AGENDA

Understanding Eligible CoC Costs

Preparing for HUD & HSH Monitoring
RADAR: DOCUMENTING ELIGIBLE EXPENSES

- Reasonable
- Allowable
- Documented
- Allocable
- Reimbursable
ALLOWABLE COSTS: ELIGIBLE VS. APPROVED

- There is a difference between “eligible” costs & ”approved” costs

- **Eligible Costs:** All costs included in the Interim Rule

- **Approved Costs:** Costs included in a project’s HUD-approved budget
  
  - Project can only spend CoC funds on approved costs
  
  - Project can request a grant amendment from HUD to charge to an eligible -- but not approved -- cost **with limitations**
GENERAL BILLING PRACTICES

Staff costs related to carrying out each eligible activity are eligible as part of that activity.

Staff time should be billed to eligible activities, not to project administration.

Where possible, costs of administering eligible activities should be billed to relevant eligible activities.
CATEGORIES OF ELIGIBLE COSTS

- Leasing & Rental Assistance
- Operating Costs
- Supportive Services
- Administrative Costs
- Indirect Costs
- HMIS (not covering today)
LEASING & RENTAL ASSISTANCE
LEASING & RENTAL ASSISTANCE

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasing of <strong>property</strong>, or portions of property, not owned by the recipient or project sponsor involved, for use in providing:</td>
<td>Provision of rental assistance to <strong>eligible persons</strong> to provide:</td>
</tr>
<tr>
<td>❑ Permanent Housing</td>
<td>❑ Permanent Housing</td>
</tr>
<tr>
<td>❑ Transitional Housing</td>
<td>❑ Transitional Housing</td>
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<tr>
<td>❑ Supportive Services</td>
<td></td>
</tr>
</tbody>
</table>
## GENERAL STRUCTURE

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Lease between CoC recipient/subrecipient and landowner</td>
<td>- Tenant-based, Project-based, or Sponsor-based</td>
</tr>
<tr>
<td>- Sublease/occupancy agreement between recipient/subrecipient and</td>
<td>- Short-, medium-, or long-term</td>
</tr>
<tr>
<td>program participant and landowner</td>
<td>- Lease between program participant and landowner</td>
</tr>
<tr>
<td></td>
<td>- (except for Sponsor-based)</td>
</tr>
<tr>
<td></td>
<td>- Contract between recipient/subrecipient and landowner</td>
</tr>
</tbody>
</table>
## OTHER ELIGIBLE COSTS

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>❑ Up to two months’ rent as security deposit</td>
<td>❑ Up to two months’ rent as security deposit</td>
</tr>
<tr>
<td>❑ First and last month’s rent of individual unit</td>
<td>❑ First and last month’s rent of individual unit</td>
</tr>
<tr>
<td>❑ Staff costs for carrying out eligible activities (e.g., processing lease payments)</td>
<td>❑ Staff costs for carrying out eligible activities (e.g., contracting for or inspecting units)</td>
</tr>
<tr>
<td></td>
<td>❑ Property damages up to one month’s rent (once per participant)</td>
</tr>
</tbody>
</table>
## FMR & RENT REASONABLENESS

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNITS</strong></td>
<td></td>
</tr>
<tr>
<td>❑ Up to Fair Market Rent</td>
<td>❑ May go over Fair Market Rent</td>
</tr>
<tr>
<td>❑ No more than Rent Reasonableness</td>
<td>❑ No more than Rent Reasonableness</td>
</tr>
<tr>
<td><strong>STRUCTURES</strong></td>
<td></td>
</tr>
<tr>
<td>❑ Rent Reasonableness</td>
<td></td>
</tr>
</tbody>
</table>
## VACANCY PAYMENTS

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Recipient/subrecipient may pay rent until new participant moves in as long as lease is in place</td>
<td>Recipient/subrecipient may make vacancy payments if unit is vacated before lease ends (up to 30 days from the end of the month in which unit is vacated unless occupied by another eligible person)</td>
</tr>
<tr>
<td>☐ Must abide by terms of lease</td>
<td></td>
</tr>
</tbody>
</table>
## PARTICIPANT RENT PAYMENTS

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Optional</strong>, but if charged the recipient or subrecipient must:</td>
<td>**Program participants are **required <strong>to pay rent</strong> <em>(except when receiving rapid rehousing assistance)</em></td>
</tr>
<tr>
<td>- Treat all participants equally</td>
<td>- <strong>EXCEPT</strong> Rapid Rehousing Programs, which must follow the CoC’s written standards</td>
</tr>
<tr>
<td>- Clearly outline process for determining amount</td>
<td></td>
</tr>
<tr>
<td>- Follow specific calculation procedures to ensure participant not overcharged</td>
<td></td>
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<tr>
<td>- May charge less than full HUD-calculated amount</td>
<td></td>
</tr>
</tbody>
</table>
### PROGRAM FEES AND INCOME

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Recipients/subrecipients NOT allowed to charge program fees (<strong>except occupancy charges</strong>)</td>
<td>- Recipients/subrecipients NOT allowed to charge program fees (<strong>except rent</strong>)</td>
</tr>
<tr>
<td>- Occupancy charges paid to the program is program income and must be used on CoC eligible activities and serve participants (Can be used as Match)</td>
<td>- Rent paid back to the program is program income and must be used on CoC eligible activities and serve participants (Can be used as Match)</td>
</tr>
</tbody>
</table>
## UTILITIES

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>If rent includes utilities:</strong></td>
<td>❑ Must apply utility allowance if participants pay utilities separate from rent</td>
</tr>
<tr>
<td>❑ Can use leasing funds to pay for entire rent up to Fair Market Rent</td>
<td></td>
</tr>
<tr>
<td><strong>If rent does not include utilities:</strong></td>
<td></td>
</tr>
<tr>
<td>❑ Operating funds can be used to pay for utilities</td>
<td></td>
</tr>
<tr>
<td>❑ May require participants to pay utilities</td>
<td></td>
</tr>
<tr>
<td>❑ Must apply utility allowance</td>
<td></td>
</tr>
</tbody>
</table>
### WATCH OUT FOR...

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
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</thead>
</table>
| Leasing funds **cannot be used to lease units/structures owned by the recipient/subrecipient**, or their parent, subsidiary, or affiliated organization | Common to have funds remaining;  
- Can be used to serve more participants, cover costs of rent over Fair Market Rent, or cover staff costs |
| - Unless HUD grants an exception for good cause |
LEASING & RENTAL ASSISTANCE

QUIZ QUESTION 1

A tenant exits a CoC-funded PSH Leasing program. The recipient’s lease with the landlord ends automatically after 6 months of vacancy. How long can the program use CoC Program funds to pay for the vacant unit?

A. For a maximum of 6 months, if the program doesn’t fill the unit with new tenant.

B. For one month after the end of the month in which the tenant vacates the unit.

C. Until the program is able to fill the unit with a new tenant.
LEASING & RENTAL ASSISTANCE

QUIZ QUESTION 2

A CoC-funded RRH program receiving Rental Assistance funds is calculating a tenant’s portion of the rent payment. They must require the tenant to pay:

A. The full HUD-calculated participant rent payment amount

B. An amount based on the policies in the San Francisco CoC Written Standards section on RRH

C. No more than the HUD-calculated participant rent payment, as determined by the program’s policies
OPERATING COSTS
OPERATING COSTS

Costs associated with the day-to-day physical operation of a facility in which participants are housed

Funds can be used for:

- Maintenance & repair of housing (except if they are covered by rent per the lease)
- Building security
- Electricity
- Gas
- Water
- Furniture
- Equipment

Operating funds cannot be used in any SSO project or be combined with rental assistance costs in the same unit/structure
SUPPORTIVE SERVICES COSTS

Provide services to assist transition from homelessness to supportive housing

Must be necessary to assist program participants obtain & maintain housing (annual reassessment is required)

Can include costs of labor (salary & benefits) & supplies/materials directly related to providing the services

Example: Gas for an agency vehicle used to transport clients for the purpose of providing eligible services
## ELIGIBLE SUPPORTIVE SERVICES COSTS

<table>
<thead>
<tr>
<th>Assessing service needs</th>
<th>Food</th>
<th>Mental health services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moving costs</td>
<td>Housing search &amp; counseling services</td>
<td>Outreach services</td>
</tr>
<tr>
<td>Case management</td>
<td>Legal services</td>
<td>Substance abuse treatment services</td>
</tr>
<tr>
<td>Child care</td>
<td>Education services</td>
<td>Transportation</td>
</tr>
<tr>
<td>Employment Assistance &amp; job training</td>
<td>Life skills training</td>
<td></td>
</tr>
<tr>
<td>Utility deposits</td>
<td>Outpatient health services</td>
<td></td>
</tr>
</tbody>
</table>
CASE MANAGEMENT

- Counseling
- Developing, securing, & coordinating services
- Using the coordinated assessment system
- Obtaining federal, State, & local benefits
- Monitoring & evaluating program participant progress
- Providing information & referrals to other providers
- Providing ongoing risk assessment & safety planning with victims of domestic violence, dating violence, sexual assault, & stalking
- Developing an individualized housing & service plan
CHILD CARE

Establishing & operating child care, & providing child-care vouchers, for children from families experiencing homelessness, including providing meals & snacks, & comprehensive & coordinated developmental activities

- Children must be under 13
- Disabled children must be under 18
- Child-care center must be licensed
EDUCATION SERVICES

Services:
- Instruction or training in consumer education
- Health education
- Substance abuse prevention
- Literacy
- English as a Second Language
- General Educational Development

Component activities:
- Screening
- Assessment & testing
- Individual or group instruction
- Tutoring
- Provision of books, supplies, & instructional material
- Counseling
- Referral to community resources
EMPLOYMENT ASSISTANCE & JOB TRAINING SERVICES

Establishing and operating employment assistance and job training programs that assist individuals in:

- Acquiring learning skills
- Increasing earning potential
- Securing employment

| Employment screening, assessment & testing | Structured job skills & job-seeking skills | Special training & tutoring (e.g., literacy training & pre-vocational training) | Books & instructional material | Counseling & job coaching | Referral to community resources |
HOUSING SEARCH & COUNSELING SERVICES

Tenant counseling

Assisting clients to understand leases

Securing utilities

Making moving arrangements

Mediation with property owners & landlords

Credit counseling, accessing a free personal credit report, & resolving personal credit issues

Payment of rental application fees
LEGAL SERVICES

Eligible subject matters

- Child support
- Guardianship
- Paternity
- Emancipation
- Legal separation
- Orders of protection & other civil remedies for victims of domestic violence, dating violence, sexual assault, & stalking
- Appeal of veterans & public benefit claim denials
- Landlord tenant disputes
- Resolution of outstanding criminal warrants
LIFE SKILLS TRAINING

Teaching critical life management skills necessary to function independently in the community

- Budgeting of resources & money management
- Household management
- Conflict management
- Shopping for food & other needed items
- Nutrition
- Use of public transportation
- Parent training
OUTPATIENT MENTAL HEALTH SERVICES

- Crisis interventions
- Counseling
- Individual, family, or group therapy sessions
- Prescription of psychotropic medications or explanations about the use & management of medications
- Combinations of therapeutic approaches to address multiple problems
OUTPATIENT HEALTH SERVICES

- Analysis/assessment of health problems & development of a treatment plan
- Assistance with understanding health needs
- Providing directly or assisting clients to obtain & utilize appropriate medical treatment
- Preventive medical care & health maintenance services
- Provision of appropriate medication
- Providing follow-up services
- Preventive & non-cosmetic dental care
OUTREACH SERVICES

Initial assessment

Crisis counseling

Addressing urgent physical needs

Actively connecting & providing people with information & referrals to homeless & mainstream programs

Publicizing the availability of the housing & services provided within the geographic area covered by the CoC
TRANSPORTATION

- Client travel on public transportation or in program-provided vehicle to & from medical care, employment, child care, or other eligible services
- Mileage allowance for service workers to visit clients & to carry out housing quality inspections
- Purchasing/leasing a vehicle to transport clients and/or staff serving program participants (including gas, insurance, taxes, & maintenance)
- Costs of staff to accompany or assist clients to utilize public transportation
- If public transportation options are not sufficient within the area, a one-time payment on behalf of a client needing car repairs or maintenance required to operate a personal vehicle, *subject to limits*
MISCELLANEOUS

Providing meals or groceries to program participants

Substance abuse treatment services

• Intake & assessment
• Outpatient treatment
• Group & individual counseling
• Drug testing

Utility deposits
ADMINISTRATIVE COSTS
Grantees may use 10% of their award to conduct:

- General management, oversight & coordination
- Training on CoC requirements
- Environmental review

Administrative costs do not include staff & overhead costs directly related to carrying out rental, leasing, supportive services, or other eligible costs.
GENERAL MANAGEMENT, OVERSIGHT & COORDINATION

Salaries, wages, & related costs of staff engaged in program administration:

• Preparing & amending program budgets & schedules
• Developing systems for assuring compliance with program requirements
• Developing agreements with subrecipients & contractors to carry out program activities
• Monitoring program activities for progress & compliance with program requirements
• Preparing reports & other documents directly related to the program for submission to HUD
• Coordinating the resolution of audit & monitoring findings
• Evaluating program results against stated objectives
• Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those above
GENERAL MANAGEMENT, OVERSIGHT & COORDINATION

Travel costs incurred for monitoring of subrecipients

Administrative services performed under third-party contracts or agreements, including:

- General legal services
- Accounting services
- Audit services

Other costs for goods & services required for administration of the program, including:

- Rental or purchase of equipment
- Insurance
- Utilities
- Office supplies
- Rental & maintenance (but not purchase) of office space
INDIRECT COSTS

What are indirect costs?

• Costs incurred for a common purpose benefitting more than one objective & not readily assignable to your project
• Grouped into pools & sometimes called “overhead”
• Costs of CoC-funded or non-CoC funded activities
• Examples: staff salary for office administration, office supplies used for multiple projects
Indirect costs DO NOT increase the grant amount

- They are calculated as a percentage of specific, eligible direct costs
- For many CoC-funded programs, these are very small amounts!
## INDIRECT COST RATE OPTIONS

<table>
<thead>
<tr>
<th>Negotiated indirect cost rate</th>
<th>Flat de minimis rate (10%) of modified total direct costs (MTDC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Based on a cost rate proposal approved by a cognizant agency</td>
<td>• Only available to recipients that have never had a negotiated indirect cost rate with a cognizant agency</td>
</tr>
<tr>
<td>• Common for large organizations with many federal awards &amp; complicated accounting systems</td>
<td>• For organizations that would like to cover indirect expenses, but do not have an existing indirect cost rate or prefer not to go through the process of developing a rate</td>
</tr>
<tr>
<td>• Required for government departments &amp; nonprofits who have had a negotiated rate in the past</td>
<td></td>
</tr>
</tbody>
</table>
What are Modified Total Direct Costs (MTDC)?

- Subset of all CoC grant direct costs
- **Includes** direct salaries & wages, fringe, services, travel & subcontracts up to $25,000
- **Excludes** equipment, capital expenditures, rental & leasing costs, scholarships, charges for patient care, portion of subcontracts in excess of $25,000

10% x Modified Total Direct Costs (MTDC)  =  Amount of Indirect
How do I ask for indirect costs for my CoC grant?

Indicate intent to draw down indirect costs in the CoC Project Application (indirect costs should be included in the project budget)

Indicate whether you have a negotiated federal indirect cost rate or will be using the de minimis rate of 10% of modified total direct costs

If you have a negotiated federal indirect cost rate, the rate agreement must be attached to the project application
FREQUENTLY ASKED QUESTIONS

Q: If we accept the de minimis rate under the CoC grant, would we have to use this rate for all other federal awards?
A: YES. The de minimis rate must be used consistently for all federal awards until the entity chooses to negotiate for a rate.

Q: Can indirect costs be used as match?
A: YES. The method of calculating the amount of match available & the documentation required is the same as if you were including indirect costs as an expense on your budget.

Q: Is there a way to verify if an organization has ever had a negotiated indirect cost rate with the federal government?
A: YES. Contact the federal agency that was likely to have been the cognizant agency for indirect costs for its previous Federal awards.