



Connecticut Balance of State Continuum of Care

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

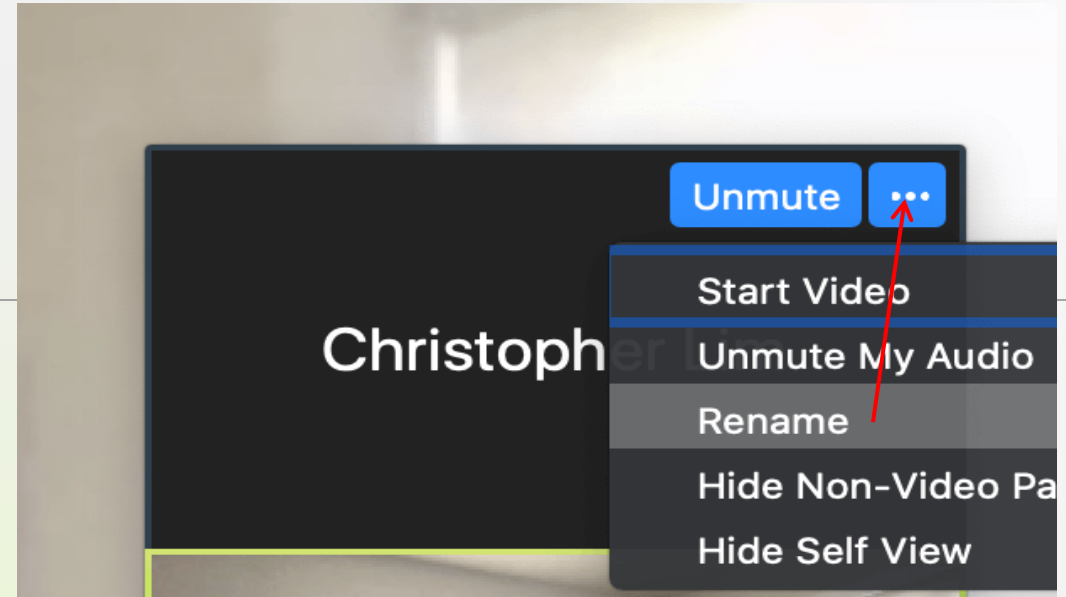
Overview of Continuum of Care (CoC) Fiscal Requirements

Part 2- 3/6/25

*Training Provided by Housing Innovations
Howard Burchman & Lauren Pareti*

Welcome

- Introduce Facilitators
- Goals for the Session
- Housekeeping
 - PLEASE TURN YOUR CAMERAS ON AS MUCH AS YOU CAN.
 - Please put your name as you would like to be addressed as your screen name.
 - We will upload the slides to the chat box momentarily.
 - We love interaction – please raise hand, use emojis, type comments in the chat box or just unmute and talk!
 - The session is being recorded and will be posted to the web.
 - Slides are available in the chat.
 - Today's session is 2 hours- some slides are for reference.



A large group of people, including students and professionals, are seated at round tables in a bright, modern meeting room. They are engaged in various activities: some are talking, some are looking at laptops or tablets, and others are holding water bottles. The atmosphere appears collaborative and interactive. The background shows more people standing and talking, suggesting a busy event or workshop.

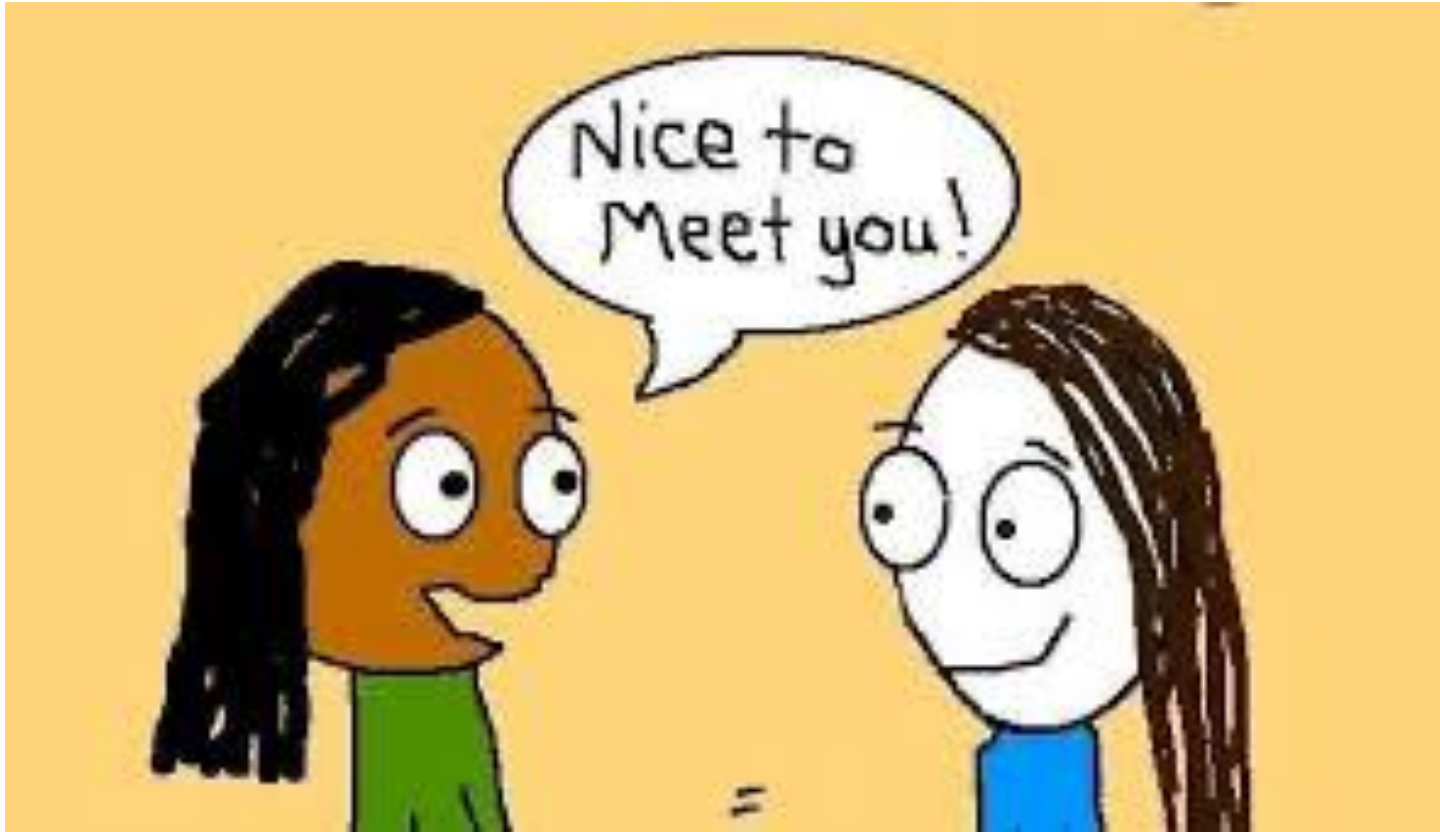
We Love Interaction

If you don't have a microphone or are having trouble with audio in Zoom, join via phone:

Phone: 646-876-9923

Meeting ID: 810 6676 8403

Passcode: 422407



Who is with us today?

Please share in the chat box:

- Your agency and role/title
- Your location
- Something you are looking forward to.

Agenda Session #2:

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

Examples of impermissible fees

Recipients and sub-recipients may not charge participants any fee other than rent or occupancy charges. May not charge:

- Program fees
- Air conditioning fees
- Lost key fees
- Legal fees
- Security deposits
- Damage fees
- Mandatory savings



Unallowable costs all Federal awards

Advertising and public relations

Alcoholic beverages

Bad debts

Contributions and donations

Entertainment costs

Fines, penalties, damages and other settlements

Fundraising and

investment management costs

Goods or services for personal use

Interest expenses

Lobbying

Losses on other awards and contracts

Taxes



Restrictions on Combining Funds

In a single structure or housing unit, the following assistance may not be combined (24 CFR 578.87(c))

- Leasing and acquisition, rehabilitation, or new construction
- Short- or medium-term rental assistance and acquisition, rehabilitation, or new construction
- Rental assistance and leasing
- Rental assistance and operations

Documenting Staff Time



Timesheets suffice for employees who work in a single project and a single budget line



For employees who work on more than one activity, direct and/or indirect, timesheets must be supported by personnel activity sheets



Time sheets must reconcile to activity logs (e.g., case notes for service staff, maintenance logs for operations staff)

Sample Rapid Rehousing Project (CT0123) - Personnel Activity Log

Staff Name	Staff Title	Activity Date	Eligible Activity	Brief Description	Hours
Jane Doe	Project Manager	3/10/19	Project Administration	Completion of Annual Performance Report	8
Jane Doe	Project Manager	3/15/19	Project Administration	Compliance review of participant charts	6
Jane Doe	Project Manager	3/18/19	Supportive Services	Supervision meeting with Case Manager	1
Jane Doe	Project Manager	3/18/19	Rental Assistance	HQS Inspection	1.5

By signing below, I hereby certify that the tasks described in this log have been completed.

Staff Signature:

Date:

Supervisor Signature:

Date:

Sample Personnel Activity Log

Poll

Can CoC recipients or subrecipients charge participants for a lost key?

Must staff who provide case management services and do Housing Quality Inspections track time by CoC Budget Line Item?

Must staff who work on two different CoC grants or a CoC grant and a non-CoC grant track time on a Personnel Activity Log?

ANSWERS

Poll

Can CoC recipients or subrecipients charge participants for a lost key? **NO**

Must staff who provide case management services and do Housing Quality Inspections track time by CoC Budget Line Item? **YES**

Must staff who work on two different CoC grants or a CoC grant and a non-CoC grant track time on a Personnel Activity Log? **YES**

Administrative Funding



Admin funding is a direct cost

Eligible Admin costs include:

- General management, oversight and coordination
- Costs required for administration of the program including rental/purchase of equipment, insurance, utilities, office supplies, rental and maintenance of office space
- Training on CoC requirements
- Environmental review
- Cannot exceed 10% of CoC grant

Eligible Costs – Project Administration



General management, oversight, and coordination:

- ✓ Preparing program budgets and schedules
- ✓ Developing compliance systems
- ✓ Monitoring compliance
- ✓ Developing agreements with subrecipients and contractors
- ✓ Preparing reports and documents for HUD
- ✓ Coordinating audit and monitoring findings resolution
- ✓ Evaluating the program against stated objectives
- ✓ Managing/supervising the functions above
- ✓ Third party contracts: Legal, accounting, and audit services
- ✓ Rental or purchase of equipment, insurance, utilities, office supplies, rental/maintenance of office space



YHDP Project Admin Special Activities

If approved by HUD, the following are eligible on YHDP Project Admin BLI – check your grant agreement:

- Project admin funds used to employ youth with lived experience for project implementation, execution, and improvement
- Project admin funds used to attend non-HUD sponsored or approved conferences (must be relevant to youth homelessness)



Sharing – Project Administration



- Recipients must share at least 50% of project administrative funds with its sub-recipients.

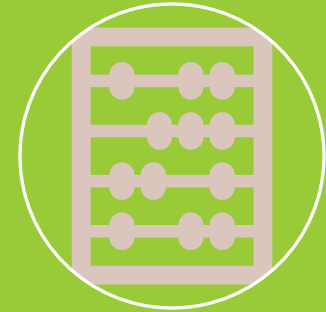
Administrative billing requires documentation



If billing for staff, must have time sheets or similar documentation to support charges



If also claiming indirect costs, must be certain that no costs charged to admin are also claimed as indirect



All expenses must be linked to eligible administrative activity





POLL

Supervision for case management staff is an eligible expense on which CoC Budget Line Item?

Supervision for Quality Assurance staff is an eligible expense on which CoC Budget Line Item?

True or False: Administrative costs can be billed as a percentage of the Total CoC Budget and do not require back up documentation?



ANSWERS:

POLL

Supervision for case management staff is an eligible expense on which CoC Budget Line Item?

Supportive Services

Supervision for Quality Assurance staff is an eligible expense on which CoC Budget Line Item?

Project Administration

True or False: Administrative costs can be billed as a percentage of the Total CoC Budget and do not require back up documentation?

False

Indirect Costs

Indirect Costs are expenses serving general needs of the organization & are difficult to precisely allocate to individual projects

- Examples: General Administration, Fiscal Services, Human Resources, Information Technology
- Each organization determines which costs will be billed as direct or indirect
- Once classified, expenses must be treated consistently – NO expense can be billed as both direct and indirect

All recipients and subrecipients may elect to claim indirect costs

- May either negotiate a rate (NICRA) or
- May claim the 15% de minimis indirect rate (increased effective 10/1/24)

Are Indirect and Administrative Costs Charged Differently?

Administrative costs are billed as direct costs - They must be billed based on actual costs incurred with backup for staff hours and benefits and reimbursable expenses

Indirect costs are billed based on a percentage of adjusted direct costs – once the rate is established (or the de minimis rate accepted) the costs can be billed without the necessity of backup documentation

15% De Minimis Rate

Recipients and Subrecipients may claim de minimis rate if:

- They do not currently have and have never had a NICRA.
- They will use the rate indefinitely and consistently for all Federal awards until they choose to negotiate a rate.

Modified Total Direct Costs (MTDC)



15% de minimis rate is not applied to the total CoC budget



Rather, it may be based only on Modified Total Direct Costs



For example, if the total budget is \$125,000 and MTDC is \$100,000, maximum allowable indirect costs are $\$100,000 * .15 = \$15,000$

Exclusions from MTDC

Equipment

Capital expenditures

Charges for patient care

Rental costs

Tuition reimbursement

Scholarships and fellowships

Participant support costs

Portion of each subaward and subcontract in excess of \$50,000 (increased effective 10/1/24)

Examples of CoC costs excluded from MTDC

Rental Assistance

- Short, medium, & long-term rental assistance
- Security deposits
- Property damages

Leasing

- Rent
- Utilities
- Security deposits

Supportive Services

- Childcare
- Moving costs
- Education, employment assistance
- Food
- Mental health, outpatient health, substance use treatment
- Utility deposits

Admin and Indirect

- You may claim indirect costs on allowable admin costs
- Because HUD has classified admin funds as direct costs, the 10% limit on admin funding does not apply to costs billed as indirect
- Any cost charged to the admin funding line must have back-up in terms of time sheets for salaried staff, invoices and allocation methodology for costs such as audits that are shared between programs
- Costs paid for by indirect fees do not require documentation
- Make certain that costs paid for with indirect funds are not also covered by direct costs

Using Indirect Costs in the CoC Program

Organizations must indicate at time of initial or renewal application to HUD intent to charge indirect costs

- With advance HUD approval, unrecovered indirect costs can be applied to matching funds requirement

If organization has a negotiated rate, a copy of the agreement must be attached to HUD application



Can Indirect Costs Help with Match?

2 CFR 200.306 “Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency.

Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate.”

Example of Indirect Cost Rate calculation

Grant Totals		Calculations for Indirect			Adjusted Budget		
Item	Total	Excluded	Included	Rate	Indirect cost	Adjusted direct	Total
Case managers	\$50,000	\$0	\$50,000	15%	\$7,500	\$42,500	\$50,000
Rental asstnce	\$85,000	\$85,000	\$0	15%	\$0	\$85,000	\$85,000
Subgrant, legal	\$75,000	\$25,000	\$50,000	15%	\$7,500	\$67,500	\$75,000
Admin Staff	\$15,000	\$0	\$15,000	15%	\$2,250	\$12,750	\$15,000
Total	\$225,000	\$110,000	\$115,000		\$17,250	\$207,750	\$225,000

Poll: Indirect Costs

Is each statement below correct or incorrect?

- Many costs can be charged as either direct or indirect – each recipient determines what, if any, costs will be billed as indirect
- Recipients claiming the 15% de minimis indirect rate are allowed to claim 15% of their total CoC budget as indirect costs
- Provided that a recipient has established controls to ensure that no cost is billed both as a direct and indirect, documentation of expenses is NOT required for costs billed to indirect
- To claim indirect costs on a CoC grant, a recipient must first inform HUD in the project application

Answers:

Poll: Indirect Costs

Is each statement below correct or incorrect?

- Many costs can be charged as either direct or indirect – each recipient determines what, if any, costs will be billed as indirect - **Correct**
- Recipients claiming the 15% de minimis indirect rate are allowed to claim 15% of their total CoC budget as indirect costs - **Incorrect**
- Provided that a recipient has established controls to ensure that no cost is billed both as a direct and indirect, documentation of expenses is NOT required for costs billed to indirect - **Correct**
- To claim indirect costs on a CoC grant, a recipient must first inform HUD in the project application - **Correct**

Single Audit Requirement

Agencies receiving a combined total of more than \$1Million in federal funds in a year must obtain a Single Audit (2 CFR 200.501)

- Selection of an auditor, required financial statements, audit findings follow-up are specified in 2 CFR 200.500
- Follow-up and corrective actions must be taken on all findings in a Corrective Action Plan
- Must be submitted to HUD within 9 months of end of audit period

Tracking Spending



CoC grantees are expected to fully expend HUD grants

- Renewal grants will be scored on the extent to which they have fully expended grants with points lost for under-expenditure

All project partners are responsible for closely monitoring spending on all CoC grants:

- Regularly assess expenditures against the amount available on each eligible budget line
- Increase spending to draw down funds or seek a contract amendment/modification to move funds to where they can be spent

E-LOCCS Drawdowns – Done by recipient

On-line secure system for drawing down contract funds

- Must submit HUD forms to be able to gain access to system
- Must create security questions and PIN

For new contracts drawdowns in e-snaps will trigger contract start date

Drawdowns must be at least quarterly – accounts are suspended if not accessed every 90 days

Funds must be obligated during the contract term and expended (for activities during the contract term) no later than 90 days after contract execution

Compensation and Gifts



Except for persons with lived experience, all CoC members serve without compensation



All CoC members are prohibited from soliciting or accepting gifts or gratuities while carrying out the business of the CoC in the hope or expectation of receiving a favor for their personal benefit.

5 Key Internal Controls

- Organizational structure – as documented by organizational charts and position descriptions
- Policies and procedures – including hiring policies
- Separation of duties – especially related to handling revenue and expenditures
- Secure recordkeeping system
- Regular reconciliation of budgets and records

Sanctions that HUD May Take

Suspending	Suspending payments
Continuing	Continuing the grant with a substitute grantee of HUD's choosing
Denying	Denying matching credit and requiring further match contributions
Requiring	Requiring grantee to reimburse the HUD line of credit
Reducing or terminating	Reducing or terminating the grant
Imposing	Imposing conditions on future grants & other legally available remedies



Poll – True or False

- We can reduce underspending by paying in advance for services from outside contractors.
- We have 120 days from the grant end date to draw down funds from eLOCCS.
- If I get locked out of eLOCCS, I will be able to draw down any unspent funds whenever HUD restores my access.



Answers: Poll – True or False

- We can reduce underspending by paying in advance for services from outside contractors. **False**
- We have 120 days from the grant end date to draw down funds from eLOCCS. **False**
- If I get locked out of eLOCCS, I will be able to draw down any unspent funds whenever HUD restores my access. **False**

Federal Requirements



- [CoC Program Interim Rule](#)
- [Uniform Administrative Requirements, Cost Principles, & Audit Requirements for Federal Awards](#)
- [HUD CoC Program Notices](#)
- [HUD CoC FAQs](#)
- [YHDP HUD Resources for Youth Service Providers](#)

CoC Monitoring Guide - No Surprises!

- Compiles requirements into one document
- Includes criteria used during monitoring
- Cites regulations, notices, and policies
- Includes links to resources



What adjustments will your team make to ensure alignment with fiscal requirements?

Please unmute or put responses in chat.





Final Questions & Suggestion?

THANK YOU FOR PARTICIPATING

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