	8
Contact Us	9

No Power, Then What?, by Justin Blakely



What should you do when a power outage occurs? Do you keep working relying on the battery backup to pull you thru? No! When a power outage occurs the first thing you do is save all of your current work. Next close down any programs that are open. Then you follow the proper shut down procedure. To shut your computer down, click on the start button and select “Shut Down”. When the shut down box appears on the screen, make sure “Shut Down” is selected and click “OK”. Turning the power off on your computer may be different from machine to machine, some shut down automatically others have to be turned off manually. Follow the appropriate power off procedure for your computer. Do not restart the computer, until the power is restored, and has been on for at least 10 minutes.

Word Search

Find the words listed to the right in the puzzle. Answers will be in next months Newsletter!

reac
hud
collateral
inventory
adjustments
expenditures
depreciation
portability
landlord
reconciliation

d	e	p	r	e	c	i	a	t	i	o	n	w	r
j	x	o	l	p	d	o	i	s	w	t	d	e	s
k	p	r	h	d	y	u	h	n	l	u	c	e	t
i	e	t	m	u	i	u	y	b	a	o	o	r	n
e	n	a	n	x	d	w	s	r	n	p	l	t	e
u	d	b	r	s	r	e	a	c	d	l	l	y	m
k	i	i	f	d	u	o	i	f	l	f	a	j	t
z	t	l	o	t	h	l	p	d	o	d	t	d	s
s	u	i	l	e	i	d	s	w	r	s	e	r	u
d	r	t	i	a	s	n	h	t	d	a	r	t	j
m	e	y	t	f	t	w	i	p	o	s	a	y	d
b	s	i	s	j	g	o	p	q	w	x	l	d	a
u	o	i	t	y	r	o	t	n	e	v	n	i	a
n	a	s	r	j	g	r	u	y	u	o	p	l	a

Answers to January’s Cornwell Scramble and David’s Trivia:

- Collateralization
- Public Housing
- Audit
- Lindsey Software
- Virus Scan

What is every citizen of Kentucky required by law to do once a year?
TAKE A BATH
 In N. Carolina, it is illegal to do this with elephants? **PLOW COTTON**

Bonus: David Cornwell

PHAS Proposed Changes

By Seth Enos

HUD has proposed some changes to the Public Housing Assessment System (**PHAS**). As of yet, this rule has not been implemented, but may be in the near future. We will keep you informed as information becomes available as to the status of this proposal. Below is a summary of proposed changes to **PHAS**.

- The grading system currently used (High performer, Standard performer,...) would be replaced with the letter grades A, B, C, D, and F.
- PHAs would be given an overall letter grade based on the letter grades received on the four indicator grades. The four indicator grades would be based on the letter grades of the sub-indicator/component letter grades.
- The frequency of a PHAs assessments would be based on its overall **PHAS** score
 - Grade A – PHA would be next assessed in three years
 - Grade B – PHA would be next assessed in two years
 - Grade C or below – PHA would be next assessed the next year
- If the overall grade of a PHA is a Grade A, B, or C, and the PHA did not receive a grade lower than a C in any of the indicators, the overall grade would serve as the PHAs designation. If, however, the PHA receives a D or an F in any of the indicators, the PHA would be designated Grade D or F, respectively, regardless of the overall grade.
- Concerning the physical inspection of properties, deficiencies that have a direct effect on tenants would be identified and categorized in the new deficiency class “Livability”
- The grading scale for the six Financial Condition Indicator components would be redistributed to give equal weight to the financial condition and the financial management of the PHA
- Concerning the financial condition assessment, penalty points for PHAs with high liquidity or reserves under CR and MEFB will be eliminated
- Peer group and threshold assessment methodologies would be re-instituted for the CR and MEFB components of the Financial Condition Indicator
- The “Large” (1,250-9,999 units) size-based category under peer groups would be split as follows:
 - Large (1,250-4,999 units)
 - Very Large (5,000-9,999 units)
- The number of components in MASS (sub-indicator #2) would be reduced from five to two; the components retained would be the two that assess compliance for expending and obligating capital funds
- More emphasis would be placed on assessing the PHAs performance under the various HUD self-sufficiency programs
- The RASS grade would be determined entirely by the resident survey
- Penalties for late submissions for each indicator would result in grade reductions as follows:
 - 7 > Days Late > 21 = One letter grade
 - 21 > Days Late > 35 = Two letter grades
 - 35 > Days Late > 49 = Three letter grades
 - 49 > Days Late = Grade F

Note: In order to obtain a good grade on sub-indicator #1, make sure you enter a VAC work order for every move-out

If you would like to read the Federal Register notice concerning this proposed rule, go to <http://www.hudclips.org/cgi/index.cgi>, click the "FR Notices Seeking Public Comment" link, scroll down until you find docket no. FR-4707-P-01

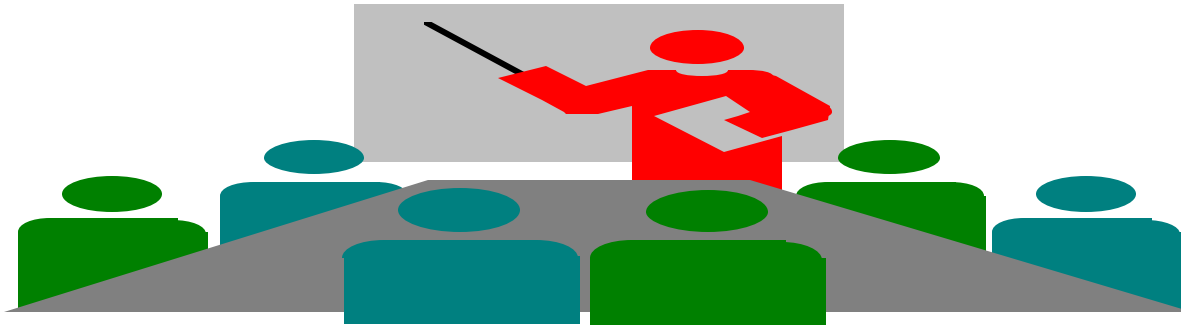


Disaster Preparation

By Justin Blakely

So you have your data backup system in place and you think no more worries. Even though a tape backup can save your organization from a complete loss it is useless if it is damaged in a fire or flood. The Cornwell Associates recommend your organization purchase a fire safe to store your complete data backup tape system in. Additionally your organization should be rotating a tape offsite once every two weeks. We recommend you store the offsite tape in secure location such as a safety deposit box. If you have any questions contact me at the main office and I will discuss this option with you further. Following this system will insure your organization's data in the event of a natural disaster.

Dauids' Corner
By David Cornwell, CPA

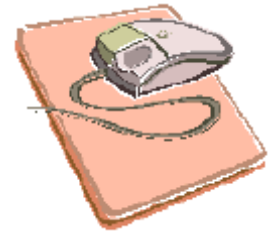


CORNWELL CONFERENCE ANNOUNCEMENT

- WHAT?** THE 2003 ANNUAL CORNWELL ASSOCIATES CONFERENCE
- WHEN?** SEPTEMBER 17, 18, 19, 2003
- WHERE?** BEST WESTERN GATEWAY GRAND
4200 NW 97TH BLVD., GAINESVILLE, FL 32606
(352) 331-3336 OR (877) 464-2378 PHONE (352) 331-3337 FAX
**CALL THIS NUMBER TO MAKE RESERVATIONS & MENTION THE
"CORNWELL CONFERENCE"**
- HOTEL RATE?** GOVERNMENT RATE \$69.00/NIGHT
RESERVATIONS MUST BE MADE BY AUGUST 17, 2003
- DIRECTIONS?** EXIT 390 (77) OFF I-75 AT 39TH AVE. TURN WEST ON 39TH
AVE. OVER I-75 JUST PAST TEXACO ON THE RIGHT.
- SCHEDULE?** WEDNESDAY, SEPT. 17 - 1pm to 5pm
THURSDAY, SEPT. 18 - 8am to 5pm
FRIDAY, SEPT. 19 - 8am to 3pm
- COST?** REGISTRATION ON OR BEFORE AUGUST 18 - \$250.00
REGISTRATION AFTER AUGUST 18 - \$270.00
NO REFUNDS AFTER SEPTEMBER 1
- PLEASE FAX US THE NAMES OF THOSE INDIVIDUALS THAT WILL BE ATTENDING.**
- TOPICS WILL BE ANNOUNCED IN JULY.

Optical vs. Roller-ball, by Seth Enos

The majority of PC users are still using a mouse equipped with a roller-ball. A ball makes contact with two or more wheels inside the mouse to produce movement of the pointer on the screen. A mouse pad is recommended in order to provide a surface conducive to smooth, fluid rolling of the ball. The ball picks up dust, lint, and hair from the mouse pad and, over time, develops a buildup of crud on the internal wheels of the mouse. This buildup leads to a jerky skipping movement of the mouse pointer. Cleaning your mouse on a monthly basis will prevent these erratic movements.



An optical mouse is an inexpensive upgrade for your PC. Unlike a roller-ball mouse, optical mice are sealed units. Optical mice are not susceptible to foreign particles because they do not use a ball and rollers. In fact, they have no moving parts. An infrared beam of light, a tiny camera, and a microchip accomplish this. The light illuminates the work surface and the camera takes snapshots on the order of 1500 snapshots/sec. The microchip processes this data and reports any changes to the CPU, and the mouse pointer is moved accordingly. Due to the fact that there are no moving parts, any flat surface will work.

If you are not convinced to upgrade to an optical mouse, here are some tips on cleaning your roller-ball unit.

- Remove the ball by rotating the cover to unlock it (there are generally arrows to show direction)
- Wipe the ball clean of dust and debris
- Locate the two or more wheels along the inside housing of the unit (the wheels may be black or white plastic and the "crud" will be along the center of each wheel)
- Use your fingernail to gently scrape the debris from each wheel, making sure to turn the wheels to ensure that you get it all
- Periodically turn your mouse right-side up to allow the debris to fall out of the housing
- Once the wheels are clean, replace the ball and lock the cover back in place



Tracking Family Self-Sufficiency (FSS) Escrow Funds, by Marcie Goolsby



- ◆ Do you have a separate bank account/GL investment account for your FSS funds?
- ◆ Do you have a separate liability account (2180) established for your FSS funds?
- ◆ Do you issue a check EVERY month for your FSS account?
- ◆ Do you keep a spreadsheet that tracks each client's portion of the FSS account including his or her pro-ration of interest?

If you are not following these steps in tracking your FSS funds we recommend that you re-think your procedure.

The first step in this procedure is to be sure you know exactly how much should be on deposit as of a certain date for each one of your FSS clients. Once that is established a separate bank account must be open for these funds. The entry to your general ledger for this transaction will be a debit to the 1162 (investment acct) and a credit to the 2180 (liability) account. The amounts in the two accounts should always balance. A spread-sheet should be established listing each client and their beginning balance. Each month a check is written with supporting documentation listing each person and their portion of the check. This information is then recorded on the spreadsheet and deposited in the FSS account. Upon receipt of the FSS bank statement the interest is recorded on the GL as a debit to the 1162 account and a credit to the 2180 account and it is also recorded on the spreadsheet and spread by percentage to each client. The total of the spreadsheet, the bank account, the 1162 account and the 2180 should be the same at the end of each month.

If you are using Lindsey Software and your FSS files are updated monthly, the system will generate a listing that will show the amounts that should be deposited for each client for that month. This list should be reconciled with your spreadsheet noting any changes that may have occurred.

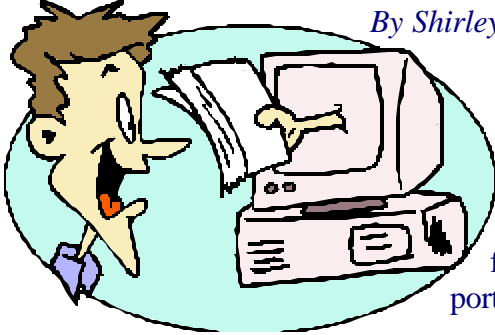
Easy? Right! Once established it really will be easy to maintain and much easier in the long run to know what any one client is due at any time.

If you don't have a spreadsheet established let us know and we can send you a spreadsheet that you can begin using right away. If you haven't been taking advantage of the Lindsey features for FSS contact us and we'll help you get started.

Just in Case...

Vacancy Work Orders and your PHAS report.

By Shirley Mogensen



Did you know that you can use Lindsey Windows Work Order module to accurately calculate Down Time, Make Ready Time and Lease Up Time for your Public Housing units. This translates directly to accurate entries on your PHAS report. If you haven't used this before, instituting the system now will prepare you for future PHAS reports.

Here's How

When a tenant moves out of a unit, a Work Order should be opened for preparation of the unit for the new occupant. The Type of Work on the work order **must** be set to Vacancy Repairs.

As soon as the work order is physically complete it should be closed on the Lindsey system. Then, of course, you move in the new tenant as soon as possible. The PHAS totals for this unit will be calculated as follows:

<i>Time Period for PHAS Report using Vacancy Type Work Orders</i>	<i>PHAS Report Category</i>
<i>From the day after the Move Out Date to the day before the Work Order Call In Date</i>	Down Time
<i>From the Work Order Call In Date to the Work Order Complete Date</i>	Make Ready Time
<i>From the day after the Work Order Complete Date to the day before the Move In Date</i>	Lease Up Time

Call Shirley or Seth if you have any questions about the correct setup of these work orders.



**In Michigan, it is il legal to chain
an al ligator to a fire hydrant**





How not to react when auditors ask for back-up documentation!

“Pay Attention”, by Darla Calcote

It may seem redundant or obvious, but we each need reminders to pay attention when performing accounting functions. Have you ever had a boss who used the phrases, “Pay Attention” or “Look at the Big Picture”? I have, and it was good advice.

Pay Attention to the following practices and the Big Picture will make sense-

- ✓ Do you keep your current fiscal year’s alphabetical AP vendor file orderly?
- ✓ Do you consistently take 20 minutes of your check run day to quickly, efficiently, and consistently file the AP documentation?
- ✓ Does your AP documentation consist of the check voucher copy with attached paid invoice(s)?
- ✓ Do you consistently file to either the front or back of each file? It doesn’t matter which, as long as you are consistent.
- ✓ Do you always pay by invoice and never by statement? If you enter a statement as if it were an invoice, the accounting module cannot identify the double entry. Always enter the invoice into your AP module by the correct invoice number
- ✓ Do you once a month take the vendor statements (that came in that month) and do a search on the computer by vendor/invoice # to see if you have received all invoices listed? You only need to do this task once a month!
- ✓ If you are missing an invoice, do you call the vendor and request that they fax or email you a copy of the missing invoice?
- ✓ If you receive an invoice from a vendor showing current and past due amounts, do you quickly pull the vendor file or do a computer search and check to see if you have already paid the past due amount?
- ✓ If you miss paying an invoice and receive next month’s invoice with past due amounts on it, do you include a copy of the past due invoice along with the current invoice as documentation for your AP check?
- ✓ Do you keep a numerically consecutive AP check log? **IT MUST INCLUDE EVERY CHECK, INCLUDING VOIDS.**

It takes time to be organized, but it takes more time when we are not organized and it costs your organization unnecessary money- **PAY ATTENTION!**



*Cornwell Associates Accountants, Inc.
4421 NW 39th Ave, Bldg. 3
Gainesville, FL 32606-7223*

*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
DARLA CALCOTE: darlascalote@cornwell-assoc.com
MARY COLEMAN: marycoleman@cornwell-assoc.com
TOM DONNELLY: tomdonnelly@cornwell-assoc.com
SETH ENOS: sethenos@cornwell-assoc.com
MARCIE GOOLSBY: marcigoalsby@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.