CoC Program Training

March 20 and 21, 2018

Today’s Agenda

1. Introductions
   Who we are, what we do, and additional information about available technical assistance

2. Morning Session
   CoC Program background and component types, eligible costs, match and leverage, and participant eligibility

3. Lunch
   Break for lunch

4. Afternoon Session
   Housing assistance and CoC grant management
Introductions

- Who We Are and What We Do
- Who You Are
- Technical Assistance

Who We Are and What We Do

George Martin, Matt Olsson, and Patrick Wigmore serve as HUD technical assistance providers for HomeBase, a San Francisco-based nonprofit public interest law firm dedicated to the social problem of homelessness.

We work at the federal, state, and local levels to support communities in implementing responses to homelessness while fostering collaboration in addressing the socioeconomic causes of homelessness.
Who’s in the Room?

• What’s your name?
• What organization are you with?
• What’s your role within your organization?
• What do you hope to learn more about today?

Other Technical Assistance Available

• HomeBase is available on an ongoing basis to provide individualized technical assistance to the Chicago CoC on any of the topics we discuss today (as well as on any other challenges that you face)

• For more information or technical assistance, please contact:
  • Patrick Wigmore: patrick@homebaseccc.org or (415) 788-7961 x328
  • Matt Olsson: matt@homebaseccc.org or (415) 788-7961 x314
  • George Martin: george@homebaseccc.org or (415) 788-7961 x340
Questions
Before We Start?

CoC Program Background
and Components

• Background on HUD Homeless Assistance
• CoC Program Components
Legislative and Regulatory History

1987: McKinney-Vento Homeless Assistance Act
- Federal emergency response to homelessness increases due to HUD cuts, deinstitutionalization, etc.

Early 1990s: Continuum of Care
- The “continuum of care” concept emerges

2009: HEARTH Act
- The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act passes, amending the McKinney-Vento Act

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Terminology

- Legacy Programs: Rolled into the CoC Program and no longer existent
  - Shelter Plus Care (S+C)
  - Supportive Housing Program (SHP)

- Recipient: An entity that receives the grant award and executes the grant agreement with HUD (formerly called the “grantee”)

- Subrecipient: An entity that receives a sub-grant from the recipient to carry out the operation of the project (formerly called the “sponsor”)
CoC Program Interim Rule

- The CoC Program Interim Rule is HUD’s attempt to provide greater substance to the skeleton efforts described in the authorizing HEARTH Act legislation.
- The Interim Rule was released on July 14, 2012, followed by a public comment period.
- The Interim Rule is in effect until finalized (through the release of a Final Rule), at which point, there could be additional changes made to the operation of the CoC Program.
- The Interim Rule clearly defines the CoC’s responsibilities and seeks to promote best practices that emerged following the passage of the HEARTH Act in 2009.
- As a result, the Interim Rule resulted in many changes to homeless assistance, at both the community- and program-level.

Program Components

Each CoC-funded project must fit within one of the following component types...
Program Components

Each CoC-funded project must fit within one of the following component types...

1. Permanent Housing: Permanent Supportive Housing (PSH)
   - **Description:** Long-term housing assistance, including supportive services, provided to assist homeless persons with a disability to live independently
   - **Disability Requirement:** Only individuals with disabilities, or families in which at least one adult or one child has a disability, qualify for PSH
   - **Lease:** Lease must be for a term of at least one year, renewable, and terminable only for cause
   - **Services:** Must connect residents to services that are necessary to assist participants in obtaining and maintaining housing, and promote the ability of tenants to live as independently as possible

2. Permanent Housing: Rapid Rehousing (RRH)
   - **Description:** Time-limited, tenant-based rental assistance along with supportive services
   - **Length of Assistance:** Rental assistance can be short- (up to 3 months) or medium-term (4-24 months)
   - **Lease:** Lease must be for a term of at least one year, renewable, and terminable only for cause (even if assistance is for less than one year)
   - **No Disability Requirement:** Participants are not required to have a disability
   - **Services:** Participants must have access to appropriate supportive services focused on helping them achieve long-term housing stability (can continue for up to 6 months following the end of rental assistance)
   - **Case Management:** Participants must meet with a case manager at least once per month
   - **Written Standards:** Projects must follow CoC-determined, community-wide written policies related to determining eligibility, prioritizing assistance, and calculating the amount of rent that each participant is required to contribute to rental costs
Program Components

Each CoC-funded project must fit within one of the following component types...

1. Permanent Housing: Permanent Supportive Housing (PSH)
2. Permanent Housing: Rapid Rehousing (RRH)
3. Transitional Housing (TH)
   - **Description**: Temporary housing, coupled with supportive services necessary to facilitate the participant’s attainment of permanent housing within 24 months
   - **Lease**: Participants must sign a lease, sublease, or occupancy agreement for a period of at least one month (must be automatically renewable upon expiration, with a maximum term of 24 months)
   - **Services**: Projects must provide access to supportive services for the entire time that participants remain in TH (and may continue for up to 6 months following exit)
   - **Description**: Combines two existing component types (TH and RRH) into one project (in essence, RRH is combined together with “bridge” housing in one project)
   - **Purpose**: Provides flexibility for providers in moving participants from the streets/shelter to permanent housing
Program Components

Each CoC-funded project must fit within one of the following component types...

1. Permanent Housing: Permanent Supportive Housing (PSH)
2. Permanent Housing: Rapid Rehousing (RRH)
3. Transitional Housing (TH)
5. Supportive Services Only (SSO)
   - Description: Provides supportive services to unsheltered or sheltered homeless persons for whom the recipient is not providing housing or housing assistance (most commonly, for the operation of the coordinated entry system)
   - Services: The CoC Interim Rule lists eligible services (see Eligible Costs section)
   - Design: May be site-based, scattered-site, or independent of a building location
6. Homeless Management Information System (HMIS)
   - Description: Only available to the HMIS Lead agency to cover items like operating, managing, and upgrading the CoC’s HMIS
Program Components

Each CoC-funded project must fit within one of the following component types...

1. PSH
2. RRH
3. TH
4. Joint TH-RRH
5. SSO
6. HMIS

And Two Other Component Types...

1. **Safe Haven**: Per HUD priorities, no new safe havens may be created.
2. **Homeless Prevention**: CoCs may only apply for CoC-funded homelessness prevention projects if the CoC is designated a “High-Performing Community” by HUD (to date, HUD has not granted that designation to any CoC in the country).

Questions on Background or Component Types?
CoC Eligible Costs

- Context for Cost Requirements
- Eligible Costs
- Program Income and Fees

Broader Context

All costs billed to a CoC grant must be...

1. **Reasonable**
   A cost is reasonable if it is necessary and directly related to the grant.
   
   To determine reasonableness, consider:
   - Whether the expenditure is ordinary and necessary
   - The cost of comparable goods and services
   - The benefit to program participants
Broader Context

All costs billed to a CoC grant must be...

1. Reasonable

2. Allowable
   An expense is allowable if it is:
   • An eligible cost within the CoC Program
   • Expenditure (directly or indirectly) for the benefit of an eligible CoC Program participant
   • In accordance with any limitations specified in the CoC grant agreement and the HUD-approved budget

3. Documented
   An expense is documented if it is supported by materials backing up the expenditure, including:
   • Voided checks
   • Paid bills
   • Certified payrolls
   • Time and attendance records
   • Etc.
### Broader Context

All costs billed to a CoC grant must be...

<table>
<thead>
<tr>
<th></th>
<th>Reasonable</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Allowable</td>
</tr>
<tr>
<td>3</td>
<td>Documented</td>
</tr>
<tr>
<td>4</td>
<td>Allocable</td>
</tr>
<tr>
<td>5</td>
<td>Reimbursable</td>
</tr>
</tbody>
</table>

**Allocable**

An expense is allocable to federal grants in two circumstances:

- Incurred directly for the purposes of a specific grant, contract, or program; or,
- Benefits a grant, contract, or program/other costs objectives, and can be distributed among objectives in reasonable proportion to the benefits received

**Note:** Costs may be charged on a direct or indirect basis. Indirect costs are those that benefit more than one program/activity and are not readily identifiable with a particular cost objective (e.g., utilities, maintenance, accounting expenses, etc.)

**Reimbursable**

An expense is reimbursable if it is made:

- In accordance with a HUD-approved budget and otherwise allowable
- Within an eligible timeframe (i.e., the grant term)
Broader Context

All costs billed to a CoC grant must be...

1. Reasonable
2. Allowable
3. Documented
4. Allocable
5. Reimbursable

Eligible Costs

- Eligible vs. Approved Costs
- Leasing, Rental Assistance, Operating, Supportive Services, HMIS, and Administrative Costs
Eligible vs. Approved Costs

Eligible Costs
The full universe of all costs included in the CoC Interim Rule

Approved Costs
The subset of costs included in the project’s HUD approved budget
- Projects can only expend CoC funding on approved costs only after completing a fully-executed grant agreement
- Certain budget changes must be executed through a grant amendment (see the Grant Management section)

Basics of Eligible Costs

<table>
<thead>
<tr>
<th>Eligible Costs*</th>
<th>PSH</th>
<th>RRH</th>
<th>TH</th>
<th>SSO</th>
<th>HMIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasing</td>
<td>✔</td>
<td></td>
<td>✔</td>
<td></td>
<td>✔</td>
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<tr>
<td>Rental Assistance</td>
<td>✔</td>
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<td></td>
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<tr>
<td>Supportive Services</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
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<tr>
<td>Operating</td>
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<tr>
<td>HMIS</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Administration</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

*Note: We do not include certain line items (Acquisition, Rehabilitation, and New Construction) or component types (planning grants, safe havens, or homeless prevention) in this chart.
Eligible Costs: Leasing Costs

- Leasing funds may be used to lease structures or individuals units to provide housing or supportive services
- May be used to cover up to 100% of the cost of leasing the unit(s) or structure(s)
- May not be used to lease units or structures owned by the recipient, subrecipient, or any related organization

Other Uses of Leasing Funds

In addition to paying rent, leasing funds can be used for:

- Security deposits (up to two months)
- First/last month’s rent (up to one month of each, allowed as advance payment)
- Costs associated with conducting Housing Quality Standards (HQS) inspections
- Payments on unoccupied units while identifying a new program participant
- Costs associated with carrying out leasing activities, including processing lease payments, calculating program participant income and occupancy charges, making rent reasonableness determinations, inspecting units, and collecting/processing occupancy fee payments

*Note: Must still be able to fulfill the obligations of the grant (e.g., number of clients/units assisted)

Characteristics: Leasing Costs

- The project must lease the unit directly from the property owner or landlord (i.e., the recipient or subrecipient must be the entity that signs the lease) and, then, the project subleases the unit to the participant
- The project can, but does not have to, charge the client rent/occupancy charges
  - If the project charges occupancy charges: The maximum amount is capped per HUD’s rental calculation formula
  - The program is responsible for 100% of the lease to the landlord, even if the participant does not pay their portion of the rent in a given month
- The cost of the unit may be no higher than the lower of either Fair Market Rent (FMR) or reasonable rent (see Housing Assistance section)
- Leasing budgets are historical (with only some relatively minor adjustments from year-to-year), so program leasing budgets may be less than the FMR x the number of units x 12 months
Eligible Costs: Rental Assistance Costs

- Rental assistance funds may be used to pay part of the rent for a unit in which a program participant will reside.
- Assistance may be short-term (less than 3 months), medium-term (4-24 months), or long-term (more than 24 months).
- In very limited circumstances, may be used in units or structures owned by the recipient or subrecipient.
- Rental assistance cannot be combined with operating costs.

Other Uses of Rental Assistance Funds

In addition to paying rent, rental assistance funds can be used for:

- Security deposits (up to two months).
- Up to one month of first and/or last month’s rent (allowed as advance payment).
- Up to one month of rent for damages to property.
- Up to 30 days of vacancy payments following the end of the month in which the unit is vacated.

Note: Must still be able to fulfill the obligations of the grant (e.g., number of clients/units assisted).

Characteristics: Rental Assistance Costs

- The tenant holds the lease directly with the property owner (the project can enter into a written agreement with the property owner for the payment of rental assistance, if it so desires).
- The tenant should pay rent directly to the property owner in an amount determined through HUD’s rental calculation formula (except in RRH, where the project must follow the CoC’s Written Standards of assistance).
- Rental assistance payment amounts are the difference between the total rent and the amount paid by the client.
- The cost of a unit may be higher than Fair Market Rent (FMR), so long as the rent is reasonable (see Housing Assistance section).
- Rental assistance budgets are adjusted annually so that the total amount equals the FMR x the number of units (taking into account the size of the units) x 12 months.
Eligible Costs: Operating Costs

- Operating funds may be used to pay costs associated with the day-to-day physical operation of a facility in which homeless persons are housed.

- Operating funds may be used for:
  - Maintenance and repair of housing
  - Building security for a housing program (where >50% of the units or building area is paid for with grant funds)
  - Utilities, including: electricity, gas, heating oil or other heating/cooling costs, and water
  - Furniture (must be retained for use by the housing program)
  - Equipment
  - Staff time and related overhead costs of carrying out operating activities

Common Mistakes: Operating Costs

Keep in mind that operating funds may not be used for:

- Operating costs of emergency shelters and supportive services only facilities
- Maintenance and repair of housing where those costs are included in the lease
- A structure or unit also subsidized by rental assistance funds
- Food
Eligible Costs: Supportive Services Costs

Supportive services funds may be used to pay for services to assist homeless persons transition from homelessness to permanent housing, including the costs of labor (salary and benefits) and supplies/materials directly related to providing the services.

- Supportive services funds may only be used for the eligible costs listed in the CoC Interim Rule:
  - Assessing service needs
  - Moving costs
  - Case management
  - Child care
  - Education services
  - Employment assistance and job training
  - Food
  - Housing search and counseling services
  - Legal services
  - Life skills training
  - Mental health services
  - Outpatient health services
  - Outreach services
  - Substance abuse treatment services
  - Transportation
  - Utility Deposits

Eligible Costs: HMIS Costs

All projects may include an HMIS line item that may be used to pay costs associated with HMIS data collection — in addition, certain HMIS costs are only available to the HMIS Lead for the CoC, which is funded under the HMIS component.

<table>
<thead>
<tr>
<th>HMIS Line Item (All Projects)</th>
<th>HMIS Component (HMIS Lead Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMIS funds may be used for:</td>
<td>The HMIS lead can use HMIS funds for:</td>
</tr>
<tr>
<td>• Purchasing/leasing hardware or software licenses</td>
<td>• Leasing/operating the HMIS facility</td>
</tr>
<tr>
<td>• Leasing office space or utilities for HMIS activities</td>
<td>• Hosting and maintaining HMIS software and data</td>
</tr>
<tr>
<td>• Salaries, operating costs, and duties as required to operate an HMIS</td>
<td>• Backing up, recovering, and/or repairing HMIS software or data</td>
</tr>
<tr>
<td>• HMIS trainings</td>
<td>• Upgrading, customizing, and/or enhancing the HMIS</td>
</tr>
<tr>
<td>• HMIS reporting to the CoC</td>
<td>• Integrating and warehousing data</td>
</tr>
<tr>
<td></td>
<td>• Administering the system</td>
</tr>
<tr>
<td></td>
<td>• Reporting (providers, CoC, and HUD)</td>
</tr>
<tr>
<td></td>
<td>• Conducting HMIS training (incl. travel)</td>
</tr>
</tbody>
</table>
Eligible Costs: Administrative Costs

- Projects may receive administrative funds worth an additional 10% of the total grant (not including administrative costs), which are awarded to conduct:
  - General management, oversight, and coordination
    - Salaries, wages, and related costs of recipient’s staff, staff of subrecipients, or other staff engaged in project administration
    - Travel costs incurred for monitoring subrecipients
    - Administrative services performed under third-party contracts or agreements (general legal services, accounting services, or audit services)
    - Other costs for goods and services required for administration of projects (rental or purchase of equipment, insurance, utilities, office supplies, rental and maintenance – not purchase – of office space)
  - Costs of providing training on CoC requirements and attending HUD-sponsored CoC trainings
  - Environmental review

General Billing Practices

Staff and overhead costs related to carrying out each eligible activity are eligible as part of that activity’s line item:

- Staff time should be billed to the eligible activity, not to project administration
- Note that the project still must meet the obligations of the grant (i.e., number of clients/units assisted)
Questions on Eligible Costs?

Program Income and Fees

- Program Income
- Calculating Rent and Occupancy Fees
- Program Fees
Program Income

- Program income is income received by the recipient or subrecipient that is directly generated by a grant-supported activity.

- Rent or occupancy charges are considered program income.
  - Rental assistance projects must charge rent.
  - Leasing projects may impose occupancy charges.

- Funds obtained through rent or occupancy charges must be:
  - Retained by the recipient or subrecipient.
  - Committed to the project.
  - Used to cover eligible CoC costs for the particular component type.

- Recent change: Rent and occupancy charges can be used as match.

Calculating Rent and Occupancy Charges

- Rental assistance projects must charge rent according to HUD’s rental calculation process, the sum total of which may equal no more than the highest of:
  - 30% of the family's adjusted monthly income;
  - 10% of the family's gross monthly income; or,
  - The portion of the family’s welfare assistance designated for payment of rent.

- Leasing projects may impose occupancy charges, but if they do they must follow these guidelines:
  - All participants must be treated the same.
  - The process for determining the amount must be clear and universal.
  - Specific calculation procedures must be in place in order to prevent overcharging.
Program Fees

Program fees are any charges imposed by the recipient or subrecipient other than rent or an occupancy charge, such as:

- Laundry or cleaning services
- Child care
- Transportation
- Case management

Recipients and subrecipients are categorically prohibited from charging program fees; no fees may be imposed except for rent or occupancy charges.

Questions on Program Income and Fees?
Match and Leverage

- Match
- Leverage

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Overview

<table>
<thead>
<tr>
<th>Match</th>
<th>Leverage</th>
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<tbody>
<tr>
<td>• The HEARTH Act (enacted in 2009) allows for a new, simplified match requirement</td>
<td>• The annual CoC Program Competition outlines basic leverage requirements</td>
</tr>
<tr>
<td>• The recipient or subrecipient of each CoC Program grant must now match 25% of all grants funds (except leasing) with cash or in-kind contributions from other sources, on a grant-by-grant basis</td>
<td>• In recent years, the CoC as a whole has been expected to leverage no less than 150% of total CoC-wide grant funds, in excess of the match requirement</td>
</tr>
<tr>
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<td>• This obligation is often imposed on individual grants by the CoC to ensure the CoC meets its goal</td>
</tr>
</tbody>
</table>
Match

- Definition
- Amounts and Calculation
- Documentation and Recordkeeping

Definition of Match

To meet the **match requirement**, each recipient or subrecipient must:

- Match **all** grant funds (except leasing funds)
- With **no less than 25%** of that funding
- In the form of **cash or in-kind contributions/services**
- On a **grant-by-grant basis**
- To be used on **eligible costs** of the project (as defined under Subpart D of the HEARTH Act)
Amount of Match

While the amount of match required is no less than 25% of the overall grant, overmatching should be avoided:

- Committing more than 25% of the grant does not increase competitiveness in the annual CoC Program competition
- Committing match is a contractual commitment and limits the use of the funding to eligible activities under the CoC Program (leveraged funds have less restrictive use requirements)

Calculating Match: Example

<table>
<thead>
<tr>
<th></th>
<th>Project A</th>
<th>Project B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasing</td>
<td>---</td>
<td>$90,000</td>
</tr>
<tr>
<td>Rental Assistance</td>
<td>$20,000</td>
<td>---</td>
</tr>
<tr>
<td>Supportive Services</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Administration</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Subtotal (for Match)</td>
<td>?</td>
<td>?</td>
</tr>
<tr>
<td>25% Match</td>
<td>?</td>
<td>?</td>
</tr>
</tbody>
</table>
Calculating Match: Solution

<table>
<thead>
<tr>
<th></th>
<th>Project A</th>
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<tr>
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</tr>
<tr>
<td>Administration</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Subtotal (for Match)</td>
<td>$110,000</td>
<td>$110,000-Leasing= $20,000</td>
</tr>
<tr>
<td>25% Match</td>
<td>$27,500</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

Sources of Match

**Eligible Sources**

- A recipient or subrecipient may use funds from any source, including any other federal sources (except for CoC Program funds), as well as funding from State, local, and/or private sources.
- The funds must not be statutorily prohibited from being used as match (the recipient or subrecipient must ensure that the rules governing use of the funds source allow the funding to be used as match for the CoC Program).

**Ineligible Sources**

- Resources already used as match for another grant (“double-dipping”)
- Program participant resources (e.g., savings)
- CoC Program funds
- Funding sources that are prohibited from being used as match for the CoC Program
In-Kind Match

- A recipient or subrecipient may use the value of any of the following that are contributed to the project as match, provided that the costs would’ve been eligible under Subpart D of the HEARTH Act had the recipient or subrecipient had to pay for them with grant funds:
  - Real property
  - Equipment
  - Goods
  - Services (time, expertise, etc.)

- Note: In-kind match has special documentation requirements (discussed later)

Eligible Uses of Match

- Match must be used for eligible costs under Subpart D of the HEARTH Act for the specific project (i.e., component type), which may include many combinations of:
  - Leasing
  - Rental assistance
  - Operating expenses
  - Supportive services
  - HMIS costs
  - Administrative costs
  - Acquisition, rehabilitation, and new construction

- Match does not have to be an approved cost for the project

- Match must be used to support CoC program participants
Reminder: Eligible vs. Approved Costs

- Eligible costs are costs specified in the CoC Program Interim Rule
  - Certain component types have limitations on which costs are eligible (e.g., rental assistance projects are not eligible for operating costs)
- Approved costs are the subset included in the project's HUD-approved budget
- Match does not have to be used for approved costs, just for eligible costs

Changes Under the CoC Program

- Contrary to pre-HEARTH requirements, match in the CoC Program is grant-wide (except for funding in the leasing line item)
- Match does not need to be made for each budget line item (although that may be easiest for tracking purposes, especially with staff time)
  - Example: If a grant has enough eligible administrative costs paid for by eligible sources of match equaling 25% of the grant award, the match for the grant could be all in the form of administrative costs
- Program income, in the form of rent or occupancy charges, is now an eligible source of match
Documenting Match

All match must be documented, with cash match and in-kind match having separate requirements:

- Cash match requires a written commitment
- In-kind match requires a Memorandum of Understanding (MOU)

Content Requirements

Cash match and some in-kind match requires a written commitment that may consist of a signed letter, memorandum of understanding, or other documented evidence of a commitment.

Written commitments must:

- Be documented on the source agency’s letterhead stationary and addressed to the project applicant or subrecipient;
- Be signed and dated by an authorized representative (with his/her name and title clearly stated); and,
- Contain (at a minimum):
  - The name of the project and the organization to which the contribution will be given;
  - The name of the organization providing the contribution;
  - The type and use of contribution (e.g., cash, child care, case management);
  - The value of the contribution (either (1) cash amount or (2) description/value of in-kind AND methodology to determine value of match); and,
  - The date or time period that the contribution will be available (which should match the grant’s operating year) and the fiscal year to which it will be contributed.
Documenting In-Kind Match

Content Requirements

A Memorandum of Understanding (MOU) between the recipient or subrecipient and a third party must:

- Contain (at a minimum):
  - The unconditional commitment (except for selection to receive a grant);
  - The name of the project and the organization to which the contribution will be given;
  - The name of the organization providing the contribution;
  - The date or time period that the services will be available (which should match the grant’s operating year);
  - The specific service to be provided;
  - The profession of persons providing services;
  - The hourly cost of any services to be provided.

- Include a system to document the actual value of services provided during the grant term.
- Be signed and dated by an authorized representative of the match source (and his/her name and title are clearly stated).

Recordkeeping Requirements

Apart from documenting match prior to grant agreement:

- The recipient or subrecipient must keep records of the source and use of contributions made to satisfy the match requirement (e.g., a general ledger), including that match was expended on eligible costs.
- The records must indicate the grant and fiscal year for which each matching contribution is counted.
- The records must show how the value placed on third-party in-kind contributions was determined:
  - To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.
Common Match Mistakes

- Matching **less than the amount required** per the CoC funding expended
- Failing to **document match sources and uses** throughout the grant period
- Matching **“both ways”** with Federal funding

Is It Match?

Match must meet **all the following requirements**:

1. **For an Eligible Project Cost**
   - Be used for an eligible project cost (as defined for this project) based on Subpart D of the HEARTH Act
Is It Match?

Match must meet all the following requirements:

1. **For an Eligible Project Cost**
   - Be used for an eligible project cost (as defined for this project) based on Subpart D of the HEARTH Act

2. **For a Unique Purpose**
   - Cannot already be paid for by CoC Program funds

3. **Documented and For the Benefit of the CoC Project**
   - Contributed directly to the project and can be documented
Is It Match?

Match must meet all the following requirements:

1. **For an Eligible Project Cost**
   - Be used for an eligible project cost (as defined for this project) based on Subpart D of the HEARTH Act

2. **For a Unique Purpose**
   - Cannot already be paid for by CoC Program funds

3. **Documented and For the Benefit of the CoC Project**
   - Contributed directly to the project and can be documented

4. **No Double-Dipping**
   - Cannot be used as match for any other project

5. **Timeframe**
   - Will be used within the same grant year
Is It Match?

Match must meet all the following requirements:

1. **For an Eligible Project Cost**
   - Be used for an eligible project cost (as defined for this project) based on Subpart D of the HEARTH Act

2. **For a Unique Purpose**
   - Cannot already be paid for by CoC Program funds

3. **Documented and For the Benefit of the CoC Project**
   - Contributed directly to the project and can be documented

4. **No Double-Dipping**
   - Cannot be used as match for any other project

5. **Timeframe**
   - Will be used within the same grant year

6. **In-Kind Match: Memorandum of Understanding (MOU)**
   - For in-kind match, have an MOU established within the appropriate timeframe

Questions on Match?
Leverage

- Definition
- Amounts and Calculation
- Documentation and Recordkeeping

Definition of Leverage

Leverage is cash or in-kind contributions in excess of match (match does not count towards meeting leverage goals):

- The amount of leverage obtained increases the CoC’s score in the CoC Program Competition
- Leverage is calculated CoC-wide (as opposed to project-by-project like match) and there is no limit to the amount of leverage allowed
- In recent years, each CoC has been required to leverage 150% of its grant resources
- Leverage funds may be used for any CoC project-related costs, including those that are not eligible under the CoC Program
Eligible Uses of Leverage

Leverage may be used for any costs related to a CoC project, including:

<table>
<thead>
<tr>
<th>Contribution Type</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>Rent, utilities, client program income, donations, etc.</td>
</tr>
<tr>
<td>Buildings</td>
<td>Office space, storage space, property, leasing, etc.</td>
</tr>
<tr>
<td>Project Administration</td>
<td>Maintenance, insurance, furniture, project relocation fees, food, etc.</td>
</tr>
<tr>
<td>Equipment</td>
<td>Clothing, furniture, food, equipment, office supplies, internet, etc.</td>
</tr>
<tr>
<td>Services</td>
<td>Case management, addiction treatment, child care, health/medical care, employment training, etc.</td>
</tr>
<tr>
<td>Volunteer Time</td>
<td>Attendance at AA, NA, CA, DRA, Al-Anon, etc.; volunteers who help with gardening, children's groups, filing, meals, etc.</td>
</tr>
</tbody>
</table>

Ineligible Sources of Leverage

The following cannot be used as leverage:

- The value of client benefits (e.g., Medicaid)
- The value of commitments of land, buildings, or equipment if those have been used as leverage or match before, or if they previously or currently used as match or leverage by another project (one-time use only)
Leverage Documentation and Recordkeeping

- At application, leverage must be documented by a written commitment.
- The recipient or subrecipient must keep records of the source and use of contributions made to satisfy the leverage requirement (e.g., a general ledger).
- The records must indicate the grant and fiscal year for which each contribution is counted.
- The records must show how the value placed on third-party in-kind contributions was determined:
  - To the extent feasible, volunteer services must be supported by the same methods that the organization uses to support the allocation of regular personnel costs.

Questions on Leverage?
CoC Participant Eligibility

- Definition of “Homelessness”
- Definition of “Chronic Homelessness” (incl. “Disability”)
- Eligibility Documentation

Purpose and Importance

Why does eligibility documentation matter?

- **Reimbursement**: HUD will only reimburse projects for CoC funds spent on eligible persons and documentation must be collected to demonstrate eligibility.

- **Congressional Intent**: Congress appropriates funds for certain specifically-targeted populations and it incumbent upon projects (and on HUD) to verify that funding is spent as intended.

- **Data**: Information from eligibility documentation helps both your CoC’s local data collection efforts and HUD’s nationwide efforts, thus providing the foundation for future planning and decision-making.
Definitions

“Homelessness” and “chronic homelessness” are defined in two HUD regulations:

**“Homeless” Definition Final Rule**
Integrates the definition of “homelessness” for the CoC and ESG Programs
(effective January 4, 2012)
https://www.hudexchange.info/resource/1928/definition-homeless-final-rule/

**“Chronic Homeless” Definition Final Rule**
Establishes the definition of “chronic homelessness” for the CoC Program
(effective January 15, 2016)
https://www.hudexchange.info/resource/4847/definition-chronically-homeless-final-rule/

Eligibility and Documentation

Eligibility and documentation requirements are found in three sources (all three must be reviewed to identify the requirements imposed on your project):

**Definition Final Rules**
The “Homeless” and “Chronic Homeless” Definition Final Rules include the necessary recordkeeping requirements for programs to document eligibility

**CoC Interim Rule**
For CoC-funded programs, basic eligibility requirements are included in the CoC Interim Rule
https://www.hudexchange.info/resource/2035/coc-program-interim-rule-formatted-version/

**Notice of Funding Availability (NOFA)**
Additional (more restrictive) eligibility requirements are typically imposed by the NOFA under which the individual project was originally funded
Key Concepts

When documenting homeless status for the purpose of eligibility, keep in mind that:

Homeless Status

There are four main categories of homelessness (in addition to chronic homelessness) under which a person may be considered eligible for CoC-funded projects.

Key Concepts

When documenting homeless status for the purpose of eligibility, keep in mind that:

Homeless Status

Documentation Requirements

Each category of homelessness has its own specific documentation requirements (i.e., type(s) of information that must be documented to establish eligibility).
Key Concepts

When documenting homeless status for the purpose of eligibility, keep in mind that:

- Where available, **third-party documentation** is always the preferred method of documenting homeless status.

### Order of Priority

**Strength of Documentation**

- **First-Party**
  - Written certification by the individual or head of household seeking assistance

- **Second-Party**
  - Written physical observations by intake workers based on professional judgment

- **Third-Party**
  - HMIS (or comparable database) record(s)
  - Written referral by another housing or service provider (incl. law enforcement, healthcare, education, or other professionals) – only for specific instances client was encountered
  - Written observations by frontline staff or outreach workers
  - Written physical observation by community members (intake workers must use professional judgment to determine if the source is reliable) – only for specific instances client was encountered
  - Written certification by a housing or service provider in their professional capacity

**Limitations:**
- Always document due diligence in attempting to obtain third-party documentation
- Must include specific locations and/or time periods

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**Homeless Status**

**Documentation Requirements**

**Order of Priority**
Categories of Homelessness

1. Category 1: Literally Homeless
2. Category 2: Imminent Risk of Homelessness
3. Category 3: Homeless Under Other Federal Statutes
4. Category 4: Fleeing/Attempting to Flee Domestic Violence
5. Other: Chronic Homelessness

Category 1: Literally Homeless

- Definition
- Eligibility Documentation Requirements
Definition

Category 1: Literally Homeless

An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- **Place Not Meant for Human Habitation**: An individual or family with a primary nighttime residence that is a public or private place not designed or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; or,

- **Temporary Shelter**: An individual or family living in a supervised publicly or privately operated shelter designed to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or,

- **Institutions**: An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering the institution.

Documentation Requirements

Appropriate documentation for Category 1 homelessness depends upon which subcategory of literal homelessness the client is experiencing:

**Option 1: Place Not Meant for Human Habitation**

An individual or family with a primary nighttime residence that is a public or private place not designed or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.

**Documentation**

One of the following:

- HMIS record of street outreach contacts
- Written referral by street outreach provider
- Written observation of an outreach worker of the living conditions
- Written observation by a community member of the living conditions
- Written observation by staff of the living conditions and explanation of attempts to secure third-party documentation
- Certification by the individual or head of household seeking assistance and explanation of attempts to secure third-party documentation
Documentation Requirements

Appropriate documentation for Category 1 homelessness depends upon which subcategory of literal homelessness the client is experiencing:

**Option 2: Temporary Shelter**

An individual or family living in a supervised publicly or privately operated shelter designed to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals)

**Documentation**

One of the following:

- HMIS record of stay
- Written referral from another housing or service provider
- Certification by staff and explanation of attempts to secure third-party documentation
- Certification by the individual or head of household seeking assistance and explanation of attempts to secure third-party documentation

**Option 3: Institutions**

An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering the institution

**Documentation**

One of the following:

- HMIS record of shelter stay or street outreach contacts
- Written referral from another housing or service provider
- Certification by an outreach worker or emergency shelter staff
- Certification by staff and description of attempts to secure third-party documentation
- Certification by the individual/head of household and description of attempts to secure third-party documentation

Plus one of the following:

- Discharge paperwork from the institution (including dates)
- Referral from social worker, case manager, or other official (including dates)
- If not obtainable, a written record of intake worker’s due diligence plus a certification by the individual seeking assistance that states they are exiting or have just exited an institution where they resided for 90 days or fewer
Questions on Category 1 Homelessness?

Category 2: Imminent Risk of Homelessness

- Definition
- Eligibility Documentation Requirements
Definition

**Category 2: Imminent Risk of Homelessness**

An individual or family who will imminently lose their primary nighttime residence, provided that:

- **Residence Lost Within 14 Days**: The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
- **No Subsequent Residence**: No subsequent residence has been identified; and,
- **Lack of Resources or Support Networks**: The individual or family lacks the resources or support networks (e.g., family, friends, faith-based, or other social networks) needed to obtain other permanent housing.

Documentation Requirements

Appropriate documentation for Category 2 homelessness requires the project to document each of the three components of the definition separately:

**Element 1: Residence Lost Within 14 Days**

The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance.

**Documentation**

One of the following:

- Evidence that the household will be evicted by Court Order or similar state action within 14 days of the application date
- Evidence that the household will be unable to pay for additional nights within 14 days of the application date (for households whose primary nighttime residence is a hotel or motel)
- Oral statement by household member that the landlord will not let them stay – intake worker must record the statement and certify credibility by:
  - Verifying with the landlord and documenting in writing or by recording the landlord's oral statement; or,
  - If unable to contact the landlord, documenting due diligence to obtain verification and obtaining written certification by the household that the statement was true and complete.
Documentation Requirements

Appropriate documentation for Category 2 homelessness requires the project to document each of the three components of the definition separately:

**Element 2: No Subsequent Residence**
- No subsequent residence has been identified
  - Certification by the individual or head of household that no subsequent residence has been identified

**Element 3: Lack of Resources or Support Networks**
- The individual or family lacks the resources or support networks (e.g., family, friends, faith-based, or other social networks) needed to obtain other permanent housing
  - Certification by the individual or head of household or other written documentation that the household lacks the resources and support networks necessary to obtain other permanent housing

Questions on Category 2 Homelessness?
Category 3: Homeless Under Other Federal Statutes

- Definition
- Eligibility Documentation Requirements

Definition

Category 3: Homeless Under Other Federal Statutes

Note: CoCs may only serve people experiencing homelessness under Category 3 only if approved to do so by HUD. HUD has not granted approval to any CoC.

Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

- **Homeless Under Other Statutes:** Are defined as homeless under §387 of the Runaway and Homeless Youth Act, §41403 of the Violence Against Women Act of 1994, §330(h) of the Public Health Service Act, §3 of the Food and Nutrition Act of 2008, §17(b) of the Child Nutrition Act of 1966, or §725 of the McKinney-Vento Homeless Assistance Act;

- **No Permanent Housing:** Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

- **Persistent Instability:** Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

- **Continuing Duration:** Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical or mental health conditions; substance addiction; histories of domestic violence or childhood abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high school degree or GED, illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.
Questions on Category 3 Homelessness?

Category 4: Fleeing/Attempting to Flee Domestic Violence

- Definition
- Eligibility Documentation Requirements
## Definition

### Category 4: Fleeing/Attempting to Flee Domestic Violence

An individual or family who:

- Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual’s or family’s primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- Has no other residence; and
- Lacks the resources or support networks (e.g., family, friends, and faith-based or other social networks) to obtain other permanent housing.

## Documentation Requirements

Appropriate documentation for Category 4 homelessness requires the project to document each of the three components of the definition:

<table>
<thead>
<tr>
<th>Elements</th>
<th>Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>An individual or family who:</td>
<td>Self-certification that the client is fleeing domestic violence (including each of the various types), that no subsequent residence has been identified, and that they lack the resources or support networks necessary to obtain new permanent housing.</td>
</tr>
<tr>
<td>• Is fleeing, or is attempting to flee, domestic violence;</td>
<td>If not a victim service provider and safety would not be jeopardized, the oral statement must be documented by:</td>
</tr>
<tr>
<td>• Has no other residence;</td>
<td>• Written observation by the intake worker verifying the condition client is fleeing; or</td>
</tr>
<tr>
<td>• Lacks the resources or support networks to obtain other permanent housing</td>
<td>• Written referral from an organization from whom the individual or head of household has sought assistance.</td>
</tr>
</tbody>
</table>
Questions on Category 4 Homelessness?

Other: Chronic Homelessness

- Definition
- Eligibility Documentation Requirements
Definition

Other: Chronic Homelessness

A homeless individual:
- **Current Living Situation:** Currently living in a place not meant for human habitation, safe haven, or emergency shelter;
- **Disability Status:** With a disability; and
- **Duration of Homelessness:** Has been homeless on the streets or in shelter either:
  - Continuously for at least 12 months; or,
  - On at least 4 separate occasions in the last 3 years, so long as the combined occasions equal at least 12 months

“Chronically homeless” also includes:
- **Institutional Care:** Persons who have been residing in an institutional care facility (e.g., jail, substance abuse or mental health treatment facility, hospital, or other similar facility) for fewer than 90 days who met all the necessary criteria above prior to entering that facility; or
- **Families:** Families with an adult head household or, if there is no adult in the family, a minor head of household who meets all the necessary criteria above.

Further Definition

Families

**Head of Household:** Families may determine which individual is the head of household if:
- There are multiple adults in the household; or
- There are multiple minors in the household and no adults

**Equal Access Rule:** Per HUD’s Equal Access Rule, chronically homeless families include:
- Any group of persons presenting for assistance together who identify as a family;
- Where the head of household meets all the necessary criteria for chronic homeless status;
- Regardless of marital status, actual or perceived sexual orientation, or gender identity;
- With or without children;
- Irrespective of age or relationship;
- Including children who are temporarily in foster care.
Documentation Requirements

Appropriate documentation of chronic homelessness requires the project to document current homeless status, disability, and history of homelessness:

**Element 1: Current Homeless Status**

The individual or head of household resides in a place not meant for human habitation, a safe haven, or emergency shelter.

**Documentation**

One of the following:

- HMIS (or comparable database) record(s)
- Written referral by another housing or service provider
- Written physical observations of where the individual was or is currently living by staff and written record of reasonable efforts to obtain HMIS record or written referral
- Certification by the individual or head of household seeking assistance and written record of reasonable efforts to obtain HMIS record or written referral

Further Definition

**Disability**

The individual or head of household:

- With a disability that:
  - Is expected to be of long-continuing or indefinite duration;
  - Substantially impedes the individual's ability to live independently;
  - Could be improved by the provision of more suitable housing conditions; and,
  - Is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post traumatic stress disorder, or brain injury;

- With a developmental disability; or,

- With HIV/AIDS
Documentation Requirements

Appropriate documentation of chronic homelessness requires the project to document current homeless status, history of homelessness, and disability:

**Element 2: Disability**

The individual or head of household:
• With a disability that:
  • Is expected to be of long-continuing/indefinite duration;
  • Substantially impedes the individual’s ability to live independently;
  • Could be improved by the provision of more suitable housing conditions; and,
  • Is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post traumatic stress disorder, or brain injury;
• With a developmental disability; or
• With HIV/AIDS

One of the following:
• Written verification from a professional licensed by the state to diagnose/treat the disability, including:
  • A diagnosis of a disabling condition, with a certification that the disability is expected to be of long-continuing or indefinite duration and substantially impedes the individual’s ability to live independently
  • A diagnosis of a developmental disability (as defined in the CoC Interim Rule);
  • A diagnosis of HIV/AIDS
• Written verification from the Social Security Administration
• Receipt of a federal disability check (e.g., SSDI or Veteran Disability Compensation)
• Intake staff-recorded observation of a disability that, no later than 45 days from the application for assistance, is confirmed and accompanied by at least one other acceptable piece of evidence
• Other documentation approved by HUD

Further Definition

History of Homelessness

To be considered chronically homeless, an individual or head of household must experience either:

• One continuous year of homelessness; or,
• 4 or more occasions of homelessness over a period of 3 years, the cumulative total of which must equal at least 12 months

Occasion of Homelessness

A period of time separated from another instance of homelessness by a break of 7 or more consecutive nights in a non-qualifying location (e.g., staying with friends or family, a hotel room paid for by the individual or family, transitional housing, etc.)

Effect of Institutions

A stay in an institutional care facility does not constitute a break in homelessness if:
• The stay was fewer than 90 days; and,
• The client was homeless and living in a place not meant for human habitation, safe haven, or emergency shelter immediately prior to entry.
**Documentation Requirements**

Appropriate documentation of chronic homelessness requires the project to document disability, current homeless status, and history of homelessness:

**Element 3: History of Homelessness**

To be considered chronically homeless, an individual or head of household must experience either:

- One continuous year of homelessness; or,
- 4 or more occasions of homelessness over a period of 3 years, the cumulative total of which must equal at least 12 months

**Documentation**

Using a combination of evidence, must document each occasion and break in homelessness with at least one of the following:

- HMIS (or comparable database) record(s)
- Written referral by another housing or service provider
- Written physical observation by community member of conditions where the household is living
- Written physical observation by staff of conditions where the household is living or certification by staff of encounter with client prior to intake
- Last Resort (Second-Party): Written certification of staff based on professional judgment at intake and written record of reasonable efforts to obtain HMIS record and written referral
- Last Resort (First-Party): Certification of individual or head of household seeking assistance providing specific months residing in place not meant for human habitation, emergency shelter, or safe haven and written record of reasonable efforts to obtain HMIS record and written referral

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**Documenting Length of Time Homeless**

- **One Day = One Month**: If you have third-party documentation of homelessness on one day of a month, then you can consider the individual homeless for the entire month

  - **Example**: If you have third-party documentation that the client was homeless on the night of January 5th, then you can count that as evidence of homelessness for the full month of January

- **Exception**: Where there is evidence that the individual spent at least 7 consecutive nights in any place other than a place not meant for human habitation, an emergency shelter, or safe haven, then you cannot count a single night homeless as an entire month

  - **Example**: If you have third-party documentation that the client was homeless on the night of January 5th and an HMIS record that the client was stayed with family from January 6th to January 14th, then you cannot count that as evidence of homelessness for the full month of January. (you would need new evidence of homelessness for the night of January 15th)
Documenting Breaks in Homelessness

- **Documentation:** Each break in homelessness of 7 or more consecutive nights between occasions of homelessness must be documented using at least one of the following:
  - HMIS (or comparable database) record(s)
  - A written referral by another housing or service provider
  - Written observation(s) by an outreach worker of the conditions in which the individual was living
  - Where the foregoing cannot be obtained, the certification of the individual seeking assistance

- **Self-Certification:** Breaks in homelessness may be documented entirely based on self-reporting by the individual seeking assistance (it makes sense to focus more on documenting homelessness than breaks, but be cautious about self-reports when you know corroborating third-party evidence of breaks exists and can be obtained)

Limits of Non-Third-Party Documentation

- **Amount of Self-Certification:** For most chronically homeless clients, no more than 3 months of homelessness may be documented using either second- or first-party documentation (i.e., self-certification and intake worker observation). There are a few exceptions, however:
  - Up to 25% of chronically homeless individuals and families in a project during an operating year can be documented for up to the full 12 months using second- or first-party documentation
  - The limitation does not apply to breaks in homelessness, which can be documented entirely based on self-certification

- **Temporary Self-Certification:** Recipients have 180 days from the time participant is enrolled to obtain third-party documentation before the participant is included in the 25% that can self-certify (during this time, written self-certification is acceptable). There are some limitations to consider, however:
  - Recipients that have already enrolled 25% of their participants using self-certification should only continue to do so if they are absolutely sure they will be able to obtain third-party documentation within 180 days
  - Third-party documentation of disability must still be obtained within 45 days
Documenting Stays in Institutions

- **Documentation**: Documentation of stays in institutional care facilities fewer than 90 days included in the total of at least 12 months of homelessness must include two types of evidence:
  - Evidence of eligibility immediately prior to the individual’s stay in the institutional care facility; and
  - Evidence related to the length of stay in the institutional facility

- **Length of Stay in Institutional Facility**: To document the length of stay in an institutional care facility, utilize the following sources of documentation:
  - **Discharge Paperwork**: Discharge paperwork including both start and end dates; or,
  - **Referral**: Written (or oral, if documented in writing by the intake worker) referral from appropriate officials/case managers of the institutional care facility stating the start and end dates of the individual’s stay; or,
  - **Self-Certification**: Where the above evidence cannot be obtained, document a written record of the intake worker’s due diligence in attempting to obtain it and a certification by the individual that they exited the facility where they resided for fewer days

DedicatedPLUS Projects

A “DedicatedPLUS” project is a permanent supportive housing project that serves individuals and families meeting one of the following criteria at entry:

- Experiencing chronic homelessness (per the definition discussed above)
- Residing in a TH project that will be eliminated and met the definition of chronic homelessness at entry into TH
- Living in a place not meant for human habitation, emergency shelter, or safe haven and meets the definition of chronic homelessness, but had previously resided in a permanent housing project within the past year
- Residing in TH funded through a Join TH-RRH project and who met the definition of chronic homelessness prior to entry
- Living in a place not meant for human habitation, an emergency shelter, or safe haven for at least 12 months in the last 3 years, but not on 4 separate occasions
- Assisted through a VA-funded program and met one of the above criteria at initial intake into the VA system
Questions on Chronic Homelessness?

Tips & Tricks for Eligibility Documentation

- Definition of “Homelessness”
- Definition of “Chronic Homelessness” (incl. “Disability”)
- Eligibility Documentation
Timing

• For All Clients: Make sure that you’ve covered the night before program entry.

• For Chronically Homeless Clients: Document where the individual was living at all times, including occasions of homelessness and breaks (remembering that breaks in homelessness may be documented entirely based on self-certification by the individual seeking assistance).

Be Detailed and Organized

• Keep all case files easy to read and user-friendly so that any reviewer (or auditor) can navigate them quickly.

• Include as much detail as possible with each piece of evidence you include in the individual’s case file.

• Tell a complete story.

• Watch out for details that undercut your evidence! Document your efforts to resolve conflicting details that could undercut the documentation that you’re relying on.
Remember the Order of Priority

- Document in writing all third-party oral statements, and rely on self-certification only as a last resort
- Back it up with documentation of the intake worker’s efforts to verify the self-certification with third-party evidence

What if Documentation is Not Compliant?

While circumstances may vary, projects should take immediate action to address any issues with the quality of documentation:

- Discuss how to handle the issue with your CoC Lead/Collaborative Applicant
- Develop a plan to bring the program into compliance
- Remedy documentation for as many active clients as possible
- Communicate with your Field Office, including the steps that you are taking/have already taken to address the issue and prevent reoccurrence
What if a Current Client is Ineligible?

Programs that have identified an ineligible client are similarly recommended to take immediate action, with steps that may include (in addition to the items on the previous slide):

- Work with the household and CoC to come up with an alternate plan to transition out of the program (avoid exits to homelessness); and,
- Ensure that documentation is as complete and accurate as possible.

Questions on Eligibility Documentation?
Housing Assistance

- Leasing vs. Rental Assistance
- Participant Leases and Occupancy Agreements
- Determining Rental Amounts
- Housing Inspections

Overview of Housing Requirements

- CoC Program housing grants come with special requirements and things to remember

- Related to all housing:
  - Permanent Supportive Housing (PSH)
  - Rapid Rehousing (RRH)
  - Transitional Housing (TH)
# Leasing vs. Rental Assistance

- Definitions and Requirements
- Other Characteristics

## Definition(s)

<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 supportive housing</td>
<td>• Permanent supportive housing</td>
</tr>
<tr>
<td>• Transitional housing</td>
<td>• Rapid rehousing</td>
</tr>
<tr>
<td>• Supportive services</td>
<td>• Transitional housing</td>
</tr>
</tbody>
</table>

Leasing of **property**, or portions of property, not owned by the recipient or project sponsor involved, for use in providing:

- Permanent supportive housing
- Transitional housing
- Supportive services

Provision of rental assistance to **eligible persons** to provide:

- Permanent supportive housing
- Rapid rehousing
- Transitional housing
# Leasing vs. Rental Assistance

## General Structure

### Leasing
- Lease between CoC recipient or subrecipient and the landowner
- Sublease/occupancy agreement between the recipient or subrecipient and the program participant

### Rental Assistance
- Tenant-, project-, or sponsor-based
- Short-, medium-, or long-term
- Lease between the program participant and the landowner (except for sponsor-based)
- Contract between the recipient and subrecipient and the landowner

## Award

### Leasing
- Apply for leasing amount
- Adjusted by HUD in proportion to the change in Fair Market Rent
- Many awards are below the total sum of Fair Market Rent per unit

### Rental Assistance
- Calculated based on the number/type of units multiplied by the current Fair Market Rent
## Leasing vs. Rental Assistance

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Structure</td>
<td></td>
</tr>
<tr>
<td>Award</td>
<td></td>
</tr>
<tr>
<td><strong>Eligible Costs</strong></td>
<td><strong>Eligible Costs</strong></td>
</tr>
<tr>
<td>- Structure for PSH or TH, or for space to provide supportive services to participants</td>
<td>- Individual units to be used for PSH, RRH, or TH</td>
</tr>
<tr>
<td>- Individual units to be used for PSH or TH</td>
<td></td>
</tr>
</tbody>
</table>

### General Structure

- **Award**

### Eligible Costs

- **Other Eligible Costs**
  - Security Deposits: Up to two months rent
  - First and/or Last Month’s Rent
  - Staff: Costs for carrying out eligible activities (e.g., processing lease payments)
  - Utilities: Only if rent includes utilities (leasing funds can be used to pay entire rent up to FMR), must apply utility allowance if participants pay utilities
  - Property Damages: Up to one month’s rent, once per participant
### Leasing vs. Rental Assistance

<table>
<thead>
<tr>
<th>General Structure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Award</td>
<td></td>
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<tr>
<td>Eligible Costs</td>
<td></td>
</tr>
<tr>
<td>Other Eligible Costs</td>
<td></td>
</tr>
</tbody>
</table>

#### Use of Funds

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Up to Fair Market Rent, but no more than rent reasonableness</td>
<td>• May go over Fair Market Rent so long as the project still houses the contractual number of participants</td>
</tr>
<tr>
<td>• Lease structures: rent reasonableness</td>
<td>• No more than rent reasonableness</td>
</tr>
<tr>
<td>• Utilities if part of the lease (otherwise pay with operating funds or other sources)</td>
<td></td>
</tr>
</tbody>
</table>

#### Occupancy Charges

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optional but if charged the recipient or subrecipient must:</td>
<td>Program participants are required to pay rent (except when receiving rapid rehousing assistance)</td>
</tr>
<tr>
<td>• Treat all participants the same</td>
<td>• Must charge the full HUD-calculated amount</td>
</tr>
<tr>
<td>• Clearly outline the process for determining the amount</td>
<td></td>
</tr>
<tr>
<td>• Follow specific calculation procedures to ensure the participant is not overcharged</td>
<td></td>
</tr>
<tr>
<td>• May charge less than the full HUD-calculated amount</td>
<td></td>
</tr>
</tbody>
</table>
### Leasing vs. Rental Assistance

<table>
<thead>
<tr>
<th>General Structure</th>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eligible Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Eligible Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupancy Charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Recipients and subrecipients are not allowed to charge program fees (except for occupancy charges)</td>
<td>Recipients and subrecipients are not allowed to charge program fees (except for rent contribution)</td>
</tr>
</tbody>
</table>

**Vacancy Payments**

- **Leasing**
  - Recipient or subrecipient may pay rent until a new participant moves in as long as the lease is in place
  - Must abide by the terms of the lease
- **Rental Assistance**
  - May pay rent for a maximum of 30 days from the end of the month in which the unit was vacated
### Leasing vs. Rental Assistance

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Structure</td>
<td>• Common to have funds remaining (can be used to serve more participants, cover costs of rent over Fair Market Rent, or cover staff costs)</td>
</tr>
<tr>
<td>Award</td>
<td></td>
</tr>
<tr>
<td>Eligible Costs</td>
<td></td>
</tr>
<tr>
<td>Other Eligible Costs</td>
<td></td>
</tr>
<tr>
<td>Use of Funds</td>
<td></td>
</tr>
<tr>
<td>Occupancy Charges</td>
<td></td>
</tr>
<tr>
<td>Program Fees</td>
<td></td>
</tr>
<tr>
<td>Vacancy Payments</td>
<td></td>
</tr>
<tr>
<td>Cautions...</td>
<td></td>
</tr>
</tbody>
</table>

- **Leasing** funds cannot be used to lease units or structures owned by the recipient, subrecipient, their parent, subsidiary, or affiliated organization unless HUD explicitly grants an exception for good cause.

### Special Considerations for RRH

- Rental assistance must be:
  - Short-term (up to 3 months) or Medium-term (4-24 months)
  - Tenant-based

- Program participants:
  - Must have an initial lease for at least one year (the lease may not be longer than the rental assistance)
  - May be required to share the costs of rent
  - Are required to meet monthly with a case manager
  - Must be reevaluated at least once annually for eligibility

<table>
<thead>
<tr>
<th>Funds can be used for:</th>
<th>Funds cannot be used for:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental assistance payments</td>
<td>• Damage payments</td>
</tr>
<tr>
<td>Security deposits</td>
<td></td>
</tr>
<tr>
<td>First and last month’s rent</td>
<td></td>
</tr>
<tr>
<td>Vacancy payments</td>
<td></td>
</tr>
</tbody>
</table>
Questions on Leasing vs. Rental Assistance?

Participant Leases and Occupancy Agreements

- Leasing Projects
- Rental Assistance Projects
Structure of Leasing Projects

- In leasing projects, the recipient or subrecipient directly contracts (i.e., holds a lease) for the units from a landowner and has primary responsibility for the housing.

- Once a program participant is identified for the unit, the project then executes a sublease or an occupancy agreement with the participant.
Structure of Leasing Projects

- In permanent supportive housing projects, the sublease or occupancy agreement must be for a term of at least one year and automatically renewable upon expiration.
- In transitional housing projects, the sublease or occupancy agreement must be for a term of at least one month and be automatically renewable upon expiration (for a maximum term of 24 months).

Structure of Tenant- and Project-Based Rental Assistance Projects

- All program participants in Tenant- and Project-Based Rental Assistance projects are required to have leases with landowners:
  - In permanent housing projects, the lease must be for a term of at least one year and automatically renewable upon expiration.
  - In transitional housing projects, the lease must be for a term of at least one month and automatically renewable upon expiration (for a maximum term of 24 months).
Structure of Sponsor-Based Rental Assistance Projects

- In Sponsor-Based Rental Assistance projects, assistance is provided via a contract between the recipient or subrecipient and the sponsor agency.

Note: Sponsor-Based Rental Assistance projects may be structured in several ways, but this is the most common.
Overview of Housing Requirements

- Leases, Subleases, and Occupancy Agreements are generally required to include a number of components, including but not limited to:
  - Dates
  - Description of premises
  - Rent
  - Security deposit
  - Other legal notices, conditions, and disclosures

- Samples may be found at: https://www.hudexchange.info/resource/2894/coc-program-leasing-rental-assistance-examples-of-lease-agreements/

Summary

<table>
<thead>
<tr>
<th>Component</th>
<th>Line Item</th>
<th>Lease Between Project and Landowner</th>
<th>Lease Between Participant and Landowner</th>
<th>Sublease or Occupancy Agreement Between Project and Participant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Supportive Housing</td>
<td>Rental Assistance</td>
<td>Not Allowed</td>
<td>Required</td>
<td>Not Allowed</td>
</tr>
<tr>
<td></td>
<td>Leasing</td>
<td>Required</td>
<td>Not Allowed</td>
<td>Sublease Required</td>
</tr>
<tr>
<td>Rapid Rehousing</td>
<td>Rental Assistance</td>
<td>Not Allowed</td>
<td>Required</td>
<td>Not Allowed</td>
</tr>
<tr>
<td></td>
<td>Leasing</td>
<td>Not Allowed</td>
<td>Required</td>
<td>Not Allowed</td>
</tr>
<tr>
<td>Transitional Housing</td>
<td>Rental Assistance</td>
<td>Not Allowed</td>
<td>Required</td>
<td>Not Allowed</td>
</tr>
<tr>
<td></td>
<td>Leasing</td>
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</tr>
</tbody>
</table>
Determining Rental Amounts

• Fair Market Rent (FMR)
• Rent Reasonableness

Fair Market Rent

**Definition**

• Fair Market Rents (FMRs) are an *estimate of gross rent*, taking into account both rent and the cost of necessary utilities (except telephone service)
• Based upon a standard calculation and updated annually (on October 1)
• FMRs are calculated for 530 metropolitan areas and 2,045 non-metropolitan areas nationwide
**Fair Market Rent**

1. Definition

2. Purpose
   - Applied to ensure that a reasonable supply of adequate but modest rental housing is accessible to program participants
   - Must be high enough to permit a selection of units and neighborhoods, but low enough to maximize the number of low-income individuals and families that can be served

3. Determining FMR
   - FMR amounts are published online and no single geographic area has more than one FMR amount
   - The FMR amount must be applicable to the geographic area in which the housing unit is located
Fair Market Rent

Definition

Purpose

Determining FMR

Leasing vs. Rental Assistance

<table>
<thead>
<tr>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The amount of CoC Program funds used for leasing an individual unit <strong>may not exceed</strong> the current FMR for that unit size and location.</td>
<td></td>
</tr>
<tr>
<td>• FMRs do not impact the amount of funding used to lease a structure</td>
<td></td>
</tr>
<tr>
<td>• The amount of CoC Program funds used for rental assistance <strong>may exceed</strong> the current FMR for that unit size and location, as long as the contract rent is reasonable</td>
<td></td>
</tr>
</tbody>
</table>

Rent Reasonableness

Definition

• Recipients and subrecipients of federal funds must offer reasonable rent in comparison to that paid for private units:
  • In a similar location
  • Of a similar size, quality, and age
  • Offering similar amenities and utilities
Rent Reasonableness

1. Definition

2. Purpose
   - Rent reasonableness is designed to:
     - **Ensure Fairness:** Rents being paid are reasonable in relation to rents being charged for comparable unassisted units in the same market.
     - **Prevent Inflation:** Rents being paid do not contribute to market inflation.

3. Determining Rent Reasonableness
   - Recipients and subrecipients are responsible for determining what documentation is required in order to ensure that the rent reasonableness standard is met for a particular unit.
   - Recipients and subrecipients should determine rent reasonableness by considering the gross rent of the unit and the location, quality, size, type, and age of the unit, as well as any amenities, maintenance, and utilities provided by the owner.
Rent Reasonableness

1. Definition

2. Purpose

3. Determining Rent Reasonableness

4. Methods to Determine Rent Reasonableness
   - A project can determine rent reasonableness via:
     - A market study of rents charged
     - A review of advertisements for comparable units
     - Written verification from a property owner or management company on letterhead affirming that the rent is comparable to that charged for similar unassisted units managed by the same owner
     - Comparable rents vary over time, so ensure that the comparison is up-to-date and appropriate for each unit

5. Policies and Procedures
   - Recipients and subrecipients must establish their own written policies and procedures for documenting comparable rents, including:
     - A methodology for documenting comparable rents
     - Case file checklists and forms
     - Standards for certifying comparable rents as reasonable
     - Staffing assignments
     - Strategies for addressing special circumstances
     - Determination must be supported documentation in the case file
Rent Reasonableness

1. Definition
2. Purpose
3. Determining Rent Reasonableness
4. Methods to Determine Rent Reasonableness
5. Policies and Procedures
6. Rent vs. Rental Assistance

Rent Reasonableness and Leasing vs. Rental Assistance

Leasing
- In communities where the FMR exceeds the reasonable rent, the reasonable rent is the ceiling for the amount of CoC leasing funds that can be used on a single unit.
- Thus, use of CoC Program leasing funds is capped at the lower of rent reasonableness or FMR amounts.

Rental Assistance
- The amount of CoC Program funds used for rental assistance may not exceed rent reasonableness.
- In communities where the reasonable rent is higher than the FMR, projects may use rental assistance funds to pay up to reasonable rent (so long as the project continues to serve the contracted number of participants for the remainder of the grant term).
### Rent Limits in Leasing Projects

<table>
<thead>
<tr>
<th></th>
<th>1-Bedroom Unit</th>
<th>2-Bedroom Unit</th>
<th>3-Bedroom Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reasonable Rent</strong></td>
<td>$850</td>
<td>$1,325</td>
<td>$1,700</td>
</tr>
<tr>
<td><strong>Fair Market Rent</strong></td>
<td>$775</td>
<td>$1,400</td>
<td>$1,700</td>
</tr>
<tr>
<td><strong>Allowable Rent Payment</strong></td>
<td>?</td>
<td>?</td>
<td>?</td>
</tr>
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</table>
Rent Limits in Rental Assistance Projects

<table>
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Reasonable Rent
Fair Market Rent
Allowable Rent Payment

Rent Limits in Rental Assistance Projects

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<td>$1,325</td>
<td>$1,700</td>
</tr>
</tbody>
</table>
Utilities

- The FMR in each community assumes the provision of necessary utilities (except telephone service)
- Eligible utilities include: (1) gas/oil, (2) electricity, (3) water, and (4) sewage
- Ineligible utilities include: (1) telephone, (2) internet, and (3) cable television

<table>
<thead>
<tr>
<th>If rent includes utilities…</th>
<th>If rent does not include utilities…</th>
</tr>
</thead>
<tbody>
<tr>
<td>• CoC leasing funds can be used to pay the entire rent up to the FMR</td>
<td>• Operating funds or occupancy charges can be used to pay for utilities</td>
</tr>
<tr>
<td>• A utility allowance must be applied to the occupancy charge calculation if participants are expected to pay for utilities</td>
<td>• Participants can be required to pay for utilities</td>
</tr>
<tr>
<td></td>
<td>• A utility allowance may be applied to the occupancy charge calculation</td>
</tr>
</tbody>
</table>

If rent includes utilities…

- CoC leasing funds can be used to pay the entire rent up to the FMR
- A utility allowance must be applied to the occupancy charge calculation if participants are expected to pay for utilities

If rent does not include utilities…

- Operating funds or occupancy charges can be used to pay for utilities
- Participants can be required to pay for utilities
- A utility allowance may be applied to the occupancy charge calculation

Questions on Determining Rental Amounts?
Housing Inspections

- Housing Quality Standards (HQS)
- Lead-Based Paint
- Environmental Review

Housing Quality Standards

- All units paid for with CoC leasing or rental assistance funds must meet certain basic housing quality standards (HQS) prior to expending CoC funds on that unit
- All units must additionally meet state and local codes

Timing
Inspector
Addressing Deficiencies
Documentation
Housing Quality Standards

- All units paid for with CoC leasing or rental assistance funds must meet certain basic housing quality standards (HQS) prior to expending CoC funds on that unit.
- All units must additionally meet state and local codes.

**Timing**

The recipient or subrecipient must physically inspect all units prior to expending CoC funds and must continue to do so annually throughout the grant period.

**Inspector**

Inspectors do not need to be certified.
Housing Quality Standards

- All units paid for with CoC leasing or rental assistance funds must meet certain basic housing quality standards (HQS) prior to expending CoC funds on that unit
- All units must additionally meet state and local codes

**Timing**

1. **Inspector**

**Addressing Deficiencies**
The owner of the unit has 30 days to address and correct any deficiencies in the unit

**Documentation**
The recipient or subrecipient must maintain documentation of compliance with HQS, including inspection reports
Lead-Based Paint

- Generally, recipients and subrecipients are expected to (A) screen for, (B) disclose the existence of, and (C) take reasonable precautions regarding the presence of lead-based paint in leased or assisted units constructed prior to 1978.

<table>
<thead>
<tr>
<th>Applicable Regulation(s)</th>
<th>Leasing</th>
<th>Rental Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24 CFR Part 35:</td>
<td>24 CFR Part 35:</td>
</tr>
<tr>
<td></td>
<td>• Subpart A</td>
<td>• Subpart A</td>
</tr>
<tr>
<td></td>
<td>• Subpart B</td>
<td>• Subpart B</td>
</tr>
<tr>
<td></td>
<td>• Subpart H</td>
<td>• Subpart K</td>
</tr>
<tr>
<td></td>
<td>• Subpart R</td>
<td>• Subpart R</td>
</tr>
</tbody>
</table>

Environmental Review

- Certain grant types are required to ensure that the project site is free from any hazardous materials that could adversely affect the health and safety of occupants.

| 1 | Applicability and Timing               |
| 2 | Eligible Cost                          |
| 3 | Responsible Entity                     |
| 4 | HUD Environmental Review              |
Environmental Review

- Certain grant types are required to ensure that the project site is free from any hazardous materials that could adversely affect the health and safety of occupants.

1. **Applicability and Timing**
   Grants used for any of the following purposes must perform an environmental review prior to expending CoC funds:
   - Acquisition
   - Rehabilitation
   - Conversion
   - Leasing
   - Repair
   - Disposal
   - Demolition
   - Construction

2. **Eligible Cost**
   Costs associated with performing an environmental review are an eligible use of CoC administrative funds.
Environmental Review

- All units paid for with CoC leasing or rental assistance funds must meet certain basic housing quality standards (HQS) prior to expending CoC funds on that unit.
- All units must additionally meet state and local codes.

1. Applicability and Timing
2. Eligible Cost
3. Responsible Entity
   Environmental reviews must be conducted by a “responsible entity” (a unit of state or local government).
4. HUD Environmental Review
   Where a state or local government confirms that it refuses to conduct an environmental review, HUD will do so in its stead.
Questions on Housing Inspections?

Grant Management

- Budgets and Expenditures
- Recordkeeping
- Other Required Policies
Budgets and Expenditures

- Budget Requirements
- Budget Changes
- Time and Activity Reports

Budget Requirements

- Projects must operate within a HUD-approved budget
- Expenditures must reflect budgeted amounts (see “Eligible Costs” section for discussion of eligible vs. approved costs)
- Projects must serve the number of participants approved by HUD in the grant application and grant agreement
- Drawdown from LOCCS must be based on the HUD-approved budget
Budget Changes

The key distinction is between **significant** and **non-significant** changes...

### Significant Changes

Significant changes to a project require a **grant amendment** approved by HUD.

Examples of “significant” changes:

- Change of recipient
- Change of project site
- Additions/deviations in the type of approved activities for a project
- A shift of more than 10% from one approved budget item to another
- A reduction in the number of units
- A change in population served

### Non-Significant Change

Non-significant changes **do not require a grant amendment**, but must be documented in the project’s records.

Examples of “non-significant” changes:

- A shift of less than 10% from one approved budget item to another
- Shift in project practices that do not rise to the level of significant
- Change in contractors
Documenting Budget Changes

- Grant amendments are reflected in updated grant agreements signed by both HUD and the recipient.
- Non-significant changes need to be fully documented in the project’s files, so that HUD can review during or monitoring or upon request:
  - What changed?
  - Why?
  - How?
  - Ensure compliance with HUD requirements (e.g., compliance with procurement policies if changing contractors, or ensuring that you’re still able to serve the contracted number of participants).
- If you aren’t sure how significant the change is, discuss with your HUD CPD Representative, explain the change you want to make, and ask for guidance.
- The Field Office often needs to be notified of even non-significant changes (e.g., budget changes require changes in LOCCS).

Documenting Expenditures

- An organization must maintain records that adequately identify the source (where did the money come from?) and use of funds provided (how was it spent?):
  - Proof of source and receipt
  - Proof of expenditure
  - Proof of expenditure on eligible costs and activities.
- Records must be supported by source documentation such as:
  - Cancelled checks
  - Paid bills
  - Payrolls
  - Time and activity records
  - Contracts
  - More!
Use of Accounting Records

Accounting records may be examined to determine whether the recipient or subrecipient has adequately identified and documented the source and application of grant funds, in particular whether:

- Expenditures are supported by invoices, contracts, purchase orders, etc.
- Wages chargeable to more than one grant or activity are supported by time and activity records
- Costs were eligible

Focus on Time and Activity Records

Time and Activity Records should be maintained for three years (at a minimum) and track employee time by cost objective:

- Employees that work on a single indirect cost activity should be documented with a time record
- Employees that work on more than one activity (either direct or indirect) should be documented with a Time and Activity Report supported by activity records (e.g., client case notes, sign-in sheets, calendars, etc.)
Preparing Time and Activity Reports

When preparing Time and Activity Reports, follow these guidelines...

### What You Should Do

Reports must be:

- Prepared monthly (at least)
- Signed and dated by employee and supervisor
- Reflect actual time worked
- Track both eligible and ineligible costs
- Demonstrate multiple activities
- Demonstrate multiple funding sources, if applicable
- Demonstrate eligible activities and eligible participants served (with back-up)

### Common Mistakes

- 8 hours in a single day to one grant
- Fixed percentage of time to a grant
- Not reconciling time and activity reporting with invoicing/drawdowns
- Excluding sick/vacation time
- Forgetting to record an eligible activity
- Forgetting to record an eligible grant
- Forgetting to record a project/client
- Forgetting to record ineligible time and activities
- Forgetting supporting documentation
- Forgetting signatures
Questions on Budgets and Expenditures?

Recordkeeping

- Budget Requirements
- Budget Changes
- Time and Activity Reports
**Recordkeeping**

Whether you are a direct recipient or a subrecipient, ensure that your project has the appropriate recordkeeping procedures in place by requiring participation from the top-down and following these fundamentals...

1. **Obtain Documentation**
   - Obtain documentation from a qualified source or qualified sources

2. **Maintain Records**
   - Maintain records in your files

3. **Monitor Regularly**
   - Monitor at least annually for compliance

**Indirect Benefits of Recordkeeping**

Proper recordkeeping allows you to:

- Track what works and what doesn’t
- Measure the services provided
- Know what takes up most of your time
- Check your efficiency
- Make program decisions
- Strengthen your outcome reports
- Know when you need grant amendments
- Apply and report to funders with ease and expediency
# Recordkeeping Requirements (24 CFR 578.103)

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# Keys to Reviewing Records

Grantees are responsible for ensuring that their organization (and any subrecipients) expend CoC funds in a legal and timely fashion, an effective and efficient manner, and in a way that is consistent with the program’s intent. This includes ensuring that:

1. Funds are spent only on eligible participants
2. Funds are spent only for eligible activities and allowable costs
3. Funds are committed and expended within prescribed deadlines
4. The use of funds is supported by the required documentation
5. Policies and procedures are consistent with all applicable federal, local, or grant-specific requirements
Monitor for Compliance

- To maximize performance and compliance with all relevant statutes and regulations, **grantees must conduct regular, comprehensive internal monitoring** (in addition to the requirement that recipients monitor subrecipients).

- Always keep **clean and detailed records** on the following topics:

  - Participant Eligibility
  - Fiscal Management
  - Housing
  - Client Payments
  - Use of Program Income & Cash Match
  - Program Policies
  - Supportive Services

Four Components

To ensure that all requirements and topics are covered in your self-monitoring, it is useful to break them down into four components, each of which requires you to review different types of documentation:

1. **Organization**
   Monitoring the grantee’s larger organization requires a review of files such as employee records, agency policies and procedures, confidentiality policies, memorandums of agreement (MOAs), Board composition, etc.
Four Components

To ensure that all requirements and topics are covered in your self-monitoring, it is useful to break them down into four components, each of which requires you to review separate types of documentation:

1. **Organization**

2. **Project**
   Monitoring grantee operation of the project requires a review of files such as grant agreements, subrecipient agreements, project policies and procedures, housing inspections, staffing policies, etc.

3. **Finances**
   Monitoring grantee finances requires a review of files such as documentation of matching funds, program income, project expenses, employee time and activity reports, how the project handles Line of Credit Control System (LOCCS) drawdowns, etc.
Four Components

To ensure that all requirements and topics are covered in your self-monitoring, it is useful to break them down into four components, each of which requires you to review separate types of documentation:

1. Organization
2. Project
3. Finances
4. Participants

Monitoring participant files requires a review of participant files, including eligibility documentation (homelessness, chronic homelessness, disability, etc.), assuring accuracy through comparison to HMIS records, confidentiality agreements or Releases of Information (ROIs), etc.

Confidentiality

Develop and implement written procedures within your organization (and CoC) to ensure the security and confidentiality of:

- All records containing protected identifying information of applicants and/or participants
- The address or location of any CoC-funded family violence project
- The address or location of any housing for a program participant
Record Retention

All records pertaining to CoC funds must be retained for at least 5 years, except:

- Eligibility documentation must be retained for 5 years after the final expenditure of all grant funds
- Records of acquisition, new construction, or rehabilitation must be retained for 15 years after the date that the project site is first occupied or used by participants

Questions on Recordkeeping?
Other Required Policies

- Conflicts of Interest
- Homeless Participation
- Faith-Based Activities
- Affirmatively Furthering Fair Housing

Conflicts of Interest

Each recipient must maintain records documenting compliance with the conflict of interest requirements in 24 CFR 578.95, including:

- Evidence that recipients or subrecipients are rendering impartial CoC assistance
- Evidence that no covered person is impaired in his or her objectivity in performing CoC-funded work, including by having a financial interest or benefits from a CoC-funded activity
- Evidence that no covered person has obtained a financial interest or benefit from a CoC-funded activity, either for him or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or during the one-year period following his or her tenure.
- A copy of the personal conflict-of-interest policy developed and implemented to comply with the requirements in § 578.95
- Records supporting exceptions to the personal conflict-of-interest prohibitions.
Conflicts of Interest: Procurement

For the procurement of property (goods, supplies, or equipment) and services:

• Recipients and subrecipients must comply with the codes of conduct and conflict of interest requirements of:
  • 2 CFR 225, Appendix E for governmental units; or,
  • 2 CFR 230, Appendix A for nonprofit organizations

Conflicts of Interest: Organizational

Exists when:

• Because of activities/relationships with others/organizations, the recipient or subrecipient is unable or potentially unable to render impartial assistance in the provision of any type/amount of assistance under 578.95, or,

• When an employee, agent, consultant, officer, or elected or appointed official of the recipient or subrecipient has obtained a financial interest or benefit from a CoC-funded activity, either for him or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or the one-year period following his or her tenure.
Conflicts of Interest: Exception

HUD may grant exceptions on a case-by-case basis, upon written request from the recipient, provided that:

- Recipient has met the threshold requirements [578.95(d)(2)(i)]
- Exception will serve the purposes of the CoC Program and the effective and efficient administration of the project (HUD considers the cumulative effects of various factors) [578.95(d)(2)(ii)]

Homeless Participation

Recipient and subrecipient must have a policy related to homeless participation and each recipient and subrecipient should maintain records documenting compliance with 24 CFR 578.75(g), including:

- At least one current or formerly homeless individual on the recipient or subrecipient’s Board of Directors or other equivalent policymaking entity
- Involves homeless individuals and families in employment, volunteer services, supportive services, or operation of the project to the extent practicable
- Requirement waived if:
  - Unable to meet requirement
  - Obtains HUD approval for a plan to otherwise consult homeless or formerly homeless persons when considering and making policies and decisions
Faith-Based Activities

Each recipient should maintain records documenting compliance with 24 CFR 578.87(b), including:

- No recipient or subrecipient discriminates against any client or prospective client on the basis of:
  - Religious affiliation
  - Religious belief
  - Refusal to hold religious belief, or
  - Refusal to attend or participate in a religious practice

- Activities that involve overt religious content (worship, religious instruction, proselytization, etc.) must be performed and offered outside of programs supported with federal funds (separate in both time and location)

- Participation in religious activities must be voluntary on the part of clients benefiting from CoC funds

Affirmatively Furthering Fair Housing

Each recipient should maintain records documenting compliance with 24 CFR 578.93(c), including copies of marketing, outreach, and other materials used to inform eligible persons of the program, showing:

- Evidence that the recipient or subrecipient affirmatively markets their housing or supportive services to eligible persons regardless of race, color, national origin, religion, sex, age, familial status, or handicap who are least likely to apply in the absence of special outreach

- Evidence that where a recipient encounters a condition or action that impedes fair housing choice for current or prospective program participants, the recipient provides such information to the Con Plan jurisdiction

- Evidence that participants are appraised of their rights and of available remedies under federal, State, and local fair housing and civil rights laws

- Evidence that the recipient and subrecipient are ensuring that their program’s housing and supportive services are provided in the most integrated setting appropriate to the needs of persons with disabilities (see 24 CFR 8.4(d))
Questions on Other Required Policies?