



Connecticut Balance of State Continuum of Care

Ending Homelessness in Connecticut | Email: ctboscoc@gmail.com | Website: www.ctbos.org

Overview of Continuum of Care (CoC) Fiscal Requirements

Part 1- 6/6/23

*Training Provided by Housing Innovations
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Today's Agenda Session #1:

- Welcome & Introductions
- Match
- Program Income
- Federal Cost Principles
- Eligible Costs: Rental Assistance, Leasing, Operating, Supportive Services

6/13/23
Agenda
Session #2:

- Ineligible Costs
- Documenting Staff Time
- Project Administration Costs
- Indirect Costs
- Single Audits
- Grant Expenditures
- eLOCCS
- Compensation and Gifts
- Internal Controls
- Sanctions

24 CFR 578.73 all HUD CoC funded activities – except leasing – must meet the 25% match requirement



If in **cash**, organization must show that it received and expended the cash on eligible CoC activities during the contract term

Benefits paid directly to program participants do not qualify as match – funds must be received by recipient agency

Match can also be met with in-kind goods or services

If in-kind,

- MOU between recipient and third-party providing match prior to contract
- Goods or services must be eligible under CoC Interim Rule
- Documentation of actual in-kind services/contributions received by program participants/project during grant term.
- Must be able to demonstrate that services were actually received
- If providing services, they should be valued at standard industry rates for similar services provided by persons with similar credentials.

Documenting In-Kind Match

- Value of commitment must be documented on source agency letterhead, signed & dated.
- Value must be consistent with the cost ordinarily paid for similar goods in the local market.
- Requirements for letter:
 - Date on which the in-kind donation will be available
 - Project and operating year to which the match is being contributed
 - Allowable activities to be provided by the donation



Documenting In-Kind Cash Match



- Requirements for the MOU:
 - Establish the unconditional commitment to the CoC project
 - Describe specific service/goods to be provided during term of grant
 - State profession of the persons providing the service

If match is not met



If recipient cannot document that it has met the match through cash or in-kind, recipient to pay the missing funds directly to HUD

Program Income



Generated by a **grant-supported activity**

- In CoC program, most program income is tenant rent paid directly to recipient/sub-recipient
- Leasing, sponsor and project based rental assistance

Must be expended on **eligible program expenses** in the program year in which it was earned



Can be used to **meet match requirements**

Poll – What can't be used as match

Proceeds from the grantee's annual gala used to support agency programs

Resident income gained by program case managers using SOAR to secure SSI benefits for residents

Substance use treatment services provided to program participants through a MOU with a treatment provider

The cost of rent for the supportive services office that is donated by a member of the organization's board of directors

Determining Cost Eligibility

Costs
are only
eligible
if they
are:

- Associated with a HUD-eligible client
- Specifically eligible in CoC regulations (24 CFR 578)
- Delineated in the Technical Submission and the approved budget
- Documented



Four Federal Cost Principles

Reasonable	Allocable	Consistently treated	Allowable
<ul style="list-style-type: none">• If the nature of the goods/services and the price paid reflects what a prudent person would have done in similar circumstances, cost is reasonable	<ul style="list-style-type: none">• Can the cost be allocated to a federal award based on the benefit provided	<ul style="list-style-type: none">• All costs for same purpose and in like circumstances must be treated uniformly as direct or indirect costs	<ul style="list-style-type: none">• Is the expenditure eligible within general Federal regulations and the requirements of the specific award

Eligible Costs	Approved Costs
All costs included in the CoC Program interim rule	<ul style="list-style-type: none"> • Each project has approved budget line items
	<ul style="list-style-type: none"> • May only spend CoC Program funds on approved costs
	<ul style="list-style-type: none"> • HUD approval is required to amend the budget to spend money on CoC Program eligible costs other than those that were included in the project budget approved through the application process

Principle of Cost Allocability

For a cost to be allocable it must be:

- In the approved budget for the funded program
- Specifically linked to the eligible activities funded in the grant
- Reasonable
- Documented

'Reasonable Costs'

For a cost to be reasonable:

- It should be ordinary and necessary for the operation of the organization and/or project
- Cost is in accordance with market prices for comparable goods and services as evidenced by cost estimates and documentation
- The individual responsible acted with prudence for benefit of organization
- Cost was incurred after following established policies and procedures of the organization

Procurement

Procurement policies must be in place

Must follow written procedures and document compliance

Small purchase method may be used for purchases below \$150,000 - requirements include:

- Getting 3 to 5 competitive quotes
- Selecting the most reasonable offer
- Using purchase orders or petty cash to purchase



Poll – Cost Eligibility

- Can projects expend CoC funds on expenses that are eligible under the CoC Program Interim Rule but not delineated in the approved project budget?
- If the CoC Program Interim Rule does not specify that an expense is ineligible can you assume it's eligible?
- What risks does a project face if they charge an ineligible expense?



Rental Assistance – Eligible Costs

Eligible Costs paid on rental assistance budget line

- Up to 100% of rent
- 2 months' Security deposit (1 month for participants 62 or older)
- First and last month's rent
- Damages to unit (not to exceed 1 months rent and paid only after tenant leaves unit)
- Administering rental assistance: HQS inspections, rent calculations, documenting and verifying income, rent reasonableness
- *Environmental reviews are paid by administrative funds.*

Eligible Costs - Leasing

Eligible Costs under leasing budget line:

- Rental payments not to exceed the lower of reasonable rent or the Fair Market Rents
- Electricity, gas, and water if these costs are included in rent
 - If not included can only be paid as an operating cost
- Security deposits
- Advance payment of last months rent as well as first months rent when signing lease

Eligible Costs - Operating

Costs associated with “day-to-day physical operation of housing in which homeless persons are housed”:

- ✓ Maintenance and repair
- ✓ Building security (units must be more than 50% CoC funded)
- ✓ Electricity, gas, water & sewer
- ✓ Furniture
- ✓ Equipment
- ✓ Staff and overhead costs related to carry out these activities



Eligible Costs – Supportive Services

Address the needs of the program participants to help obtain and maintain housing:

Annual assessment	Employment assistance/job training	Mental health
Moving	Food	Outpatient health
Case Management	Housing Search/counseling	Outreach
Child Care	Legal Services	Substance abuse treatment
Education	Life Skills Training	Transportation
Utility deposits	<u>Any unlisted cost is ineligible. Check CoC Program Interim Rule for limits on listed expenses.</u>	

Eligible Costs – Supportive Services

If the supportive services are provided in a facility not contained in a housing structure, the costs of day-to-day operation of the service facility are eligible:

- ✓ maintenance & repair
- ✓ building security
- ✓ furniture
- ✓ utilities
- ✓ equipment



If supportive services are provided directly by recipient/subrecipient, salary and benefits or supplies and materials for providing supportive services are eligible.

Examples of Ineligible Costs – Supportive Services

- Staff training and the costs of obtaining professional licenses or certifications - training on CoC Requirements only is an eligible cost under project administration.
- Gift Cards
- Immigration legal services
- Car repairs or maintenance on behalf of participant:
 - ✓ if public transportation is insufficient in the area
 - ✓ may not exceed 10% of Blue Book value



How can we pay for furniture?



Furniture for participant units is eligible under:

- Operating

Furniture for staff offices is eligible under:

- Supportive services - if in a supportive services facility



How can we pay for household supplies?

- Supplies used to maintain and repair housing units are Operating costs.
- If necessary to assist the program participant to maintain housing, costs of teaching life skills are Supportive Services expenses (life skills training)
 - e.g., kitchen wares, linens & cleaning supplies, necessary to teach household management and nutrition.
- Costs of activities to engage participants for the purpose of providing immediate support and intervention and identifying potential program participants are eligible Supportive Service expenses (outreach) - includes addressing “urgent physical needs” such as providing blankets and toiletries.





How can we pay for office supplies?

- When delivering eligible supportive services, the costs of supplies and materials incurred in directly providing those services to participants are eligible supportive service costs.
- Costs for supplies and materials that cannot be readily assignable to an eligible activity at the CoC project (e.g., office supplies for your HR department) are an indirect expense.

Poll - What type of expense is this?

- Staff salary for conducting HQS inspections
- Benefits for case management supervisor
- Staff salary and travel costs to attend Motivational Interviewing training





Final Questions & Suggestion?

THANK YOU FOR PARTICIPATING

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