

CONTRACT FOR FEE ACCOUNTING SERVICES

This Agreement is by and between the Bonner Springs Housing Authority (called "PHA"), and Lindsey and Company, Inc. (hereinafter called the "Fee Accountant"). The parties agree as follows:

I.

The PHA hereby retains said Fee Accountant to perform fee accounting and bookkeeping services as required under the Annual Contributions Contract between the PHA and the Department of Housing and Urban Development (HUD).

The PHA agrees to furnish the Fee Accountant with the following items, if applicable, for each program, each month:

1. Copy of each Deposit Slip for each checking or saving account each month. Deposit slips will contain a breakdown of rent, security deposits, and other deposits. Deposit Slips shall also contain inclusive cash receipt numbers.
2. Copy of a balanced Deposit Summary form each month.
3. Copy of each check voucher with a copy of the paid invoice. Each check voucher will be identified as to which Program to charge each expense, and each budget account, if known. The chart of accounts used to code expenditures shall be based on the chart of accounts furnished by the Fee Accountant.
4. Copy of Rental Register.
5. Copy of all contracts entered into by the PHA. (Only the pages showing amounts and duration.)
6. Copy of each HUD approved Budget.
7. Bank Statements and Investment Statements or reports.
8. Copy of each Insurance Policy. (Only the page showing policy period and cost)
9. Copy of approved requisitions, CFP and Grants.
10. Monthly schedule of each FSS participant's monthly deposit and ending account balance.
11. All Fiscal Agent Statements, notes, and copies of all correspondence related to financing, note sales, bonds, payments on principle and interest, etc.

II.

Services to be provided by Fee Accounting Firm

1. Preparation of monthly financial statements.
2. Process all documents required for operating subsidy preparation, including subsidy calculation. Operating Subsidy is billed separately from the monthly accounting.
3. Prepare annual operating budget. Budget is billed separately from the monthly fee accounting.
4. Assist with all HUD compliance and correspondence including conference calls, if necessary.
5. Perform all operations necessary to maintain the general ledgers and subsidiary ledgers for the PHA including the following services:
 - a. Monitoring of Net Assets to ensure consistent with maximizing subsidy funding;
 - b. Monitor cash to assist with maximizing cash flow;
 - c. Review bank statements and staff prepared bank reconciliations on a monthly basis;
 - d. Prepare journal vouchers on a monthly basis;
 - e. Maintain the general ledgers on a monthly basis, including the approval of staff journal entries and source transactions as well as the preparation of requisite journal entries;
 - f. Review coding of checks;
 - g. Prepare all year-end financial statements and annual closing entries;
 - h. Maintain investment and insurance registers as necessary;
 - i. Maintain property ledger/capitalized equipment and depreciation schedule
 - j. Maintain capital funds subsidiary ledgers as required by HUD and subsidiary ledgers for any development funds or grant monies awarded;
 - k. Prepare monthly financial statements;
 - l. Monitor the Capital Fund Program; assist with reprogramming of funds, meeting obligation and expenditure deadlines and preparation/support of draw packages;
 - m. Provide procurement guidance as needed;
 - n. Assist with developing, maintaining and implementing compliant financial policies and procedures;
 - o. Review semi-monthly payroll transactions, monitor tax deposits and IRS reporting;
 - p. Assist with annual independent audit preparation;
 - q. Assist with development activity and providing financial analysis and what-if scenarios as needed.
6. Complete the close out for the fiscal year, to include preparation of all forms required by HUD.
7. Prepare timely annual unaudited Financial Data Schedule (FDS) submission to the Real Estate Assessment Center (REAC).
8. Perform on-site visits as needed to provide clarification on pertinent financial matters relative to questions posed by members of the Board of Commissioners, the auditor, the Executive Director and/or staff.

9. Report to the Executive Director any items unusual in nature;
10. Other related financial, management and compliance assistance as needed.

The fee accounting services will be in accordance with Generally Accepted Accounting Principles (GAAP) and reporting provisions of applicable to HUD and REAC guidelines and the Annual Contributions Contract.

III.

The PHA shall pay to the Fee Accountant for services enumerated in Section II above, a monthly fee based on the number programs, the number of units in each program, the time necessary to complete the work and the reporting requirements of HUD and REAC. If there are any changes in the number of programs, the time necessary to complete the work or new or additional reporting requirements of HUD and/or REAC, the fee will be adjusted accordingly.

See Attachment "A" for the cost of services.

It is agreed that this contract may be subject to an annual fee increase not to exceed three percent. The Fee Accountant will notify the PHA of any fee increase 30 days prior to any increase, except in the case of additional units, programs, or HUD/REAC requirements, which will be increased immediately.

In addition, it is understood that the PHA will be responsible for all applicable sales taxes (if any) for any services or products provided under this contract.

It is also understood and agreed that the Fee Accountant may need additional information on behalf of the PHA that will require phone calls to PHA, HUD, Fiscal Agent, Bank, or other sources, and that Fee Accountant may bill the cost of these calls to the PHA. Other reimbursable expenses to be billed to the PHA would be the cost of additional copies of reports and files for auditor, shipping of records back to the PHA for audit or filing as required, and cost of certain non-routine expenses incurred at the request of the PHA, such as overnight mail service. The routine expense of monthly correspondence, mailing of monthly reports, bank statements, copies, etc. will be borne by the Fee Accountant.

It is also understood and agreed that the Fee Accountant shall be released of its responsibility under this contract should the PHA fail to furnish the Fee Accountant, in a timely manner, the basic information on which the maintenance of the PHA's records is predicated.

It is understood and agreed that Fee Accountant's service after initial set-up and training, is based on phone consultations and monthly mail-in services. The Fee Accountant is available for future retraining and on-site consultations but such services will be billed at additional rates based on time and travel expenses.

Cash Basis Law: Per KSA 10-1116b (3), the contract provides that the CITY is obligated only to pay periodic payments or monthly installments under the contract as may lawfully be made from funds budgeted and appropriated for that purchase during each current budget year.

IV.

The initial term of this contract shall be for 36 months from the effective date hereof and will automatically renew annually unless notice of cancellation is received 60 days prior to the end date of the contract.

V.

All financial reports prepared by the Fee Accountant shall be based on information submitted by the PHA. It is the responsibility of the Management of the PHA to ensure that the information provided is accurate. Management should review all financial statements produced by the Fee Accountant and report to the Fee Accountant any necessary corrections or changes.

PHA is responsible for all internal controls and will establish procedures to safeguard cash. Deposits of funds will be made on a daily basis, and receipts will be balanced to deposit slips each day.

PHA, under HUD regulations, is subject to independent audit annually. Fee Accountant will complete year-end closing and will prepare documentation for your FDS within 60 days of fiscal year end if the PHA provides all necessary financial information within 30 day of the fiscal year end. The annual audit should be scheduled at least 60 days after fiscal year end to ensure that records for audit are available.

VI.

Conflict of Interest - It is agreed that no person associated with the PHA shall have any interest in the proceeds of this contract.

VII.

Nondiscrimination - The Fee Accountant and PHA agree that, in connection with the performance of work under this Contract that neither party will discriminate against any employee or applicant for employment because of race, creed, color, sex or national origin.

VIII.

At the discretion of the Fee Accountant, the Fee Accountant may:

1. Notify the Executive Director if the PHA fails to provide any month's required fee accounting information by the 20th of the following month;
2. Notify the Chairman of the Board if the PHA fails to provide any month's required fee accounting information by the 10th day of the second month following, and;
3. Directly notify the PHA Board Chairman and the HUD office within 30 days of any

irregularities discerned in the financial operations of the PHA, when these irregularities have not been corrected after notice to the executive director or immediately when notice to the executive director would be inappropriate.

This contract will become null and void if the Housing Authority fails to provide all of the necessary financial information to Lindsey and Company within 30 days after the end of the month.

IN WITNESS WHEREOF, the parties hereto have executed this contract this 9th day of November, 2018 to be effective the 1st day of January 1, 2019.

Lindsey and Company, Inc.

Bonner Springs Housing Authority

Neil Arnold, Director of Accounting

Carrie Newton, Executive Director

Attachment "A"

Cost of Accounting Services for the Bonner Springs Housing Authority:

Program	3 Year	2 Year	1 Year	No Contract
Bonner Springs	\$145	\$160	\$200	\$250

We offer the following services at the fees listed below:

Budgets (per project)	\$ 450.00 or \$ 100.00 per hour
Budget Revisions (per project)	450.00 or 100.00 per hour
Operating Subsidy (per project)	450.00 or 100.00 per hour
FDS Transmissions	500.00 or 150.00 per hour
VMS transmissions	95.00 per month
MD&A	550.00
Telephone Accounting Training	95.00 per hour
On Site Accounting Training or Board Meetings	750.00 per day plus expenses
Consulting Services	150.00 per hour