

The following resources were provided in answer to specific questions during the CoC Match Requirements Q&A Session provided by Housing Forward and HUD TA Douglas Tetrault.

CoC and ESG Virtual Binder Match: <https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-match/coc-match-overview/>

Staff and Overhead and Match Relationship

Overview

The CoC Program interim rule, section 578.59(a), states that staff and overhead costs directly related to carrying out activities eligible under sections 578.43 through 578.57 are eligible as part of those activities. Depending on the activities they support, the costs you describe would likely be eligible under Supportive Services, HMIS, or Administrative Costs.

Please also note that match (cash or in-kind) may be another way to pay for the costs in question under the grant as a whole.

Below, please find a more comprehensive explanation of the information provided above. Please review it carefully to ensure any action you take is fully compliant with all applicable rules and regulations.

Office Furniture

If the office space is used for multiple activities, the associated overhead costs must be pro-rated. You may be able to charge the office space costs to your CoC Program grant if it is used when carrying out an eligible activity. For example:

- Office space for a case manager would be eligible under supportive services since it is directly related to carrying out case management. However, if the workstation is used for monitoring subrecipients to ensure they are complying with program requirements and managing payments to subrecipients, then the office space costs would be eligible as a project administration cost.
- Costs to purchase furniture used for direct support to program participants, such as a conference room table used for group counseling, would be considered a supportive services cost.
- If equipment is used to support multiple cost categories or for grant-related and non-grant related costs, the recipient must pro-rate the cost appropriately.
- Financial records should retain the receipts and include documentation of the space/equipment use.

If eligible and ineligible activities are carried out in the same structure or office space, the costs charged to the CoC Program grant must be prorated based on the amount of time that the space is used for eligible versus ineligible activities (see section 578.37(c) for more information). Documenting prorated costs for the office space can be done by the time that the space is used as documented by staff timekeeping, but it can also be determined by what percent of the physical space is used by different staff for different activities. Common areas could be

prorated according to the percentage of the physical space an overall program occupies in the building. For instance, if your CoC Program project occupies 50% of the space, then it would be reasonable to charge the CoC Program grant for 50% of the common space.

Office Supplies

Per the CoC Program interim rule, section 578.59(a)(1)(iv), goods and services required for the administration of the program, including office supplies, is eligible under Administrative Costs.

The cost of office supplies used to directly support project participants (for example: pens and paper applications provided to participants to apply for mainstream benefits) would be an eligible cost under Supportive Services.

Software

Whether a software cost is eligible under one of several CoC Program budget lines depends on whether the software is directly related to an eligible activity under that budget line.

For example:

- The cost of software used to directly support project participants (e.g. a word processing program purchased as a necessary cost to support participants enrolled in a General Educational Development (GED) program) would be an eligible cost under Supportive Services
- The cost of software or software licenses necessary to contributing data to the HMIS designated by the CoC (e.g. purchasing an HMIS user license from the HMIS software vendor for a project staff person) would be an eligible cost under Homeless Management Information System
- The cost of software required for administration of the program (e.g. accounting software used for preparing program budgets and schedules) would be an eligible cost under Administrative Costs

Similarly, software necessary to carry out eligible activities under Rental Assistance, Leasing, or another budget line would be an eligible cost under that budget line.

Cost Reasonability

As with all CoC expenses, you need to ensure costs are reasonable. The OMB Omni-Circular at 24 CFR Part 200 requires that all costs paid for with federal funds must be allowable, reasonable, and allocable. In addition, the recipient or subrecipient must maintain documentation that all requirements are documented and maintained in the organizations records for the timeframe required by the program regulation. See 24 CFR 578.103 for more information.

To determine if costs are reasonable, you must be able to meet the requirements under [2 CFR 200.404](#): A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally funded.

Match

Match must be used for eligible costs under the CoC Program, but it does not need to be used on costs approved in the project budget. For example, if a recipient has a project that receives rental

assistance, the recipient does not necessarily need to match rental assistance with rental assistance; instead, the recipient could consider in-kind services for eligible supportive services as match. However, match must be eligible under the particular project. For example, a recipient with a project receiving rental assistance cannot combine CoC Program rental assistance and CoC Program operating funds in the same unit, which means that any non-CoC Program funds spent on operating costs (such as furniture) cannot be considered match.

Driver's License as Eligible

According to Section 578.53(e)(10) of the CoC Program interim rule, Life Skills Training includes "the costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance abuse, and homelessness are eligible. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are the budgeting of resources and money management, household management, conflict management, shopping for food and other needed items, nutrition, the use of public transportation, and parent training." Keep in mind, supportive services must be necessary to assist program participants obtain and maintain housing.

Therefore, if there is a reason that the participant cannot use public transportation and that they didn't learn to drive or have lost the ability to drive during the course of physical or mental illness, domestic violence, substance abuse, and homelessness, a driver's education course, driver's permit or driver's license could be an eligible activity if the budget includes Supportive Services.

Please keep in mind the costs **must** be reasonable and appropriate as required by 2 CFR 200.

Property and Depreciation

Match is actual cash or in-kind resources contributed and expended on eligible CoC Program costs. According to 578.73 of the CoC Program interim rule, CoC Program recipients or subrecipients must match all grant funds (except for leasing funds) with no less than 25 percent of funds or in-kind contributions from other sources. Match resources may be from public (not statutorily prohibited from the funding agency) or private resources. Recipients are responsible for determining if non-program sources are eligible to be used as match for the CoC Program. Leverage in the CoC Program is cash and in-kind contributions in excess of the minimum required match contributions for a project. A recipient/subrecipient may use leveraged funds for other aspects of a project even if the costs are not allowable in the CoC Program.

Under the CoC Program, the recipient or subrecipient may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if the recipient or subrecipient had to pay for them with grant funds, the costs would have been eligible under Subpart D. Regarding your specific question about real property, if the cost to acquire a building, for example, could have been paid for with grant funds, then the value of the property can be counted as match under the CoC Program so long as it was not previously counted as match or leveraging in another Homeless Assistance Grants competition. If the value of the property has not already been counted as match under another Homeless Assistance Grants competition, then the value of the property can be counted one time, either in a lump sum or as a prorated amount divided by a set number of years.

Documentation of the value of the real property can come from a reasonable assessment by a qualified third party, such as tax records, an appraisal price, or comparison of like real estate. For more information about how to document proof of match, please review section 578.73 of the CoC Program interim rule.

Note that proration is not the same as depreciation. The depreciated value of a building cannot be counted each year, because even though the value of the building may decline over time, counting the depreciated value for multiple years would exceed the full value of the building. Similarly, you cannot calculate the value of the building based on estimated rent that would be received if not being used in the CoC project.

Volunteers as Match

The recipient or subrecipient must have documentation of a volunteer's or intern's commitment to providing assistance to the project.

According to the CoC Program interim rule (578.73(c)(3)), services provided by volunteers or interns must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or subrecipient's organization. If the recipient or subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market. Alternatively, rates can be defined based on standard local professional wages associated with the task that the volunteer is providing, or volunteer wages can be defined at a generic rate such as \$10 per hour. The value of in-kind match must be documented in accordance with the requirements of Section 578.73 and 2 CFR Part 200.