

# CoC Program Match Overview

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# Program Components and Eligible Costs

# Important Concept

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- All direct and overhead costs of a given eligible activity are eligible under that activity.
- This means that the role of a given staff person matters less than the *function* that staff person is performing on a given task
- For example, a case manager who...
  - Is providing direct services to participants charges their time delivering those services to the Supportive Service line item
  - Is entering HMIS data about their participants charges their time to the HMIS budget line item
  - Is helping to recert income and rent amounts for participants charges their time to the rental assistance/leasing line item

# Eligible Costs

Eligible Costs	Program Components					
	Permanent Housing		TH	TH-RRH	SSO	HMIS
	PH: PSH	PH: RRH				
<b>Acquisition</b>	✓		✓		✓	
<b>Rehabilitation</b>	✓		✓		✓	
<b>New construction</b>	✓		✓			
<b>Leasing</b>	✓		✓	✓	✓	
<b>Rental assistance</b> (no operating)	✓	✓	✓	✓		
<b>Supportive services</b>	✓	✓	✓	✓	✓	
<b>Operating costs</b> (no Rental assistance)	✓		✓	✓		
<b>HMIS</b>	✓	✓	✓	✓	✓	✓
<b>Project administration</b> (cap)	✓	✓	✓	✓	✓	✓

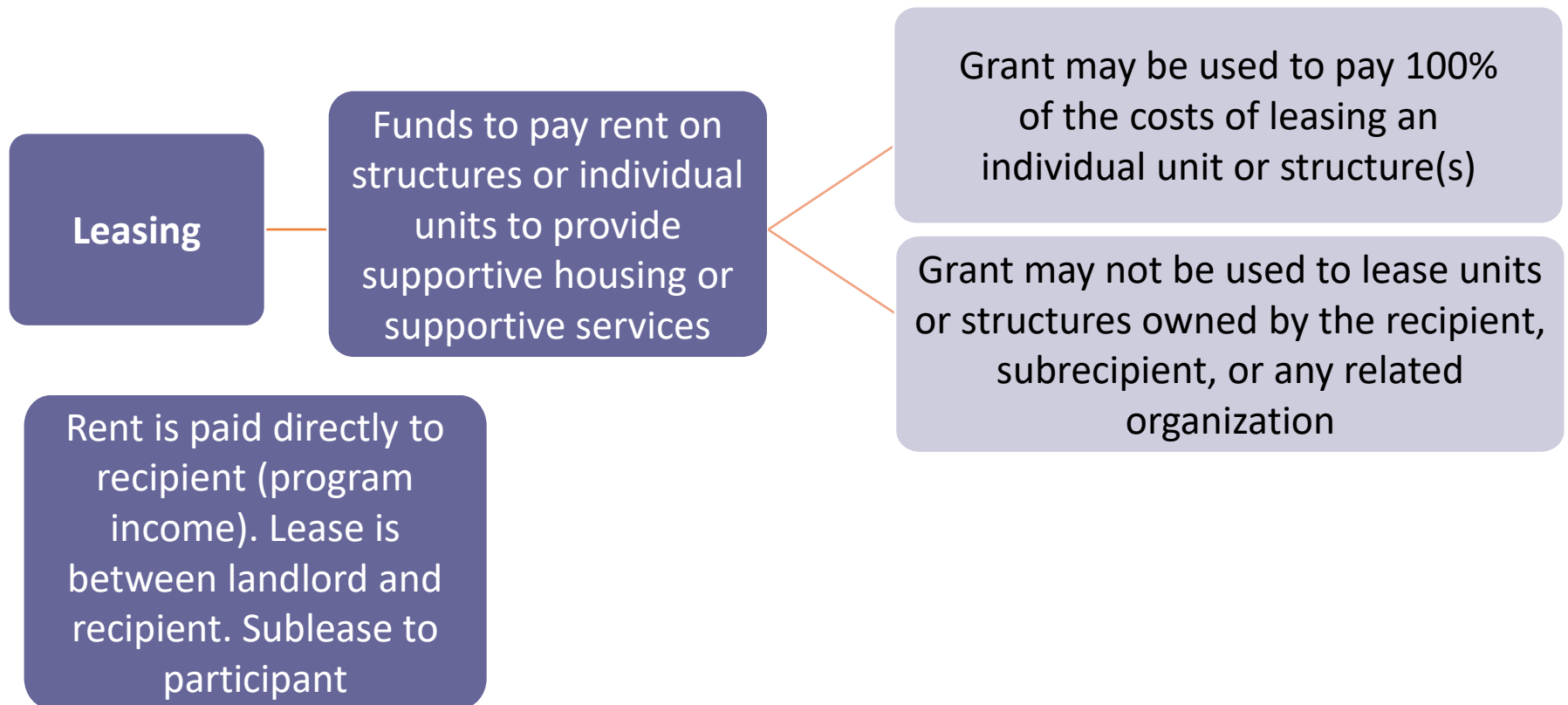
## Eligible vs. Approved Costs

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Eligible	Approved
All costs included in the CoC Program interim rule	• Each project has approved budget line items
	• Recipients may only spend CoC Program funds on approved costs
	• HUD approval is required to amend the budget to spend money on CoC Program eligible costs other than those that were included in the project budget approved through the application process, unless the change represents less than 10% of the budget line item.

# Eligible Costs – Leasing

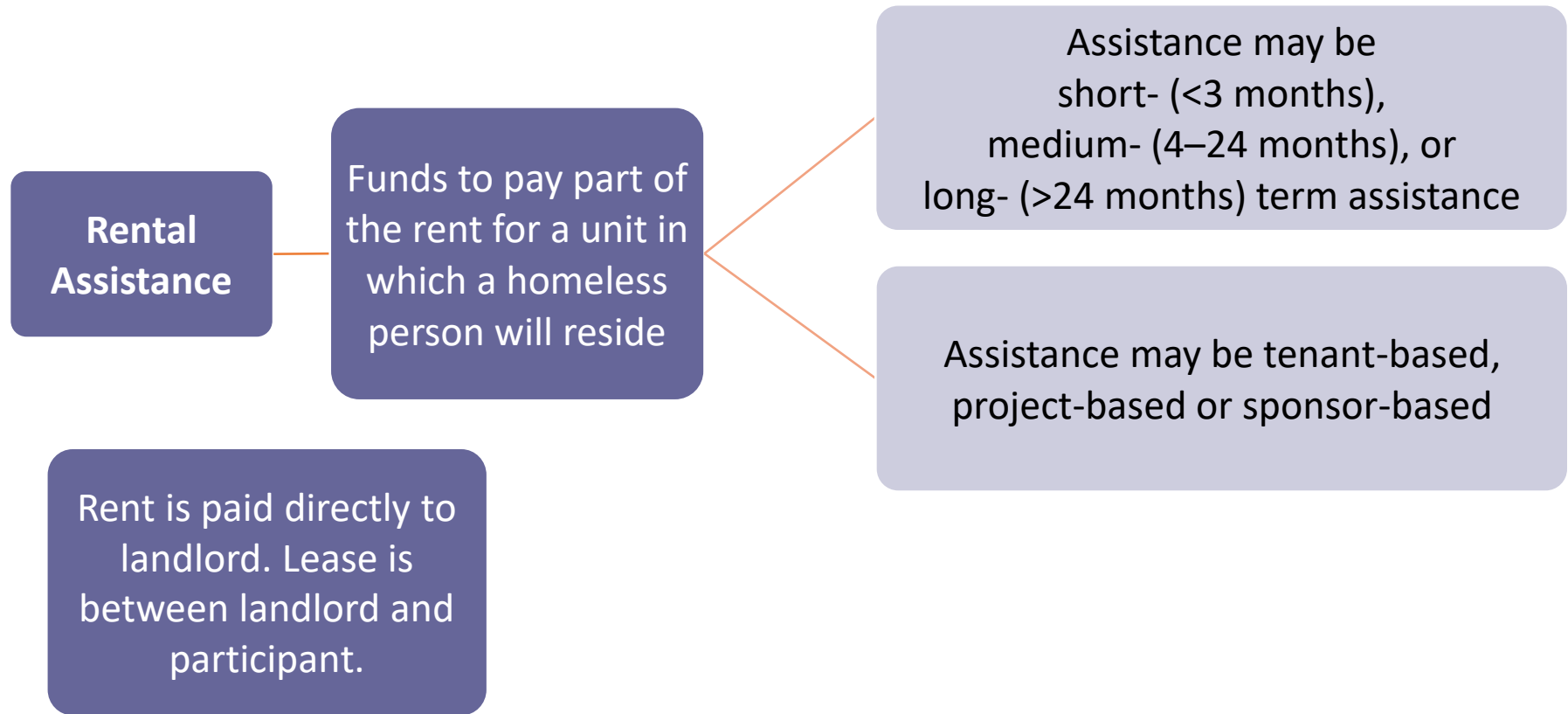
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**Eligible Costs under PH: PSH, TH, TH-RRH and SSO**

# Eligible Costs – Rental Assistance

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**Eligible Costs under PH, TH, and TH-RRH**

## Other Eligible Rental Assistance Costs

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- First and last month's rent
- Security deposits (up to 2 months rent)
- Property damages (up to 1 month) – NOT RRH
- Vacancy payments (up to 30 days)
- Staff and overhead costs directly related to carrying out rental assistance activities (e.g., HQS inspections, writing rent checks)



# Rental Assistance Administrative Costs

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Rental assistance costs can also include:

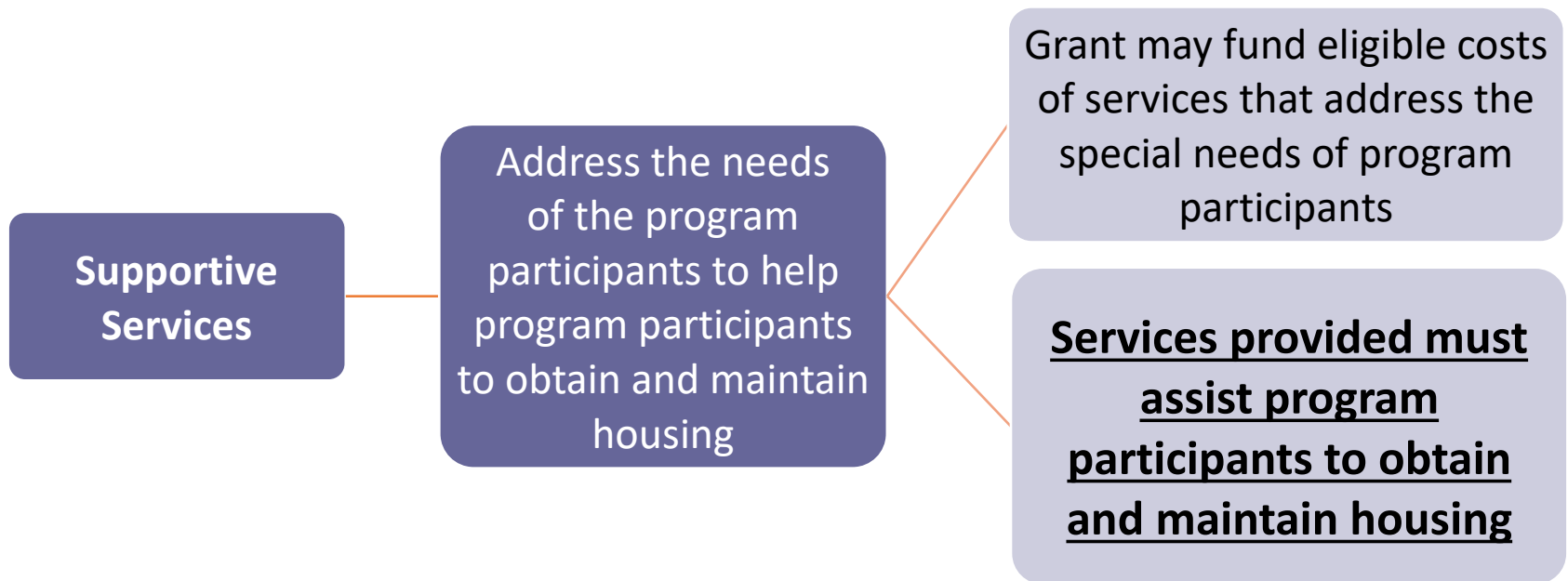
- Processing rental payments to landlords
- Examining participant income and family composition
- Providing housing information and assistance
- Inspecting units for compliance with housing quality standards
- Receiving new participants into the program

Expenses can be paid by:

- Using matching funds
- If the project is not 100 percent leased, rental assistance funds may be used
- Or if the project is 100 percent leased but the project is paying at below FMR rates, then it may use the excess grant funds

# Eligible Costs – Supportive Services

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**Eligible Costs under PH, TH, SSO**

## Eligible Costs – Supportive Services

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- In general, grant funds may be used **only** on those services listed in the CoC Program interim rule:
  - Assessing service needs
  - Moving costs
  - Case management
  - Child care
  - Education services
  - Employment assistance & job training
  - Food (no longer an eligible operating cost)
  - Housing search & counseling services
  - Legal services
  - Life skills training
  - Mental health services
  - Outpatient health services
  - Outreach services
  - Substance abuse treatment services
  - Transportation
  - Utility deposits

Grant may also fund staff and overhead costs directly related to carry out these activities

# Eligible HMIS Costs

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- Any project may have an HMIS budget line item for costs associated with HMIS data collection.
- Eligible HMIS data collection costs:
  - Purchasing or leasing computer hardware, software and/or software licenses
  - Leasing office space, equipment, furniture, and utilities for HMIS activities
  - Salaries, operating costs, and duties as required to operate an HMIS
  - Trainings related to the use of HMIS
  - Reporting to CoC on HMIS

## Eligible Costs – Project Administration

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- Project administration funds can be used to conduct:
  - General management, oversight and coordination
  - Training on CoC requirements
  - Environmental review
- Recipients are required to share at least 50% of project administrative funds with subrecipients.
- Costs of carrying out other eligible activities should be charged to those budget line items, NOT project administration.

**Eligible Activity under ALL Components**

# Match

# Understanding Match

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- Must be cash or in-kind contributions
- Covers eligible costs of the project
- Costs incurred by a partner organization to provide “in kind” services to program participants must be documented by an MOU prior to grant agreement execution
- Program income can be used as match
  - Note: Typically only projects with leasing or operating budgets may generate program income

# What is Cash Match?

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- Cash match is the actual cash received and spent by the recipient or subrecipient on eligible activities (*Subpart D, Section 578.73(b)*) – FAQ 1555
- Agencies accounting system must clearly demonstrate cash match including:
  - source of cash
  - expenditures on eligible activities
- The cash match revenue and expenditure must be clearly documented in the general ledger so that the recipient can clearly prove that the cash match was received and spent on the CoC Program project activities and not on other agency-related expenses



## What is In-Kind Match?

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- In-kind match is the value of any real property, equipment, goods, or services contributed to a CoC Program grant that would have been eligible costs under the CoC Program if the recipient/subrecipient was required to pay for such costs with CoC Program grant funds. *(FAQ 1554)*
- Goods and/or services provided by another project to the CoC Program project.
- In-kind match resources may be internal or external to the agency

# What Is Not Match?

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- Cash or any in-kind contribution used as match for another grant
- Cash or in-kind contributions statutorily prohibited as match or ineligible under that program's requirements
- In-kind services provided without an MOU
- Program Participant Savings
  - Savings belong to the program participant, not the recipient or subrecipient
- Federal benefits provided directly to the program participant (e.g. food stamps)

# Match Requirements

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- Must be able to document all costs using the same policies and procedures used to document CoC Program funding
- Match requirement – 25% cash or in-kind for all line items except leasing
- Match is provided to the CoC Program grant – not to a specific budget line item
- Matching funds can only be used on eligible CoC Program costs

# Match Examples

## Without Leasing Funds

Supportive Services	\$25,000
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Rental Assistance	\$20,000
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Project Admin (10%)	\$4,500
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Grant Total	\$49,500
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<b>Required Match \$12,375 (25% \$49,500)</b>
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## With Leasing Funds

Supportive Services	\$25,000
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Leasing	\$20,000
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Project Admin (10%)	\$4,500
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Subtotal (w/o leasing)	\$29,500
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<b>Required Match \$7,375 (25% \$29,500)</b>
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## Match Example Based on Costs

Eligible Costs	PSH Eligible	Approved Budget
Leasing	✓*	
Rental assistance	✓*	✓
Supportive services	✓	✓
Operating costs	✓	N/A for RA
HMIS	✓	
Project administration	✓	

## Examples of Sources of Cash Match

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- Recipient/subrecipient's own cash
- Federal government grants/contracts
- State and local government grants/contracts
- Private grants or contributions

## Examples of Match Sources

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- United Way gives the recipient or subrecipient \$15,000 to fund case management services at the HUD funded project
- Project recipient or subrecipient enters into an MOU with Victory Inc. to provide substance abuse counseling
- Subrecipient uses a donated van to transport clients to job training, GED classes, and weekend movies
- DOL provides recipient with a contract to pay for the gas to transport clients to job training, GED classes, and weekend movies
- Recipient incurs eligible costs that are not otherwise paid for by HUD but contribute to the project

## QUESTIONS / DISCUSOIN



Please also note that with tenant-based rental assistance (such as Rapid Rehousing), program participants choose their own housing. While program participants are not prohibited from renting a unit owned by the recipient or subrecipient, Section 578.51 (c) of the CoC Program interim rule states that recipients or subrecipients may only require program participants to live in a specified structure for the first year of program participation, and only then if it is "necessary to facilitate the coordination of supportive services."

### **Assessing Conflict of Interest**

As indicated in 578.49(a) of the CoC Program interim rule, **leasing** funds may not be used to lease structures owned by the recipient, subrecipient, their parent organization, any other related organization, or organizations where the partnership owns the structure. Therefore, if you are using leasing funds that would not be an eligible cost for your project. A recipient *can* use **rental assistance** funds to rent structures owned by the recipient. In instances when the recipient or subrecipient is the owner of the building, the organization and its employees must ensure compliance with the conflict of interest requirements of the CoC Program interim rule. Section 578.95 notes that conflict of interest would "arise when an employee or a recipient or subrecipient participates in making rent reasonableness determinations under Section 578.49(b)(2) and Section 578.51(g) and housing quality inspections of property under Section 578.75(b) that the recipient, subrecipient, or related entity owns." Compliance with Section 578.95 must be ensured regardless of the type of rental assistance received by the recipient or subrecipient.

For those individuals and families occupying housing owned by the recipient or subrecipient, the recipient or subrecipient **may NOT conduct intake** for determining the household's eligibility for CoC and the amount and types of assistance the household needs to regain stability in permanent housing. Even a separate division of the same organization (or a parent or subsidiary) would not suffice. The recipient or subrecipient would need to find another independent organization that is also a CoC recipient or subrecipient to conduct intake and ensure that all program participants are eligible. Therefore, a recipient would need to request a waiver of the conflict of interest requirements once per grant to conduct intake for the aforementioned situations.