Eligible Uses of CoC Funding

Santa Clara County CoC
Compliance 101

Homebase

Agenda

I. Welcome & Introductions

II. Eligible Costs

    I. Rental Assistance & Leasing

    II. Supportive Services

    III. Operating

    IV. Administrative

    V. Indirect

III. Timekeeping

IV. Wrap up

Homebase

Eligible CoC Program Costs

RADAR: Documenting Eligible Expenses

All costs charged to the CoC grant must be…

- **R**easonable
- **A**llowable
- **D**ocumented
- **A**llocable
- **R**eimbursable

Homebase

Allowable Costs:
Eligible vs. Approved

- **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**

Homebase

Categories of Eligible Costs

Rental Assistance

Leasing

Supportive Services

Administrative Costs

Operating Costs

Rental Assistance & Leasing Costs

Rental Assistance: Funds pay part of the rent for a unit in which a client resides

- Limited to Rent Reasonableness (may exceed Fair Market Rent)
- **Funds may also be used for** security deposit, first/last month's rent, up to 30 days vacancy, up to one month of rent to pay for damages to property

Leasing: Funds pay for the full rent of a unit in which a client resides

- Limited to the lower of Fair Market Rent or Rent Reasonableness
- **Funds may also be used for** security deposit, first/last month's rent, Housing Quality Standards inspections, vacancies

homebase

What If A Program Has Excess Rental Assistance Funds?

Serve more participants

Cover costs of rent over FMR (up to Rent Reasonableness)

Cover eligible staff activity costs

Cover security deposits & property damage

Use up to 10% for other approved, eligible activity

Other changes (including change in subpopulation served) require HUD approval/grant amendment!

Homebase

Supportive Service 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) and 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

Homebase

Eligible Supportive Services Costs

Assessing Service Needs	Food	
Moving Costs	Housing Search & Counseling Services	Outreach Services
Case Management	Legal Services	Substance Abuse Treatment Services
Child Care	Life skills training	Transportation
Education services	Mental Health Services	Utility Deposits
Employment Assistance & Job Training	Outpatient Health Services	

Supportive Services: 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

Homebase

Supportive Services: 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

Supportive Services: Transportation

Client travel on public transportation or in program-provided vehicle to & from medical care, employment, childcare, 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**

Homebase

Supportive Services: 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

Supportive Services: Education Services

Services:

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

Component activities:

- Screening
- Assessment & testing
- Individual or group instruction
- Tutoring
- Provision of books, supplies, & instructional material
- Counseling
- Referral to community resources

Supportive Services: Job Training and Employment Assistance

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

- Acquiring learning skills (e.g., vocational licenses & certificates)

- 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

Homebase

Supportive Services:
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

Supportive Services: Child Care

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

Children without disabilities must be under 13

Children with disabilities must be under age 18

Childcare center must be licensed

Supportive Services: Legal Services

- 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

homebase

Supportive Services: 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

Homebase

Supportive Services:
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

Supportive Services: Miscellaneous

Providing meals or groceries to program participants

Substance abuse treatment services

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

Utility deposits

Homebase

Operating Costs

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

- Maintenance & repair of housing (except if they are covered by rent per the lease)
- Property taxes and insurance
- Scheduled payments to reserve for replacement of major systems of the housing

- Building security
- Electricity
- Gas
- Water
- Furniture
- Equipment

Operating funds cannot be combined with Rental Assistance costs in the same unit/structure

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

Administrative Costs

Grantees may request an Admin budget line item to cover specific costs:

- 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

Homebase

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

Homebase

General Management, Oversight, & Coordination, cont.

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

Homebase

Allocating Shared Costs

Costs that benefit **more than one cost objective** and **cannot reasonably be tracked** to each activity

- E.g. Staff time administering payroll allocated based on overall FTE or number of accounting transactions

- Must be allocated based on actual benefit to each activity

- Must have a written cost allocation plan

- See the Uniform Guidance at 2 C.F.R. 200.405

Homebase
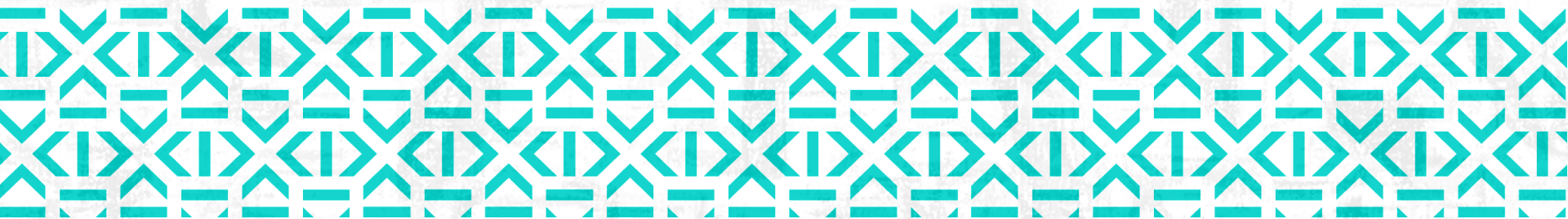
Indirect Costs

Indirect Costs

Governed by the Uniform Guidance (2 C.F.R. 200.414)

- Costs incurred for a common purpose benefitting more than one objective & not readily assignable to your project

- Must be allocated to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived

- Examples: staff salary for office administration, office supplies used for multiple projects

Homebase

Indirect Cost Rate Options

Negotiated indirect cost rate

- Based on a cost rate proposal approved by a cognizant agency

- Common for large organizations with many federal awards & complicated accounting systems

- Required for nonprofits who have had a negotiated rate in the past

De minimis rate: 10% of Modified Total Direct Costs

- Only available to recipients that have never had a negotiated indirect cost rate with a cognizant agency

- For organizations that do not have an existing indirect cost rate or prefer not to go through the process of developing a rate
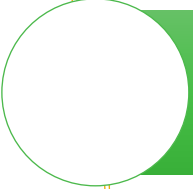
Homebase

Indirect Costs

Indirect costs DO NOT increase the grant amount

- They are calculated as a percentage of specific, eligible direct costs

- For many CoC-funded programs, using the de minimis rate results in very small amounts!

Homebase

Drawing Down Indirect Costs

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

To draw down, the indirect cost rate should be applied to the direct cost base in each line item

Homebase

Timekeeping

Why complete a timesheet?

Without timesheets	With timesheets
• Difficult to effectively track & plan for costs	• Personnel costs are visible
• Not compliant with grant requirements	• Employees spend less time trying to remember what actually happened
• Inaccurate reimbursement requests	• Draw down grant funds accurately
• May have to pay back grant funds	• Avoid monitoring findings

Homebase

Documenting Staff Costs

Must comply with Uniform Guidance (2 C.F.R. 200.430)

- Support the distribution of the employee's salary or wages among specific activities or cost objectives
- Incorporated into the recipient's official records
- Reflect the total activity for the which the employee is compensated
- Supported by a system of internal control to ensure that time charges are accurate, allowable, and properly allocated
- Comply with recipient's accounting policies and practices

Homebase

Time & Activity Reports

Reports must:

Account for actual time worked

Track time to eligible activities & eligible participants served

Align with back up documentation

Track ineligible costs in addition to eligible costs & account for total activity

Track time to multiple funding sources when applicable

Homebase

Remember…

Track time by grant, client, & eligible activity

Track all time, including both eligible & non-eligible activities

Homebase

Common Timekeeping Mistakes

➤ Billing 8 hours in a single day to one grant

➤ Billing a fixed percentage of time to a grant

➤ Not reconciling time & activity reporting with invoicing

➤ Excluding sick & vacation time

➤ Forgetting to record:

  ➤ An eligible activity

  ➤ An eligible grant

  ➤ A project &/or client

  ➤ Ineligible time & activities

➤ Missing documentation to accompany time & activity reporting