

MHDC Chart of Accounts

* Denotes Required Field

Account #	Account Description	Definition
Balance Sheet - Assets		
1120	Cash - Operations*	This account includes the consolidation of unrestricted cash and cash equivalent accounts available to fund project operating costs for reporting purposes. Note: This account should also include petty cash.
1121	Construction Cash Account	This account includes cash remaining in construction accounts after the project has cost certified. The balance in this account should be used to pay any remaining construction related payables.
1125	Cash - Entity	This account includes cash and cash equivalents maintained by the ownership entity available to fund expenses of the ownership entity.
1130	Tenant Accounts Receivable	
1131	Allowance for Doubtful Accounts	
1135	Accounts Receivable - HUD	This account includes the amounts due to property for rent subsidy vouchers and special claims. Note: This amount should also be included on Ln 2 of the calculation of surplus cash.
1140	Accounts & Notes Receivable - Operations	
1145	Accounts & Notes Receivable - Entity	
1160	Accounts Receivable - Interest	

1165	Interest Reduction Payment Receivable	This account recognizes Interest Reduction Payments (IRP) that are in excess of interest due under the mortgage note. This account only applies to Section 236 projects.
1170	Short-Term Investments - Operations	
1175	Short-Term Investments - Entity	
1180	Inventory	
1190	Miscellaneous Current Assets	Note: If the value of this account exceeds \$1,000, a description and amount is required in a supplemental schedule.
1191	Tenant Deposits Held In Trust*	This account includes the cash balances of bank accounts and investments held on the behalf of rental tenants in trust for security and other deposits. Note: These deposits must be held in the name of the projects in a separate bank account. Deposits may be used to pay for tenant damages and delinquent rents when a tenant vacates.
1200	Miscellaneous Prepaid Expenses	Note: If the value of this account exceeds \$1,000, a description and amount is required in a supplemental schedule.
1310	Escrow Deposits	This account includes the cash balance on hand for future payments of insurance, real estate taxes, and mortgage insurance premiums.
1320	Replacement Reserve	
1330	Other Reserves	This account includes cash and cash equivalents held by the mortgagee or mortgagor for whom MHDC approval is required for withdrawals (i.e. operating & lease up reserves).
1340	Residual Receipts Reserve	
1367	Sinking Fund	
1381	Management Improvement & Operating Plan	This account reflects the cash and investment balances held for releases approved by HUD. Any release from this account requires prior approval from HUD.
1410	Land & Land Improvements	
1420	Buildings	

1440	Building Equipment - Portable	
1450	Furniture for Project/Tenant Use	
1460	Furnishings	
1465	Office Furniture & Equipment	
1470	Maintenance Equipment	
1480	Motor Vehicles	
1490	Miscellaneous Fixed Assets	
1495	Accumulated Depreciation	
1510	Investments - Operations	
1515	Investments - Entity	
1520	Intangible Assets	Account cannot include debt interest costs. Debt interest costs must be reported on account 2340 Debt Issuance Costs.
1590	Miscellaneous Other Assets	Note: If the value of this account exceeds \$1,000, a description and amount is required in a supplemental schedule.

Balance Sheet - Liabilities		
2105	Bank Overdraft - Operations	This account is a contra account to account 1120 - Cash Operations. Note: This account should be used when there is a negative balance in the project's operating account.
2110	Accounts Payable - Operations	
2111	Accounts Payable - Construction/Development	

2112	Accounts Payable - Project Improvement Items	
2113	Accounts Payable - Entity	This account includes the total amount of accounts payable that are payable only from available surplus cash (i.e. asset management, partnership, & incentive fees) or other mortgagor funds available.
2115	Accounts Payable - 236 Excess Income Due HUD	
2116	Accounts Payable - Section 8 and Other	
2120	Accrued Wages Payable	
2121	Accrued Payroll Taxes Payable	
2123	Accrued Management Fee Payable	Consistent with GAAP accounting, this account includes management fees accrued but unpaid at the end of the accounting period. Note: This amount should also be included on Ln 10 of the calculation of surplus cash.
2130	Accrued Interest Payable - Section 236	
2131	Accrued Interest Payable - First Mortgage*	This account includes interest accrued but unpaid on the first mortgage or bond obligation payable from operations at the end of the accounting period (i.e. the interest from January's mortgage payment should be accrued on the year end financial statement). Note: This amount should also be included on Ln 4 of the calculation of surplus cash.
2132	Accrued Interest Payable - Second Mortgage	This account includes interest accrued but unpaid on the 2nd mortgage or bond obligation payable from operations at the end of the accounting period. Note: This amount should also be included on Ln 4 of the calculation of surplus cash.

2133	Accrued Interest Payable - Other Loans & Notes (Surplus Cash)	This account includes interest accrued and unpaid on other loans and notes payable from surplus cash or other entity funds. Note: This amount should not be included on the computation of surplus cash form.
2134	Accrued Interest Payable - Other Loans & Notes	
2135	Accrued Interest Payable - Flexible Subsidy Loan	
2136	Accrued Interest Payable - Capital Improvement Loan	
2137	Accrued Interest Payable - Operating Loss Loan	
2150	Accrued Property Taxes	
2160	Notes Payable (Short-Term)	Note: The Long Term Portion should be recorded in account 2310.
2170	Mortgage Payable - First Mortgage (Short-Term)	
2172	Mortgage Payable - Second Mortgage (Short-Term)	
2173	Other Loans & Notes Payable - Surplus Cash (Short-Term)	Note: The Long Term Portion should be recorded in account 2323.

2174	Other Loans & Notes Payable (Short-Term)	This account reflects liabilities on other loans and notes due within one year that is payable from project operations.
2175	Flexible Subsidy Loan Payable (Short-Term)	
2176	Capital Improvement Loan Payable (Short-Term)	
2177	Operating Loss Loan Payable (Short-Term)	
2180	Utility Allowances	
2190	Miscellaneous Current Liabilities	Note: If the value of this account exceeds \$1,000, a description and amount is required in a supplemental schedule.
2191	Tenant Deposits Held In Trust (Contra)*	This account reflects the cash balances of bank accounts and investments held on the behalf of rental tenants in trust for security and other deposits. Note: These deposits must be held in the name of the projects in a separate bank account. Deposits may be used to pay for tenant damages and delinquent rents when a tenant vacates.
2210	Prepaid Revenue	This account includes rents received from tenants and certain contracts that apply to future accounting periods. Note: This amount should also be included on Ln 11 of the calculation of surplus cash.
2305	Accounts Payable - Entity (Long-Term)	
2310	Notes Payable (Long-Term)	This account reflects amounts of notes due in more than one year, net of the current portion. Note: The Short Term Portion should be recorded in account 2160.
2320	Mortgage Payable - First Mortgage*	This account reflects the unpaid principal balances of the mortgages or bonds, net of the current portion, that are payable from project operations. Note: The amount due within one year is recorded in account 2170.
2322	Mortgage Payable - Second Mortgage	This account reflects the corresponding amount(s) for mortgage principal due on second mortgage.

2323	Other Loans & Notes Payable - Surplus Cash (Long Term)	Note: The Short Term Portion should be recorded in account 2173.
2324	Other Loans & Notes Payable (Long Term)	This account reflects the unpaid principal balances on other loans and notes, net of the current portion, that are payable from project operations. The amount due within one year is recorded in account 2174.
2325	Flexible Subsidy Loan Payable (Long Term)	Note: The Short Term Portion should be recorded in account 2175.
2326	Capital Improvement Loan Payable (Long Term)	
2327	Operating Loss Loan Payable (Long Term)	Note: The Short Term Portion should be recorded in account 2177.
2340	Debt Issuance Costs	This account may be used to record unamortized debt issuance costs for mortgages and notes reported on the financial statement. This account will be shown as a subtraction to Total Long Term Liabilities.
2390	Miscellaneous Long-Term Liabilities	Note: If the value of this account exceeds \$1,000, a description and amount is required in a supplemental schedule.

Balance Sheet - Equity		
3130	Total Equity*	Note: This account is call Net Assets for Non-Profits properties.

Income Statement - Revenue		
5120	Rent Revenue - Gross Potential*	This account includes MHDC approved rents charged at 100% occupancy. The amount can be calculated by taking the total of the approved rent charges per each unit times the number of months in the period. Tenant assistance payments should not be included.
5121	Tenant Assistance Payments	This account includes tenant assistance payments that are project based (i.e. rent supplement, rental assistance payment, and Section 8 programs). Acct 5120 + 5121 = Total Gross Potential Rent.
5140	Rent Revenue - Stores and Commercial	
5170	Garage and Parking Spaces	

5180	Flexible Subsidy Income	This account reflects the amount of funds transferred from the Management Improvement and Operating Plan (see account 1381) to reduce mortgage or escrow deficiencies, to cover operating deficits or to meet working capital needs.
5190	Miscellaneous Rent Revenue	Note: If the value of this account exceeds 10% of the sum of accounts 5120 - 5194, a description and amount is required in a supplemental schedule.
5191	Excess Rent	This account reflects the rental collections due in excess of the basic rental charge for Section 202/811, 221(d) (3)BMIR, and 236 properties. Excess income retained by 236 projects in accordance with HUD Notice H 98-10 should be reported in account 5194 - Retained Excess Income.
5192	Rent Revenue / Insurance	This account reflects the amount of insurance claims proceeds in connection with lost rental revenue.
5193	Special Claims Revenue	
5194	Retained Excess Income	This account reflects the amount of excess income owners are allowed to retain for the project operating account in Section 236 projects in accordance with HUD Notice H 98-10. Excess income retained by Section 236 projects that is not authorized in accordance with HUD Notice H 98-10 should be reported in account 5191, Excess Rent.

Income Statement - Vacancies		
5220	Vacancies - Apartments*	This account includes the gross potential rents lost through vacancy of an apartment unit. This amount can be calculated by adding together Gross Potential Rent (5120) and Tenant Assistance Payments (5121) and subtracting the actual amount of rent and tenant assistance payments collected for the period.
5240	Vacancies - Stores and Commercial	
5250	Vacancies - Rental Concessions	This account includes the amount provided for rental concessions (i.e. free rent, discounts) in connection with the execution of the tenant's lease.
5260	Vacancies - Rents Loss To Lease	This account includes Gross Potential Rents lost due to the timing of tenant's current lease. (i.e. - rent increase effective date 1/1/x; tenant lease expiration date 4/1/x = 3 months of rents lost to lease).

5270	Vacancies - Garage and Parking Spaces	
5290	Vacancies - Miscellaneous	

Income Statement – Supportive Service Revenue		
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5300	Supportive Services Revenue	Revenue for Supportive Services that may include Service Coordinator funding, Adult Day Care, Child Day Care, Contributions and Gifts, Facility Rentals, Recreation Activity Revenue, and Other Supportive Services Revenue. Descriptions and amounts in a supplementary schedule are required.
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Income Statement – Financial Revenue		
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5410	Financial Revenue - Project Operations	
5430	Revenue from Investments - Residual Receipts	
5440	Revenue from Investments - Replacement Reserve	
5490	Revenue from Investments - Miscellaneous	This account includes interest and other investment income earned in connection with project operations (i.e. bank interest).

Income Statement – Other Revenue		
5910	Laundry and Vending Revenue	
5920	Tenant Charges	This account includes charges assessed to tenants for rent checks returned for insufficient funds, late payment of rents, breaking the lease, forfeited security deposits, and damages.
5945	Interest Reduction Payment Revenue	This account only applies to Section 236 properties and recognizes Interest Reduction Payments (IRP) that have been received by the owner over and above interest due on the mortgage due.
5954	Cable TV / Internet Access Revenue	
5990	Miscellaneous Revenue	This account includes project revenues not otherwise described in the above revenue accounts (i.e. insurance proceeds, tax appeal refunds). Note: If the value of this account exceeds 10% of the sum of accounts 5910 - 5990, a description and amount is required in a supplemental schedule.

Income Statement – Administrative Expenses		
6203	Conventions, Meetings & Training	This account includes expenses related to attendance/participation in professional conventions and meetings.
6204	Management Consultants	This account includes expenses incurred as a result of using outside consultants for administrative related activities (i.e. computer/programming).
6210	Advertising and Marketing	This account includes the cost of advertising and marketing the rental property, both during initial rent-up and after the project reaches sustained occupancy levels.
6250	Other Renting Expense	This account includes expenses related to the rent-up of vacant units (i.e. commissions to employees and similar fees charged by 3rd parties for referring new tenants or fees paid to existing tenants for their referral).

6310	Office Salaries	This account includes salaries for all office employees (excluding the resident manager) responsible for the front-line operations of the project regardless of whether the employee works on site or in the agent's office. Front-line responsibilities include taking applications, certifying & recertifying tenants, maintaining the project, and accounting for project income & expenses. The account should not include salaries paid to occupancy, maintenance, and regional supervisors who carry out the agent's duties for supervising project operations, or the project's share of payroll taxes and other employee benefits.
6311	Office Expenses	
6312	Office or Model Apartment Rent	
6313	Leased Furniture	
6320	Management Fee/Bookkeeping/Accounting Services*	This account includes the cost of management agent service contracted for by the project. Per MHDC policy, this account includes charges for bookkeeping or accounting services performed by the management agent or another party unless stated otherwise in the management agreement. The amount reported in this account is based upon the management agreement and can be calculated by 'per occupied unit," "per unit," or as a "pure %" of revenue collected.
6330	Manager or Superintendent Salaries	This account includes salaries paid to a residential manager or superintendent. Note: this account should not include the project's share of payroll taxes and other employee benefits (i.e. compensation in lieu of salary payments).
6331	Administrative Rent Free Unit	This account includes any free rent or discount provided to administrative personnel (i.e. resident manager or superintendent) which would otherwise be a revenue producing unit. Note: This account should not be used for free rent or discounts provided to security or maintenance staff.

6340	Legal Expenses - Project	This account includes legal fees or services incurred on the behalf of the property (i.e. evictions). Note: This account should not include legal fees related to the mortgagor entity. Mortgagor entity fees should be recorded in account 7120.
6350	Audit Expenses*	This account includes the auditing expense incurred by the project that is directly related to MHDC's requirement for audited, reviewed, or compiled financial statements. The account also includes the auditors charge for preparing Schedule K-1's for the mortgagor entity's Federal Income tax return.
6360	Telephone Expense	
6370	Bad Debts	
6390	Miscellaneous Administrative Expenses	This account includes administrative expenses not otherwise classified above (i.e. bank charges, investment fees, travel, membership due, and subscriptions). Note: If the value of this account exceeds 10% of the sum of accounts 6203 - 6390, a description and amount is required in a supplemental schedule.

Income Statement – Utility Expenses		
6450	Electricity	
6451	Water	This account should only include the cost of water billed to the project. Note: Sewer expenses should not be combined with water.
6452	Gas	
6453	Sewer	
6454	Cable TV / Internet Access	

Income Statement – Operating & Maintenance Expenses		
6510	Operating & Maintenance - Payroll	This account includes the salaries of project employees who perform services including but not limited to janitorial/cleaning, exterminating, grounds, repairs, and decorating. Note: This account should not include the project's share of payroll taxes and other employee benefits.
6515	Operating & Maintenance - Supplies	This account includes all costs of supplies charged to the project for janitorial/cleaning, exterminating, grounds, repairs, & decorating. Note: This account should not include amounts for Heating and Cooling repairs, Snow Removal, and Vacant Unit Preparation supplies, or supplies purchased by 3rd parties under contract with the project.

6520	Operating & Maintenance - Contracts	This account includes the cost of contracts the owner or agent executes with third parties on behalf of the project for janitorial/cleaning, exterminating, grounds, repairs, & decorating. Note: This account should not include amounts for Trash, Security, Heating and Cooling repairs, Snow Removal, Exterminating, Elevator, and Vacant Unit Preparation.
6521	Operating and Maintenance - Rent Free Unit	
6525	Garbage and Trash Removal	
6530	Security Payroll / Contract	
6531	Security Rent Free Unit	
6546	Heating / Cooling Repairs and Maintenance	This account includes the cost of maintaining and repairing heating and/or air conditioning equipment owned by the project (i.e filters, compressors, valves, motors, condensers, Freon, etc). Note: This account should include all 3rd party Heating and Cooling contracts.
6548	Snow Removal	This account includes the cost of removing snow from the project's parking lot and sidewalks (i.e. salt, shovels, etc). Note: This account should include all 3rd party Snow Removal contracts.
6570	Vehicle and Maintenance Equipment Operation and Repairs	
6571	Maintenance Tools and Equipment	
6572	Pool Supplies and Pool Maintenance / Contracts	This account includes the cost of maintaining the property's community pool (i.e. chemicals, supplies, repairs, cleaning, etc). Note: This account should include all 3rd party Pool contracts.
6573	Exterminating	This account includes the cost of exterminating. Note: This account should include all third party Exterminating contracts

6574	Elevator Maintenance / Contracts	This account includes the cost of maintaining the property's elevators. Note: This account should include all 3rd party Elevator contracts.
6580	Vacant Unit Preparation	This account includes carpet replacement, tile replacement, unit painting, repairs and cleaning that result from unit turnover and paid from operating funds.
6590	Miscellaneous Operating & Maintenance Expenses	Note: If the value of this account exceeds 10% of the sum of accounts 6510 - 6590, a description and amount is required in a supplemental schedule.

Income Statement – Taxes & Insurance Expenses		
6710	Real Estate Taxes*	
6711	Payroll Taxes (Project's Share)	This account includes the project's share of FICA, State, Federal, and Unemployment taxes. Note: Payroll taxes should not be combined with related Office Salaries, Manager/Superintendent Salaries, or Maintenance Payroll accounts.
6720	Property and Liability Insurance (Hazard)*	
6721	Fidelity Bond Insurance (Allowed up to \$500)	The account allows the project to expense Fidelity Bond Insurance up to \$500. The remaining amount, if any, must be recorded as a Non-Operating Expense in account 7135 - Fidelity & Bond Insurance.

6722	Workmen's Compensation	
6723	Health Insurance & Other Employee Benefits	
6790	Miscellaneous Taxes, Licenses, Permits & Insurance	Note: If the value of this account exceeds 10% of the sum of accounts 6710 - 6790, a description and amount is required in a supplemental schedule.

Income Statement – Financial Expenses		
6820	Interest on Mortgage Payable*	This account reflects interest incurred on the first mortgage. The amortization of debt issuance costs would be recorded in account 6822. Note: This account should not include interest incurred on notes which are payable from surplus cash.
6822	Interest Attributable to Debt Issuance Costs	This account specifically reflects the amortization of debt issuance costs used to construct, permanently finance or refinance the project. This account should not include interest incurred on the required mortgage payments and/or notes which are payable only from surplus cash.

6830	Interest on Notes Payable (Long-Term)	This account reflects interest on long term project operating notes. This account should not include interest incurred on notes which are payable only from surplus cash (refer to account 7142). Note: The amortization of debt issuance costs would be recorded in account 6822.
6840	Interest on Notes Payable (Short-Term)	This account includes interest and discounts incurred on short term (less than a year) project operating notes. This account should not include interest incurred on notes which are payable only from surplus cash. Note: The amortization of debt issuance costs would be recorded in account 6822.
6850	Mortgage Insurance Premium / Service Charge	
6890	Miscellaneous Financial Expenses	Note: If the value of this account exceeds 10% of the sum of accounts 6820 - 6890, a description and amount is required in a supplemental schedule.

Income Statement – Supportive Services Expenses		
6990	Supportive Service Expenses	Expense for Supportive Services that may include Service Coordinator Salaries and Benefits, Children’s Programs, Education & Workshops, Elderly Programs, Office Equipment Rental, Office Supplies, Postage, Professional Fees (Contractors) Recreational Activities, Telephone, Transportation, Vocational Training, Youth Programs, and Other Supportive Services Expenses. Descriptions and amounts in a supplementary schedule are required.

Income Statement – Depreciation & Amortization		
6600	Depreciation	
6610	Amortization	This account reflects amortization expense related to tax credit monitoring fees, organizational costs, organization expenses, and like expenses.

Income Statement – Non Operating Expenses		
7105	Entity Revenue	
7110	Officer Salaries	This account includes salaries paid to owners, officers, and/or partners. It should also include the value of any services given to owners, officers, and/or partners in lieu of salary.
7115	Asset Mgmt, Partnership, and Incentive Fees	This account includes amounts (i.e. incentive partnership fees, asset management fees) agreed upon in the partnership agreement that are to be expensed and/or paid with project funds only from available surplus cash.
7120	Legal Expenses	
7130	Federal, State, and Other Income Taxes	
7135	Fidelity & Bond Insurance	This account includes the remaining amount in excess of the \$500 allowable expense limit for Fidelity Bond Insurance.
7140	Interest Expense	
7141	Interest on Notes Payable (subordinate/non-MHDC/partner loans)	This account includes interest incurred on notes which are payable only from available surplus cash or other entity funds.
7142	Interest on Mortgage Payable (subordinate/non-MHDC/partner loans)	This account includes interest incurred on notes which are payable only from available surplus cash or other entity funds.
7190	Other Non-Operating Expenses	

Income Statement – Other Cash Items		
7001	Principal Payments Required*	This amount includes the total annual mortgage principal payments required for the project. Note: This amount should include all the hard debt (debt not payable from surplus cash) relating to the project.
7002	Reserve for Replacement Deposits Required*	This amount includes the total annual replacement reserve deposits required to be placed in escrow as stated in the project's regulatory agreement. Note: This account may not be applicable to Tax Credit Only projects.
7003	Transfers From Replacement Reserves	This account includes amounts for items that were paid from the replacement reserve or residual receipts accounts, but were included in the income statement as an operational expense.
7145	Principal for other loans (subordinate/non-MHDC/partner loans)	This account includes principal payments made during the year on all the related soft debt (i.e. subordinate loans, partner loans, and mortgages). Note: Soft debt can only be paid from available surplus cash, and projects must receive MHDC approval prior to payment.