

Figuring Out Costs for HUD Funded Programs Under the HEARTH Act

An explanation of eligible & ineligible cost reimbursements and billing standards
for Allegheny County DHS, Bureau of Homeless Services



OFFICE OF COMMUNITY SERVICES

BUREAU OF HOMELESS SERVICES

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Introduction

This guide is a result of the changes that have occurred in the Homeless Services System since the implementation of the HEARTH Act in 2011, which took effect for providers in the 2012/2013 grant cycle. As of the development of this guide, 26 of the 28 agencies with contracts tied to a HUD project are subject to the HEARTH regulations. The other two agencies will be coming on board as their current grants expire in the next couple of years.

The guidelines and examples are designed to help agencies with HUD funding within the Continuum of Care (CoC) who are receiving funds under the Special Needs Assistance Program (SNAP). The explanations and examples are drawn from the Supportive Housing Desk Guide (2008), the Interim Final Rule for the Homeless Emergency Assistance and Rapid Transition to Housing CoC Program (HEARTH), the CoC Program Start Up training held in Pittsburgh on September 4-5, 2014 and the guidance previously given by the Bureau of Homeless Services, Office of Community Services, Allegheny County Department of Human Services.

HUD now provides excellent resources on both programmatic and fiscal issues via the website www.HUDexchange.info and specifically around their CoC 2.0 training series, which can be found on the HUDexchange web site.

Feedback and questions are always welcome. Please contact the Bureau of Homeless Services at 412-350-3064 or the appropriate program specialist with questions.

Revision Notes

May, 2015 – Removed Security Deposit from the eligible items of Supportive Services; Clarified Matching requirements & timesheet requirements to match up with ESG requirements; and additional guidance on Rental Assistance/Leasing.

Types of Funding and Eligible Costs

Eligible Expenses are divided into 5 different categories:

Supportive Services

Operating

Administrative

Rental Assistance

These Budget Line Items (BLI) require a 25% match on gross eligible expenses

Leasing – This Budget Line Item has no matching requirement

Refer to 24 CFR §578.49-55 for HUD's specific language regarding eligible and ineligible expenses.

SUPPORTIVE SERVICES

In general. Grant funds may be used to pay the eligible costs of supportive services that address the special needs of the program participants.

Supportive services must be necessary to assist program participants obtain and maintain housing.

Examples of Eligible Supportive Services

Case Management

- Counseling
- Obtaining benefits
- Coordinating services
- Information & referrals
- Developing an individualized housing and service plan

Annual Assessment of Service Needs

Assistance with Moving Costs

- One time per participant/family
- Truck and moving company

Establishing and operating a licensed child care facility

Childcare expenses so that a parent may work or seek self-sufficiency

Educational services

- Consumer education
- GED
- Other screening/testing for education or job readiness
- Individual or group instruction and materials

Employment assistance and job training

Supportive Services continued

Food

Housing search and counseling services

Legal services – must relate to homelessness or ability to retain housing

Life skills training

- Budgeting
- Money management
- Time management
- Household management
- Food shopping for nutrition
- Use of public transportation
- Parent training

Mental health services

Health/Medical services

Outreach services

- Transportation
- Cell phone costs
- Providing for immediate needs
- Providing information within the CoC

Personal Hygiene supplies-

- Soaps, deodorant, shaving supplies, etc... and laundry detergent

Substance abuse treatment services

- Drug testing when a part of program requirements

Transportation

- Public transportation (bus tickets or taxi fare)
- Purchase or lease of a vehicle for use by an agency to transport participants to/from medical appointments, employment, child care, and other eligible services
- Mileage when visiting participants or conducting housing quality inspections
- Cost of gas, insurance, taxes and maintenance of a vehicle
- Payments for client owned vehicle repair – speak with DHS for special applicability

Utility deposits – one time set up fees paid directly to utility company

Certain Indirect costs as allowable by OMB Circular A-122

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Examples of Ineligible Activities/Costs

Staff training

Clothing for participants—except emergency needs under outreach

Furniture

Obtaining professional licenses or certificates

Criminal background checks

Recreational activities

- Event tickets
- Personal electronics
- CD/DVDs
- Games & toys

Examples of Ineligible Activities/Costs

continued

**Computers for individual participants/
families**

Televisions

Cable TV connections

Client telephone or cell phone service

**Any activity with an inherently religious
component**

Utility Arrearages

Household supplies—used to “set up” an apartment. i.e. curtains, dishes, waste cans, etc...

- These lists are not intended to be all inclusive. Please contact the Bureau of Homeless Services with specific questions regarding eligibility prior to incurring any expenses.

OPERATING EXPENSES

Grant funds may be used to pay the costs of the day-to-day operation of transitional and permanent housing in a single structure or individual housing units.

Examples of Eligible Operating Expenses

Staff Salaries & Benefits

Staff time involved in the eligible activities/costs listed below

Utilities that are not included in the lease of

a property

Electric

Gas

Water/Sewer

Trash

Maintenance & Repair of housing

Maintenance of landscaping

Snow removal/salting

Property Taxes

Insurance

Including insurance(s) for staff billed under Operations

Scheduled payments to a Reserve for the replacement of major systems of the housing— prior approval required.

Building security if more than 50% of funds are grant funded

Furniture

Office for staff involved in housing operations

Apartment furniture—must stay with the unit, not with the participant.

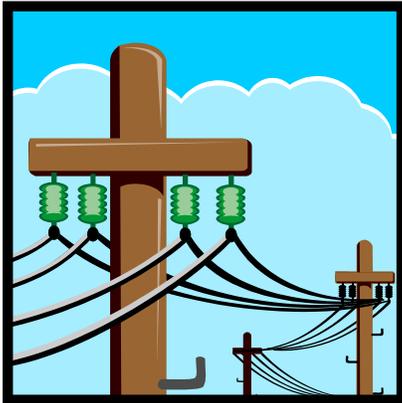
Equipment

Durable office equipment-including
postage machines
Appliances for housing
Computers and Telephones
Playgrounds
Maintenance contracts/toner for
copiers

Toner/Ink for printers
Postage

**Security & Fire Alarm
monitoring/Telephone Lines
Office Telephone Service**

Specific guidance on Repairs vs. Renovation. HUD considers a repair to be any activity that does not change the value of the property. Renovations change the value and go beyond cosmetic changes. The removal or attachment of cabinetry (i.e kitchen) or the replacement of mechanical systems are considered renovation, and are not eligible under the Operations BLI.



Examples of Ineligible Operating Expenses

Mortgage Payments
Recruitment & Training of staff
Rent
Depreciation
Fundraising expenses
Literature/Marketing
Landscaping for beautification
Legal fees to keep an attorney on retainer
General cleaning Supplies

Travel for non-client related activities

Exception—HUD/CoC meetings

Consumable Office Supplies

Pens, paper, files, folders, postage etc....

- These lists are not intended to be all inclusive. Please contact the Bureau of Homeless Services with specific questions regarding eligibility prior to incurring any expenses.

ADMINISTRATIVE EXPENSES

For a cost to be eligible under Administrative Expenses, the cost must involve the planning and coordination of CoC eligible activities. This does not include staff and overhead costs directly related to carrying out activities eligible under Supportive Services, Operations, Rental Assistance or Leasing.

Examples of Eligible Administrative Expenses

General management, oversight, and coordination.

Costs of overall program management, coordination, monitoring, and evaluation

Salaries, wages, and related costs

Staff engaged in program administration. In charging costs to this category, the agency may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments.

The agency may use only one of these methods for each fiscal year grant. Program administration assignments include the following:

Preparing program budgets and schedules, and amendments to those budgets and schedules.

Developing systems for assuring compliance with program requirements.

Developing agreements with contractors to carry out program activities.

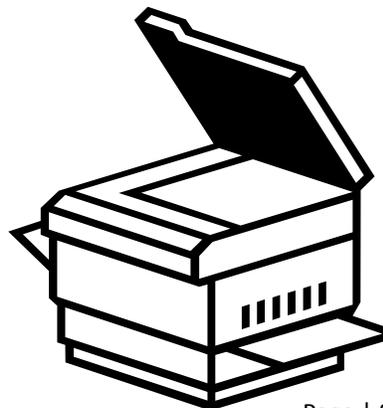
Monitoring program activities for progress and compliance with program requirements.

Preparing reports and other documents directly related to the program for submission to HUD.

Coordinating the resolution of audit and monitoring findings.

Evaluating program results against stated objectives.

Managing or supervising persons



whose primary responsibilities with regard to the program include such assignments as those described above.

Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services.

Other costs for goods and services required for administration of the program including rental or purchase of equipment, insurance, utilities, **office supplies, including postage,**

and rental and maintenance (but not purchase) of office space.

Training on Continuum of Care requirements

Costs of providing training on Continuum of Care requirements and attending HUD sponsored Continuum of Care trainings.

Environmental review

Costs of carrying out the environmental review.

Examples of Ineligible Administrative Expenses

- Costs of Administering Rental Assistance**
- Recruitment & Training of staff**
- Fundraising expenses**
- Literature/Marketing**
- Legal fees to keep an attorney on retainer**
- Cost of general operations that are not directly related to the operating, planning and administration of the HUD project.**

PROPERTY – LEASING and RENTAL ASSISTANCE

HUD considers the FMR or the rent reasonableness to encompass both rent and utilities. The easiest way to do this is by using the Rent Reasonableness Checklist at:

<http://www.hud.gov/offices/cpd/affordablehousing/library/forms/rentreasonablechecklist.doc>.

This form will not do calculations for you, but it is an excellent template to level the costs of different types of apartments. A copy of this form can be found at the end of this document.

RENTAL ASSISTANCE

Rental Assistance (RA) may be of short term (up to 3 months), medium term (3-24 months) or long term (>24 months). RA is a lease agreement between the program participant and the landlord. In this situation, participants may continue to rent the apartment/home on their own or with another subsidy once CoC supports end.

RA may be tenant-based, project-based or sponsor-based. RA may be used for transitional or permanent housing.

All rents must be supported by rent reasonableness documentation showing that the rent is reasonable for the area. The rent must also be compared with the FMR for the area, as this is what the grant amount was based on even if the Rent Reasonableness is higher than the FMR.

Rental Assistance Rent Limits			
• Rent Reasonableness			
• Fair Market Rent (FMR)			
Relationship Between FMR and Rent Reasonableness (Scenarios)			
	1-Bedroom Housing Unit	2-Bedroom Housing Unit	3-Bedroom Housing Unit
Reasonable Rent	\$600	\$1,050	\$1,450
Fair Market Rent	\$575	\$1,100	\$1,450
Maximum Allowable Contract Rent	\$600	\$1,050	\$1,450

Unit rents can exceed FMR but must **NOT** exceed Rent Reasonableness

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Funds may be used for security deposits in an amount *not to exceed 2* months' rent. An advance payment of the last month's rent may be made in addition to the security deposit and first month's rent. *Allegheny County does not generally support the use of landlords that require extraordinary security deposits.

Vacant units will be supported with HUD funding for up to 1 month following the month of exit. If, for example, a participant moves out on September 7th, HUD and Allegheny County will have already reimbursed for September's rent. Reimbursement is also eligible for October if the unit remains empty. Rent would not be reimbursed if this unit is empty in November.

Property Damage is reimbursable, up to one month's rent to pay for any damage incurred due to the action of a program participant. This is a one-time cost that is incurred at the time the participant exits the housing.

The cost of administering the Rental Assistance, such as negotiating the lease, cutting the checks and conducting the Housing Quality Inspections, are eligible for reimbursement under the RA BLI. These costs **may not** be charged to Supportive Services, Operations or Administration.

LEASING

Leasing occurs when a lease is held between the supporting agency and the landlord. Participants do not have rights to retain occupancy of the apartment/home once services end.

Funds may be used for security deposits in an amount *not to exceed 2* months' rent. An advance payment of the last month's rent may be made in addition to the security deposit and first month's rent. *Allegheny County does not generally support the use of landlords that require extraordinary security deposits.

If the project is defined as a Leasing Project, in order to have the costs be eligible for reimbursement, then the combination of rent and utilities can NEVER exceed the FMR that was in effect when the grant renewed. For example a Project that renews for the 2014-2015 calendar year is able to go up to the 2104 FMR. Grants that renew in 2015-2016 will be subject to the

2015 FMR, which will be slightly lower than 2014. Finally, the max FMR is exactly that, the maximum. Leasing project costs are limited to the **lesser of:** reasonable rent **or** FMR.

All rents must be supported by rent reasonableness documentation showing that the rent is both reasonable for the area *and* within the FMR for the grant. Leasing projects may only pay to the lesser of the Reasonable Rent or the FMR.

Vacant units will be supported by Allegheny County with HUD funding for up to 1 month following the month of exit. If, for example, a participant moves out on September 7th, HUD and Allegheny County will have already

Leasing Rent Limits for Units

- Rent Reasonableness
- Fair Market Rent (FMR)

Relationship Between FMR and Rent Reasonableness (Scenarios)

	1-Bedroom Housing Unit	2-Bedroom Housing Unit	3-Bedroom Housing Unit
Reasonable Rent	\$600	\$1,050	\$1,450
Fair Market Rent	\$575	\$1,100	\$1,450
Allowable Rent Payment	\$575	\$1,050	\$1,450

Although CoC Program leasing funds cannot pay above the FMR for a unit, recipients and subrecipients can use non-CoC funds to help pay for those housing costs above the FMR.

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reimbursed for September's rent. Reimbursement is also eligible for up to three (3) additional months if the unit remains empty. Agencies are expected to make every effort to fill vacant units with eligible participants as soon as possible.



Rent or occupancy fees are charged at the discretion of the recipient or sub recipient up to a maximum of 30% of adjusted gross income. Recipients and sub recipients may choose to charge less than this, and may even waive the occupancy or rental fee. Whatever decision is made, it must be the same for all program participants.

What is the Difference Between Rental Assistance and Leasing?

Rental Assistance (RA) supports leasing between the participant and the landlord. It allows for a participant to retain their housing once support from the CoC ends.

RA requires a 25% match from the supporting agency and rent/occupancy fee **must** be charged based on the greater of 30% of AGI or 10% of gross monthly income.

Leasing is an agreement held between the provider agency and the landlord. Participants often move in and out of these units and do not continue to live in them if or once support ends.

Leasing projects do not require any match from the provider agency.

Both RA and Leasing are subject to the Fair Market Rents for the year in which the grant renews. Both BLI's require that the rent charged be reasonable for the area and that it not be any greater than comparable rents for unassisted units.

How To Determine Rent Reasonableness

HUD considers the FMR or the rent reasonableness to encompass both rent and utilities.

Rent reasonableness is the rental value of a specific area. For example – the Fair Market Rent for a one bedroom apartment in Allegheny County for 2014 is \$633/month. Of course this is not the actual rent anyone pays, and there are significant variances – Wilkinsburg or McKeesport rents will most likely be significantly lower than this, and rents in Shadyside will likely be higher.

Knowing that there are differences, use comparable rentals advertised in the area to determine Rent Reasonableness. The ads may come from a rental publication, Craigslist, the newspaper, etc... Comparable apartments **must** have the same or similar amenities and if there are differences in utilities, this must also be accounted for.

Rent Reasonableness comps should be redone annually as the market changes.

Please refer to Appendix B for an example of a rent reasonableness checklist and certification. The CoC guide for rent reasonableness is from the HUD Housing Choice Voucher Program, which can be found at:

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11753.pdf

Additional RA and Leasing Guidelines

HUD has provided excellent clarification on the specifics of Leasing and Rental Assistance through the HUDexchange.info website. There are videos that we recommend watching on this topic. The web address is:

<https://www.hudexchange.info/coc/coc-2-0-training-materials/videos/>

Rent Reasonableness studies should be conducted annually. Reimbursement from CoC funds may be re-evaluated at the beginning of each grant. Rates may go up to the current FMR, but cannot exceed the Rent Reasonableness (or FMR for Leasing). If FMR or Rent Reasonableness change, and an increase in payment is warranted, the provider, may charge the eligible costs to HUD, but they may not decrease the number of units supported in order to support a higher cost on other units.

Some key points to remember when choosing or working within **Rental Assistance Projects**:

All apartments/homes are a direct lease between the participant and the landlord.

Rent is required, and must be the greater of 30% of AGI or 10% of monthly income.

Any leases that do not include utilities must have a utility allowance. Any payments on behalf of a participant must either be deducted from their rent owed or paid directly to the utility company. Money must **never** be given directly to a participant. See **Appendix A** for example calculations.

Rent *may* exceed the FMR, but may never be more than the Rent Reasonableness for the area.

Matching funds are required at the 25% level.

Property damage is reimbursable up to one month's rent. This is a one-time cost.

Allegheny County recommends that the agency collect the rent due from the participant and pay the landlord in full with one check. This ensures the landlords are paid in full each month and that they do not need to worry about missed payments or calculation changes due to income variance.

Some key points to remember when choosing or working within **Leasing Projects**:

Transitional Housing may have a sublease or an occupancy agreement between the agency and the participant.

Permanent Housing requires a sublease between the agency and the participant.

Rent/Occupancy fees are not required, but if charged, must be consistent across all participants and cannot exceed the greater of 30% of AGI or 10% of monthly income.

Leasing projects do **not** allow for damages to be paid.

Leasing projects do allow for vacancy payments, but may be limited in duration by Allegheny County.

Rent may not exceed the **lesser of** FMR or Rent Reasonableness.

Matching Requirements

Matching is the financial or in-kind contribution provided by the agency receiving HUD funding that is above and beyond the HUD grant. This is not to be confused with leveraging, which are services that are provided to participants from third party sources.

Beginning with grants that renewed in the 2013-2014 grant-cycle, matching requirements changed in some significant ways.

Providers may bill Operations and Supportive services at 100% of the eligible dollars. The match must still equal 25% of the gross request and may come from any eligible source. Match needs to be eligible, but does not need to be a part of the specific BLI requested.

1. Operations, Supportive Services and Rental Assistance all require at least a 25% match from the Agency for each grant they receive.
2. Leasing still does not require any match.
3. In-Kind Match eligibility
 - a. **Agencies may use the value of any real property, equipment, goods, or services contributed to the project as a match, provided that if the agency had to pay for them with grant funds, the costs would have been eligible expenses.**
 - b. Services that are to be provided by a third party must be documented with a memorandum of understanding (MOU) *before* the execution of the grant.
 - c. Records documenting services provided must be kept and made available upon request.
 - d. See 24 CFR §578.73 for additional details.

Grants that are still functioning under the Shelter Plus Care model are required to provide 100% match of their leasing expenses. Administrative expenses, if eligible to bill for, do not require a match.

Match will be calculated differently than has been done from 2012 to 2014.

While a 25% match is required for Supportive Services, Operations and Rental Assistance, the match will not be deducted from the gross expenditures.

The new calculations will show the match required, and agencies will be expected to provide detailed backup showing the match through cash or in-kind methods.

Section 578.97(b) of the CoC Program interim rule states that program income earned by recipients/ subrecipients in the CoC Program must either be retained and added to CoC Program funds committed to the project or deducted from the total project, provided that that the costs have not been charged to the CoC Program. Program income may be spent on eligible activities, even if the activities are not approved in a project budget. For

example, program income may be used to provide a security deposit or first and/or last month's rent for a program participant in a Permanent Supportive Housing project even if that type of assistance is not in the approved project budget.

Example 1: Project with Supportive Services and Rental Assistance. All lines require 25% matching

	Operations	Supportive Services	Rental Assistance	Administration	
Expense	N/A	\$5,000	\$18,000	\$805	TOTAL REQUEST \$23,805
Match required 25% of request		\$1,250	\$4,500	\$201	Total Match Required \$5,951

Example 2: Project with Operations, Supportive Services and Leasing. Leasing has no match requirement.

	Operations	Supportive Services	Leasing	Administration	
Expense	\$2,400	\$5,000	\$16,500	\$837	TOTAL REQUEST \$24,737
Match required 25% of request	\$600	\$1,250	\$0	\$209	Total Match Required \$2,059

See Appendix C for a sample Cost Invoice page

LEVERAGE

Leverage is separate and distinct from matching.

It is cash or in-kind contribution that is in excess of the minimum required match.

Leverage can be any financial assistance from public or private resources.

Leveraging does not include benefits received directly by the program participant(s).

Leverage is the non-match cash or non-match in-kind resources committed to making a CoC Program project fully operational. This includes all resources in excess of the required 25 percent match for CoC Program funds as well as other resources that are used on costs that are ineligible in the CoC Program.

Leverage funds may be used for any program related costs, even if the costs are not budgeted or not eligible in the CoC Program. Leverage may be used to support any activity within the project provided by the recipient or subrecipient.

Services provided by DHS will continue to count as leveraging.

Program Income

Program income is the income received by an agency that is directly generated by a grant supported activity. For most agencies this will be rent or occupancy fees.

Leasing projects are not required to charge an occupancy charge. Programs are encouraged to do so in order to assist the participants in preparing their



budgeting skills to lead to greater self-sufficiency. RA projects must charge the maximum of 30%.

If rent or an occupancy charge is imposed in a leasing project, it may not exceed the higher of:

- 1) 30% of the family's monthly adjusted income
- 2) 10% of the family's monthly income
- 3) If receiving public welfare payments, only the portion designated for housing costs.

Program income is designed to be used by the agency to provide and support additional eligible services to the participants. For participants of Transitional Housing, these funds may be reserved and used to assist the person from whom the funds were collected in moving to permanent housing.

Program income may not be used as matching funds or as leveraging for a HUD grant . See CFR 24 §578.97 for specifics.

Utility Allowance

If the cost of utilities is not included in the Resident Rent but is the responsibility of the resident: The Resident Rent equals the household's required rent payment minus an allowance for reasonable utility consumption. If the household's required rent payment is less than the allowance for reasonable utility consumption, a reimbursement is due to the household. To determine this amount: Obtain Verified Information of the anticipated cost of utilities which are not included in the rental (e.g. water, gas, electricity, garbage, sewer, but excluding telephone service) Assess if the utility cost(s) are reasonable by comparing them to your local public housing agency's schedule of utility allowances (PHAs maintain a schedule of utility allowances by housing type for the Section 8 program based on a reasonable amount of utility consumption given a particular type of unit size of housing). The most recent allowances for Allegheny County can be found at: <http://www.achsng.com/docs/UtilityAllowance2015.pdf>. When referring to this document, please be sure that you are referencing the correct page, whether the unit is a Single Family Detached, Town House or Row, or an Apartment.

If the rental unit does not include utilities in the rent and the participant is being charged, the Agency **must** pay the utility company on behalf of the participant if the rent exceeds the utilities cost.

This ensures that funds are used in compliance with the CoC Program interim rule, **that funds are not given directly to the program participant**, and it does not include participants whose rent does not exceed utilities costs.

Agencies may use the participant's rent contribution, operating funds or program income to pay the utilities.

Acquisition, Rehab & New Construction

Acquisition—Grant funds may be used to pay for up to 100% of the cost of acquisition of real property for the provision of housing or supportive services to homeless persons.

Rehabilitation— Grant funds may be used to pay for up to 100% of the cost of rehabilitation of structures for the provision of housing or supportive services to homeless persons. Eligible rehabilitation costs include installing



cost effective (i.e. energy-star) measures and bringing the structure up to health and safety codes.

New Construction—before funds can be committed, an agency must show that the cost of new construction:

- 1) is substantially less expensive than rehabilitation or;
- 2) That there are a lack of properties available for rehabilitation

Up to 100% of the cost of new construction or of an addition to an existing structure that increases the floor area by 100% or more and the land associated with the construction, for housing.

Billing Standards For Allegheny County DHS Bureau Of Homeless Services

HUD and ACDHS Bureau of Homeless Services require that specific support documentation be either sent in or made available with each invoice submitted. Specifically, these items include:

- New/Renewal of Leases for participants
- Invoices for any purchases/services (including insurances)
- Timesheets and payroll information
- Monthly rent and utility bills

An Environmental Review must be completed prior to the signing of a new lease if the leased site has not previously been subject to an Environmental Review. Information on Environmental Reviews is included in its own documentation, and can be found at the following link:

<https://www.hudexchange.info/resource/3800/limited-scope-environmental-review-coc/>

Leases must include the name of the Lessee, the name of the participant, address of the property to be leased, the rent and security deposit to be paid, which utilities are to be included in the rent, the term of the rent and the number of bedrooms included in the apartment.

Billing Standards For Allegheny County DHS Bureau Of Homeless Services continued:

Any invoices that are being charged to a HUD grant must include the original receipt for retail purchases or the entire billing page for mailed invoices.

Credit card statements are not sufficient for evidence of purchases. The original detailed receipts must be included.

Gift cards may **NOT** be charged to DHS/HUD. The items purchased with a gift card, if eligible and approved, may be charged on the Actual Cost Invoice.

Timesheets are to be included for any staff member billed to a HUD grant. All timesheets must account for time spent under the HUD grant (specified by BLI) and for non-HUD time. A sample timesheet is included in this documentation. It is detailed enough to cover an agency that has multiple HUD grants under which a staff person works, as well as non-HUD activities.

Activities are billable, but not necessarily a specific role. As an example, if the Executive Director is qualified to provide counseling and does so, his/her time is a billable Supportive Service.

Payroll statements must be included to show actual pay and benefits billed to the HUD grant.

Copies of checks to a landlord are acceptable evidence of payment of rent. For utilities, see the section above regarding invoices/bills.

CALCULATING DISTRIBUTIONS OR ALLOCATIONS

Agencies with more than one program, whether they are HUD grant funded or not, often calculate distributions or allocations for shared items such as office space and equipment. Distribution calculations may be based on any logical formula that accounts for the use, cost and time.

Overhead costs, such as rent for office space, photocopier costs, and lighting and utilities for an office, could be eligible either as a direct cost charged to one or more components, depending on the activities delivered by that office, or could be charged as an indirect cost if part of an indirect cost allocation plan.

Additionally, please be aware of the following:

- If any of these cost items is part of an indirect cost allocation plan, they must not be billed directly to any activity.
- Only the outlined costs under the description of Administrative Expenses that are not attributable to one of the other activities under a specific component may be placed into an indirect cost allocation plan.
- When more than one component or other programs are operated from the same office, the costs and the rationale used to determine the portion of the costs assigned to each component and/or program must be carefully documented.

Indirect costs such as employee benefits should be calculated on the staff percentage of time spent in a program.

Hard goods, food, and other purchases or services that can be attributed to a single person or family must be billed to the program the participant/family is in.

Appendices

APPENDIX A – Rent Calculations

Participant Rent Examples:

Scenario 1.— Jenny is living in a Permanent Supportive Housing arrangement. The program is scattered site leasing and requires maximum occupancy charge. The apartment rents for \$500. FMR is \$525 and Rent Reasonableness is also \$525. Utilities are included in the rent. Jenny’s eligible income is as follows:

10% gross income = \$80; 30% AGI = \$50. No deductions (single woman living alone)

Jenny would pay: \$80 to the Agency as her occupancy fee.

The Agency would bill the CoC for \$500 in leasing fees.

The Landlord would receive \$500 from the Agency in rent.

Scenario 2.—The Alpert Household is residing in a Permanent Supportive Housing, Rental Assistance arrangement. The apartment rents for \$1025. FMR is \$1025. Rent Reasonableness is \$1075. No utilities are included, and their utility allowance is \$50. The family’s eligible income is as follows:

10% gross income = \$70; 30% AGI = \$95; Welfare rent = \$25

The Alpert family would pay \$45 to the Agency (\$95 rent minus \$50 utility allowance).

The Agency would bill the CoC for \$980 (\$1025 in rent minus the \$45 received from Alpert family).

The Landlord would receive \$1025 from the Agency in rent.

Scenario 3.—Max is living in a Permanent Supportive Housing arrangement. The program is scattered site leasing and does not charge any rent/occupancy fee. The apartment rents for \$600. FMR is \$525 and Rent Reasonableness is \$600. All utilities are included. Max’s eligible income is as follows:

10% gross income = \$70; 30% AGI = \$43. No deductions.

Max would pay: \$0 to the Agency as the occupancy fee.

The Agency would bill the CoC for \$525 in leasing fees.

The Agency would utilize other non-CoC funds in the amount of \$75 to cover the difference between FMR and actual rent.

The Landlord would receive \$600 from the Agency in rent.

APPENDIX B – RENT RESONABLENESS CHECKLIST

RENT REASONABLENESS CHECKLIST AND CERTIFICATION

	Proposed Unit	UNIT #1	UNIT #2	UNIT #3
ADDRESS				
NUMBER OF BEDROOMS				
SQUARE FEET				
TYPE OF UNIT/CONSTRUCTION				
HOUSING CONDITION				
LOCATION/ACCESSIBILITY				
AMENITIES UNIT: SITE: NEIGHBORHOOD:				
AGE IN YEARS				
UTILITIES (TYPE)				
UNIT RENT UTILITY ALLOWANCE GROSS RENT				
HANDICAP ACCESSIBLE?				

CERTIFICATION:

A. COMPLIANCE WITH PAYMENT STANDARD

_____ + _____ = _____
PROPOSED CONTRACT RENT + UTILITY ALLOWANCE = PROPOSED GROSS RENT

APPROVED RENT DOES NOT EXCEED APPLICABLE PAYMENT STANDARD OF \$_____.

B. RENT REASONABLENESS

Based upon a comparison with rents for comparable units, I have determined that the proposed rent for the unit [] is [] is not reasonable.

NAME:	SIGNATURE:	DATE:
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APPENDIX C – ACTUAL COST INVOICE

COUNTY OF ALLEGHENY		SERVICE PROVIDER'S NAME: HUD Provider	
Department of Human Services		ADDRESS: 1 Smithfield St.	
Office of Community Services		Pittsburgh, PA 15222	
ACTUAL COST INVOICE		INVOICE NUMBER: DKHUD- June2014	
		CONTRACT / AGREEMENT NUMBER:	
Bureau of Homeless Services		HUD PROJECT NUMBER: PA0xxxL3E00130x	
HUD CoC Program		AUTHORIZATION NUMBER: DK-0100	HUD YEAR: XIX
PROGRAM TYPE		SUPPLIER NUMBER:	
{CHECK ONE}		BILLING / EXPENSE PERIOD: 01-Jun-14 30-Jun-14	
xx		CONTRACT PERIOD: 01-Sep-13 01-Aug-14	
xx	PERMANENT HOUSING (PSH)		
	RAPID RE-HOUSING (RRH)		
	TRANSITIONAL HOUSING (TH)		
	SAFE HAVEN		

Budget Line Item	Grant/Contract Amount	Eligible Monthly	Amount Requested	MATCH	Required Match
OPERATIONS	\$ 60,619	\$ 6,685	\$ 6,685	25%	\$ 1,671
SUPPORTIVE SERVICES	\$ 43,590	\$ 4,246	\$ 4,246	25%	\$ 1,062
REAL PROPERTY LEASING	\$ 52,280	\$ 3,925	\$ 3,925	0%	\$ -
RENTAL ASSISTANCE				25%	\$ -
ADMINISTRATION	\$ 5,085	\$ 483	\$ 483	25%	\$ 121
TOTAL	\$ 161,574	\$ 15,339	\$ 15,339		\$ 2,854

SUMMARY	
Line Item Request:	\$ 14,856
Admin Request:	\$ 483
TOTAL REQUEST:	\$ 15,339

MAILING ADDRESS INFORMATION	
<i>Attention: Seth Abrams</i>	
One Smithfield Street, 2nd Floor	
Pittsburgh, PA 15222	
TELEPHONE 412-350-6147	

APPENDIX D – Sample Time Sheet

Name:	HUD PROGRAM 1			HUD PROGRAM 2			Pay Period:	
	Ops	Sup Serv	Admin	Ops	Sup Serv	Admin	Non-HUD Hours	Total Hrs per day
Sun								
Mon	7			1				8
Tues	7			1				8
Wed	6			2				8
Thurs	3			4			1	8
Fri					8			8
Sat								0
Sun								0
Mon	2	2	0.5	3		0.5		8
Tues	4			4				8
Wed	3			2			3	8
Thurs	6	2						8
Fri	4				4			8
Sat								0
								80
Hours per BLI	42	4	0.5	17	12	0.5	4	

Sample Time sheet for an Agency with 2 HUD funded programs and non-HUD eligible activities/programs

APPENDIX E- Chart of Rental Assistance Vs. Leasing

	Rental Assistance	Leasing
Eligible Components	<ul style="list-style-type: none"> • Permanent Housing • Rapid Re-housing • Transitional Housing 	<ul style="list-style-type: none"> • Permanent Housing • Transitional Housing
Models of Assistance	<ul style="list-style-type: none"> • Tenant-based RA • Sponsor-based RA • Project-based RA 	<ul style="list-style-type: none"> • Leasing structures • Leasing portions of buildings • Leasing individual units
Length of Assistance	<ul style="list-style-type: none"> • Short Term (3 months) • Medium (4-24 months) • Long Term (24+ months) 	<ul style="list-style-type: none"> • TH: up to 24 months • PSH: no limit
Who Leases the Unit	<ul style="list-style-type: none"> • TBRA is between the participant and the landlord • SBRA is a sublease between participant and agency 	Lease is between the agency and the landlord. Sublease or occupancy agreement between the agency and the participant
Unit Rent	Awarded at FMR, but capped at rent reasonableness	May not exceed rent reasonableness or FMR, whichever is lower
Security Deposit	Up to the equivalent of 2 months' rent	Up to the equivalent of 2 months' rent
Last Month's Rent	Up to the equivalent of 1 month of rent. Advance payment allowed.	Up to the equivalent of 1 month of rent. Advance payment allowed.
Property Damage	Up to the equivalent of 1 month of rent upon exit.	None
Vacancy Payment	Up to 30 days after vacancy	Allegheny County will pay for up to 3 months of rent after vacancy
Match Requirement	25%	None

