



Match & Leverage

Technical Assistance Training Series
May 29, 2015



INTRODUCTIONS

Presenters:

Loren Seeger, Program Manager
Amanda Borta, Program Manager

You:

- Name
- Agency, Your Role/Title, Project Types
- What you hope to learn today



HOUSEKEEPING

- Training will be from 9:30am-11:30am
- Breaks
- Access to bathroom/keys
- Please be mindful of noise when entering/exiting room (close door)
- Questions



OBJECTIVES

Participants will review and understand...

- Match requirements as presented in the HEARTH Act
- How the match requirements apply to your projects
- Relationship between match & leverage
- Strategies for increasing match



WHY IS MATCH REQUIRED?

U.S. Department of Housing and Urban Development (HUD) homeless program funding is limited and can provide only a portion of the resources needed to successfully address the needs of homeless families and individuals. HUD requires applicants to use supplemental resources, including state and local appropriated funds, to address needs of households experiencing homelessness.



HUD MATCH REQUIREMENT

To meet the match requirement:

- Projects must match all grant funds, except for leasing funds, with no less than 25% of cash or in-kind contributions from other sources
- 25% percent match must be provided on a grant-by-grant basis
- Cash and In-kind match must be used for the costs or activities that are eligible under subpart D of the HEARTH Act
- In-kind services provided by a third party must have an established memorandum of understanding (MOU) between the project and the third party prior to contract execution
- During the term of the grant, the project must keep and make available, for inspection, records documenting the service hours provided

HEARTH Act Interim Rule, Subpart F, § 578.73



ADVANTAGES

- Provides access to a wider array of services for project participants
- Ensures the financial stability of the project and agency
- Evaluation Instrument- Max points (6) earned for 2:1 match
- Increased CoC Program Competition score



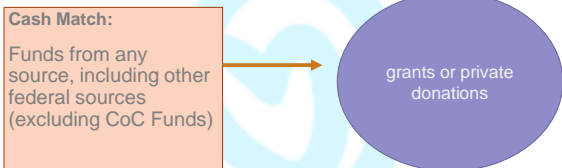
CALCULATING MATCH



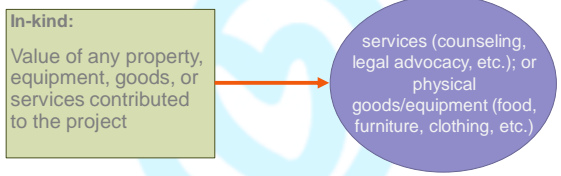
	Grant 1	Grant 2
Leasing	\$90,000	\$0
Services	\$10,000	\$100,000
Admin	\$7,000	\$7,000
Subtotal	\$107,000	\$107,000
25% Match (minus leasing)	\$4250	\$26,750



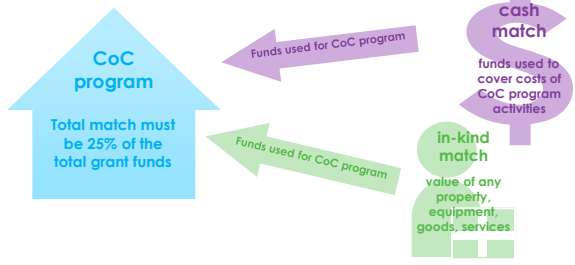
CASH MATCH



all Chicago® making homelessness history IN-KIND MATCH



all Chicago® making homelessness history CASH AND IN-KIND MATCH



all Chicago® making homelessness history ELIGIBLE SOURCES FOR MATCH

- o A recipient may use funds from any source, including any other federal sources (**excluding CoC Program funds**), as well as State, local, and private sources.
- o The funds must not be statutorily prohibited from being used as match.
- o The recipient must ensure that the rules governing the matching funds allow themselves to be used as match for the CoC Program.

What are the most common sources of match for your programs?

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- o Program Income (including rent and occupancy charges collected from participants)
- o Participant savings
- o Participant benefits paid directly to participant (TANF, SNAP, etc.)
- o Cash or in-kind services used as match for another grant
- o Funds statutorily prohibited to be used as match

all Chicago making homelessness history **ELIGIBLE COSTS FOR MATCH**

Eligible Costs	Program Components			
	Permanent Housing		TH	SSO
	PH: PSH	PH: RRH		
Acquisition	✓		✓	✓
Rehabilitation	✓		✓	✓
New Construction	✓		✓	
Leasing	✓		✓	✓
Rental Assistance	✓	✓	✓	
Supportive Services	✓	✓	✓	✓
Operating Costs	✓		✓	
Project Administration	✓	✓	✓	✓
HMIS	✓	✓	✓	✓

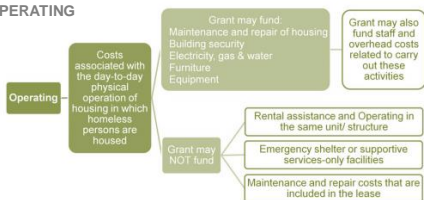
all Chicago making homelessness history **MATCH ELIGIBLE COSTS**

Match must be used for the costs that are eligible under subpart D of the HEARTH Act. Eligible costs include:

- Supportive Services** (must be necessary to obtain and maintain housing):
- Case Management
 - Child Care
 - Education Services
 - Employment Assistance & Job Training
 - Housing Search and Counseling Services
 - Legal Services
 - Life Skills Training
 - Mental Health Services
 - Outpatient Health Services
 - Outreach Services
 - Substance Abuse Treatment
 - Transportation
 - Utility Deposits

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OPERATING



Eligible Costs under PH: PSH or TH

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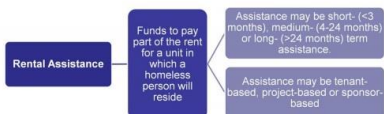
LEASING



Eligible Costs under PH: PSH, TH, and SSO

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RENTAL ASSISTANCE



Eligible Costs under PH and TH



MATCH: ELIGIBLE COSTS

Project Administrative Costs

Costs related to the planning and execution of project activities, which are not eligible costs under the other budget categories

Funds can be used to conduct:

- General management, oversight, and coordination
- Training on CoC requirements
- Environmental Review

Up to 10% of a budget category can be used as an indirect cost



IN-KIND MATCH REQUIREMENTS

- Services that will be provided by a third party must be documented by a Memorandum of Understanding (MOU) between the project and the third party before contract is executed
- Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the agency: rates must be consistent with those in the same labor market
- During the term of the grant, the project must keep and make available, for inspection, records documenting the service hours provided



IN-KIND MATCH MOU

The MOU must establish the unconditional commitment, except for selection to receive a grant, by the third party to provide the services and must include:

- Must be on agency letterhead of third party
- Name of the program and agency receiving services
- Name of the third party providing services
- Date resources will be available; time frame of services
- Specific service to be provided
- Profession of the persons providing the service
- Hourly cost of the service to be provided

all Chicago® COMMON MATCH MISTAKES
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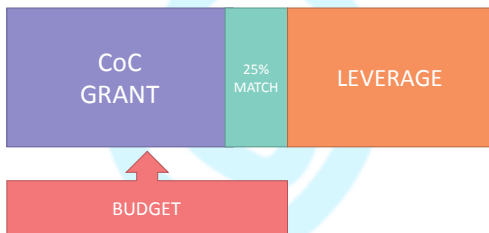
- o Matching less than required by the CoC funding spent
- o Not documenting match sources and uses through the grant period
- o Matching “both ways” with Federal funds
- o Using program income as match
- o Using same match for multiple projects

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Match Criteria (must meet all):

- Eligible project costs based on Subpart D of the HEARTH Interim Rule.
- CANNOT** be already paid for by HUD CoC funds
- Contributes directly to project and can be documented
- May **NOT** be used as match for any other project
- CANNOT** come from HUD CoC funds
- Must be used within the same contract year
- For in-kind, a MOU will be established by the time of contract execution

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WHAT IS LEVERAGE?

- Leverage includes all funds, resources, and/or services that the project can secure on behalf of the project *beyond the 25% required match*
- Leverage must be designated for use during the project's contact year
- Leverage cannot be listed as match in the application
- Leverage may be used even if the costs are not allowable in the CoC Program
- Program income and participant benefits cannot be counted as match or leverage.



MATCH VS. LEVERAGE

Match	Leverage
25% Required	No Limit – Continuum of Care Program Competition goal of 200%
Required by HUD to comply with grant	Required by CoC to remain locally competitive among peers
Must be spent within contract year for eligible activities <small>(Based on Supportive Housing Requirements)</small>	Leverage beyond required match can come from any source and are not required to be an eligible cost
Requires established MOU for third party services, before grant execution	
Must be documented in grant files; cannot exceed the number of persons proposed to be served by project	
Volunteer hours should be valued at \$10/hour, unless they are professional services	



DOCUMENTING MATCH

- Project must keep records of the source and use of match
- Records must indicate the grant and fiscal year for which each matching contribution is counted
- Records must show how the value placed on third party in-kind match was derived
- Documentation can be requested during site visit
- Volunteer services must be allocated using the same methods used for regular personnel costs

HUD may deny matching credit for all or part of the costs and require the agency to make further matching contributions to make up for the contribution determined to be ineligible.



DOCUMENTING MATCH

- o Cash Match
 - Written documentation (commitment letter)
 - On source agency letterhead, signed and dated by authorized representative
 - At a minimum includes:
 - Amount of cash to be provided to the project
 - Specific date cash will be made available
 - Specific grant and fiscal year to which the cash match applies
 - Time period during which the funding will be available
 - Allowable activities to be funded by the cash match
 - Expenditures will be checked with financial statements, general ledgers, or other financial documents. (e.g. staff time noted through timesheets.)



**Match Source
&
Documentation
Activity**



IMPACT

- o For 2014, it was one of the five factors on which continua were scored
- o All projects will be required to provide the anticipated match and leverage in the CoC Application
- o The CoC will only receive full points for this item in the Continuum of Care Program Competition if:
 - A. All projects identify match and leverage
 - B. Leverage meets or exceeds identified HUD goal (for 2014 it was 150%)



**DISCUSSION:
STRATEGIES AND CHALLENGES**

- o What are some of the strategies for increasing match and/or getting to 2:1 match/leverage level?
- o What are some of the challenges?



QUESTIONS?



Resources

HUD Exchange: <https://www.hudexchange.info/>

[HUD Match FAQs](#)

Or contact us at:

CoCPrograms@allchicago.org
