

**CoC-Y/YHDP Grant Administration FAQs**

<b>COVID19</b>	<b>Re: shifting the role of case management staff in host home projects during COVID19</b>	<b>04/21/20</b>
<p><i>Guidance:</i> In general, HUD is providing CoC grantees and ESG recipients flexibility to organize service delivery in a manner that supports the reduction of risks for infection in local jurisdiction. Reasonable adjustments to services that do not violate program regulations may be implemented without action from HUD. Therefore, as long as you were continuing to serve YHDP eligible households, and did not require additional approved eligible budget line items, you could move forward with these suggested changes. Once public health authorities determine the pandemic is over, your project would be expected to return to the project design outlined in your project application to HUD.</p>		
<b>COVID19</b>	<b>Eligible costs for COVID19 response</b>	<b>03/10/20</b>
<p><i>Guidance:</i> Webinar (recording from 3/10/2020): Infectious Disease Preparedness for Homeless Assistance Providers and Their Partners                  Direct Links to Eligible Costs: <a href="https://files.hudexchange.info/resources/documents/Using-CoC-Program-Funds-for-Infectious-Disease-Preparedness-and-Response.pdf">https://files.hudexchange.info/resources/documents/Using-CoC-Program-Funds-for-Infectious-Disease-Preparedness-and-Response.pdf</a></p>		
<b>Eligible Expenses</b>	<b>Are security deposits and/or rental assistance allowable expenses under Section 578.53 Supportive Services?</b>	<b>1/19/20</b>
<p><i>Guidance:</i> 24 CFR 578.53(e) – Lists eligible costs for supportive services. Generally, the costs of security deposits, first and last month’s rent, and ongoing monthly rent payments are not eligible supportive service costs. However, RTFH received an alternative requirement determination, and in addition to the eligible costs listed, RTFH is approved to bill the following services as eligible supportive services costs: Payment of utility arrears of up to six months per service for project Payment of rental arrears consisting of a one-time payment for up to six months of rent in arrears, including any late fees on those arrears for the Host Homes, Prevention &amp; Diversion, YSN, and Joint projects.</p> <p>The RRH project was not included in the approval. However, HUD published a series of waivers related to flexibilities during the COVID pandemic. Section 578.53(e)(8) of the CoC Program interim rule allows recipients and subrecipients to use CoC funds to pay for housing search and counseling services to help eligible program participants locate, obtain, and retain suitable housing. Under the memorandum issued on March 30, 2020, recipients and subrecipients may use this budget line item to pay for up to 6 months of rental arrears and 6 months of utility arrears when those arrears make it difficult to obtain housing. <b>This waiver expires on December 31, 2021.</b> This is for permanent housing only.</p>		
<b>Eligible Expenses</b>	<b>For further clarification of the HUD Response dated 1/19/20 (see above) for security deposits and rental assistance, does this approval also include maintaining a current rental property as well as obtaining a new rental property due to unpaid utilities and rental arrears?</b>	
<p><i>Guidance:</i> Funding can be used to maintain existing permanent housing.</p>		
<b>Eligible Expenses</b>	<b>Are security deposits or rental assistance an allowable expense under Section 578.53 Supportive Services (July 7, 2020 - Approved Alternative Requirement Determination)</b>	<b>7/07/20</b>

<p><b>Guidance:</b> Joint Projects Only (CA1816Y9D011700). 24 CFR 578.53(e) – Lists eligible costs for supportive services: In addition to the eligible costs listed, RTFH is approved to bill the following services as eligible supportive services costs:</p> <ul style="list-style-type: none"> <li>• Payment of utility arrears of up to six months per service for project CA1816Y9D011700.</li> <li>• Payment of rental arrears consisting of a one-time payment for up to six months of rent in arrears, including any late fees on those arrears for project CA1816Y9D011700.</li> </ul>		
<b>Eligible Expenses</b>	<p><b>For further clarification of the HUD Approved Alternative Requirement Determination 7/07/2020 (see above) for security deposits and rental assistance, does this approval also include maintaining a current rental property as well as obtaining a new rental property due to unpaid utilities and rental arrears? (1/19/21)</b></p>	
<p><b>Guidance:</b> Arrears payments may be used to help a participant obtain a new unit (perhaps their utility debt is preventing them from finding a new unit), OR maintain a current unit (Permanent Housing only)</p>		
<b>Eligible Expenses</b>	<p><b>§578.53 Supportive services - Are interview clothing and shoes an allowable expense? Or required work clothing?</b></p>	
<p><b>Guidance:</b> In general, Section 578.53(e) of the CoC Program interim rule establishes the eligible supportive services costs under the CoC Program. Any cost that is not described as an eligible cost under this section is not an eligible cost of providing supportive services using CoC Program funds.</p> <ul style="list-style-type: none"> <li>• Interview clothes are not an eligible cost.</li> <li>• If the recipient or subrecipient is operating an employment or job training program, the cost of necessary tools or uniforms for the employment or job training program may be eligible. If they are not operating an employment or job training program, then the cost of these tools and uniforms, including work clothes and work shoes, would not be eligible expenses.</li> <li>• The only place that clothing is listed as an explicit eligible cost in the CoC Program interim rule is under outreach services. Section 578.53(e)(13) defines outreach services as “The costs of activities to engage persons for the purpose of providing immediate support and intervention, as well as identifying potential program participants.” Section 578.53(e)(13)(ii) identifies eligible outreach services component costs to include “addressing urgent physical needs, such as providing meals, blankets, clothes, or toiletries; actively connecting and providing people with information and referrals to homeless and mainstream programs; and publicizing the availability of the housing and/or services provided within the geographic area covered by the Continuum of Care.” Therefore, if the recipient or subrecipient is carrying out activities related to outreach services, as defined at 578.53(e)(13), and this is a part of the project’s budget, then clothes may be an eligible cost.</li> </ul> <p><b>Please note:</b> If eligible and ineligible activities are carried out in the same structure, 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).</p>		
<b>Eligible Expenses</b>	<p><b>Are cell phones for staff an allowable expense under Section 578.55 Operating Costs?</b></p>	<p><b>12/28/20</b></p>
<p><b>Guidance:</b> As indicated in Section 578.55 of the CoC Program interim rule, equipment is eligible under the Operating Costs budget line item when it used for the day-to-day operation of the housing. This would include desks, computers, and telephones used by staff for the purpose of carrying out the project. Therefore, if the telephone is for staff use, it may be an eligible operating cost. Additionally, to</p>		

the extent the telephone or internet is used to carry out eligible operating activities (e.g., maintenance and repair of housing or building security), the cost of the telephone bill could be charged to the operating budget line item.		
<b>Eligible Expenses</b>	<b>Are cell phones for staff an allowable expense under Section 578.53 Supportive Services?</b>	<b>12/23/20</b>
<p><i>Guidance:</i> The line item under which the cell phone purchase, monthly bill, and insurance can be charged to the grant depends on how the phone is being used. To the extent that the telephone is used to carry out eligible grant activities (e.g., case management), the cost of the telephone can be charged to that budget line item (e.g., supportive services). This is because section 578.59(a) of the CoC Program interim rule states that staff and overhead costs directly related to carrying out an eligible activity should be charged to that activity's budget line item. Within the supportive services line item, the cell phone expenses are eligible under both (13) Outreach Services and (17) Direct Provision of Services provided by the case manager. If the telephone is used to carry out more than one eligible activity, then the costs must be pro-rated accordingly.</p> <p>If the cell phone is used for eligible and ineligible activities, the costs charged to the CoC Program grant must be prorated based, for example, on the amount of time that the phone is used for eligible versus ineligible activities (see section 578.37(c) for more information).</p>		
<b>Eligible Expenses</b>	<b>Is the one-time cost of purchasing a cellular phone and basic plan for a participant an allowable expense? (July 7, 2020 – Approved Alternative Requirement Determination)</b>	<b>07/07/20</b>
<p><i>Guidance:</i> This is all current YHDP Projects. The one-time cost of purchasing a cellular phone and basic cellular plan for program participant use is allowable, provided that access to a cellular phone is necessary to obtain or maintain housing for projects. This applies to projects CA1815Y9D011700, CA1816Y9D011700, CA1817Y9D011700, CA1818Y9D011700.</p>		
<b>Eligible Expenses</b>	<b>Per 24 CFR 578.53 (e) (5) is financial assistance for college tuition allowable?</b>	
<p><i>Guidance:</i> In general, only items that are specifically included in the CoC Program interim rule are eligible costs and the eligible costs under 24 CFR 578.53(e)(5) Education Services do not include college and university tuition costs.</p> <p>Section 578.53(e)(5) provides that the costs of improving knowledge and basic educational skills of program participants are eligible costs under the CoC Program. <b>Eligible component services or activities include individual or group instruction in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Education Development (GED).</b> In general, eligible educational expenses under the CoC Program should be used for <b>classes or training provided by the service provider (or an entity with which they contract to provide the service).</b> In some cases, CoC Program funds may be used to pay for a class or a few classes at an institution of learning, such as a <b>community college, to provide program participants with basic skills that are directly necessary for increasing their self-sufficiency, such as ESL classes or basic computer skills.</b> However, in no cases can CoC Program funds be used to pay for the full cost of tuition for a degree or vocational accreditation. Note, in some cases, a vocational accreditation may be an eligible expense under section 578.53(e)(6), employment assistance and job training, but in no cases would it be eligible under education services.</p>		
<b>Eligible Expenses</b>	<b>Per the 24 CFR 578.53 Supportive Services - Can this include rent for the supportive service facility?</b>	<b>01/26/20</b>
<p><i>Guidance:</i> Generally, grant funds may be used to pay the eligible costs of supportive services that address the special needs of the program participants. If the supportive services are provided in a supportive service facility not contained in a housing structure, the costs of</p>		

day-to-day operation of the supportive service facility, including maintenance, repair, building security, furniture, utilities, and equipment are eligible as a supportive service.

As indicated in Section 578.59(a) of the CoC Program Interim Rule, staff and overhead costs directly related to carrying out activities eligible under Sections 578.43 through 578.57 are eligible costs as part of those activities. Whether office space can be charged to the grant will depend on how the space is being used.

As noted in the CoC Program Interim Rule at 578.53(a), if the supportive services are provided in a supportive service facility not contained in a housing structure, the costs of day-to-day operation of the supportive service facility, including maintenance, repair, building security, furniture, utilities, and equipment are eligible as a supportive service. It should be noted that the actual supportive services would need to be provided in the facility for the day-to-day costs to be eligible as a supportive service cost under this particular citation.

However, if the office space is not used to carry out eligible activities directly, but is used by the case managers to carry out activities directly related to the eligible supportive services, then the cost of the office space could be charged to the supportive service budget line item since the CoC Program Interim Rule states that staff and overhead costs directly related to carrying out grant activities under 578.43-578.57 should be charged to the applicable activity, because those costs are eligible as part of those activities (see section 578.59(a)).

<b>Eligible Expenses</b>	<b>Per 578.53(e)(15) are bus passes an eligible expense?</b>
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Guidance: Eligible transportation costs include both the costs of a program participant’s travel on public transportation (such as a fare pass) or in a vehicle provided by the recipient or subrecipient to and from medical care, employment, child care, or other services eligible under the CoC Program. **Therefore, bus tokens or other single fare passes on public transportation are eligible to be paid for with CoC Program funds and provided to program participants so long as the recipient or subrecipient is able to document that the program participant is going to a service eligible under section 578.53(e)(15) of the CoC Program interim rule.**

In general, the cost of monthly bus passes will not be eligible since the only time fare passes are eligible transportation costs is when they will be used to transport a program participant to and from services eligible under the CoC Program. CoC Program funds cannot be used to transport clients to places not eligible under the CoC Program.

You can **document single use bus passes with a case management note**, or a note in a sign out log along these lines: “Tom has been approved for a single use bus pass, which they will use to transport themselves to their job at Safeway. This job helps them maintain their housing.” The key is that HUD expects these to be single-use bus passes.

<b>Eligible Expenses</b>	<b>Per the 24 CFR §578.53 Supportive services. - are you allowed to purchase gift cards for food and transportation (gas gift card)? Is there a maximum amount allowed to spend on each participant?</b>	<b>1/15/21</b>
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Guidance: The cost of purchasing gift cards (including food vouchers to area grocery stores) in and of itself is not an eligible cost under the CoC Program. Gift cards are considered to be a form of cash, and under OMB SuperCircular 200, cash payments to program participants are never allowed.

However, the costs of providing meals or groceries to program participants are eligible supportive service costs according to Section 578.53(e) of the CoC Program interim rule. *That being said, if the gift card is used by the program participant for eligible activities, and the recipient is able to document that it was used to pay for eligible costs, gift cards may be used to pay for the cost of those services.* If the recipient or subrecipient is not able to determine and document that the program participant used the gift card to pay

for eligible CoC Program costs, recipients or subrecipients may not be reimbursed with CoC grant funds for the purchase of gift cards. For instance, if a recipient provides a program participant with a \$10 gift card for groceries and the program participant provides a receipt for \$7 worth of food, the recipient can only seek reimbursement for \$7 as documented by the receipt provided.

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 of the requirements above are documented and maintained in the organizations records for the timeframe required by the program regulation. (See 24 CFR 578.103 for more information.)

The CoC Program interim rule at Section 578.53(e)(15) sets forth eligible transportation costs. It includes the costs of program participant's travel in a *vehicle provided by the recipient or subrecipient* to and from medical care, employment, child care, or other eligible supportive services under the CoC Program. Specifically, in Section 578.53(e)(15)(iv) it also includes the cost of the recipient or subrecipient vehicle's gas, insurance, taxes, and maintenance.

Gas and other maintenance costs for a program participant's vehicle are not eligible costs under the CoC Program and, therefore, the program participant could not use the card to pay for gas for his/her/their own vehicle. The only exception to this is outlined in Section 578.53(e)(15) which states that if public transportation options are not sufficient within the area, the recipient may make a one-time payment on behalf of a program participant needing car repairs or maintenance.

<b>Eligibility</b>	<a href="#"><u>What is the specific age range of youth to be served by the YHDP grant?</u></a>	<b>1/24/2020</b>
<p><u>Guidance:</u> The population to be served by the Youth Homelessness Demonstration Program (YHDP) is youth experiencing homelessness, including unaccompanied and pregnant or parenting youth, where no member of the household is older than 24. There is no lower age limit, although please note that youth that are accompanied by a parent or guardian above the age of 24 are not eligible.</p>		
<b>Eligibility</b>	<b>TAY Household eligibility</b>	<b>6/5/2020</b>
<p><u>Guidance:</u> To be eligible for assistance under the CoC Program, an individual or family must meet the definition of homeless as set forth in section 578.3 of the <a href="#"><u>CoC Program interim rule</u></a>. Additional eligibility criteria may be established in the annual Fiscal Year NOFA under which the project was most recently awarded and is applicable to the project's current grant agreement.</p> <p>Based on the information you have provided in your question, it sounds like the individual(s) you are describing in this case would have been eligible at intake into the RRH project because they entered into the project prior to turning 25. Therefore, HUD would consider them still eligible to receive assistance through the project even, if after initial intake and enrollment, the client turns 25.</p> <p>While HUD would not expect the individual to be removed from the project if he or she wishes to continue participation in the program, the recipient may want to consider whether or not the service package offered by the program is still appropriate. As a reminder, recipients and subrecipients should be conducting an ongoing assessment of the supportive services needed by the household to ensure long-term housing stability and must make adjustments, as necessary and appropriate.</p> <p>In general, HUD would expect recipients or subrecipients to continue managing their grant funds to ensure they can continue to serve the same number of households as agreed to in the grant agreement. (e.g., if the project is targeted to serving youth). HUD allows projects to serve a limited number of households that are not included in the project's target subpopulation so long as the majority of the grant funds, no less than 51%, are still being used to assist the target subpopulation that was identified in the project's grant agreement.</p>		

<b>HMIS</b>	<b>HMIS Exits</b>	<b>10/21/2020</b>
<p><u>Guidance:</u> From the HMIS Data Standards: For non-residential projects, the exit date must represent the last day a contact was made or a service was provided. The exit date should coincide with the date the client is no longer considered a participant in the project. Projects must have a clear and consistently applied procedure for determining when a client who is receiving supportive services is no longer considered to be participating in the project.</p> <p>Remember that the CoC Program Interim Rule gives CoCs authority over and responsibility for HMIS. As a result, decisions such as this should be addressed by the CoCs through any HMIS governance, policies, and procedures.</p> <p>HUD allows local discretion to develop procedures for determining when a client receiving supportive services (e.g., Youth System Navigation) should be considered no longer participating in the project. An exit procedure policy is definitely something I can help you develop, if that would be helpful.</p>		
<b>Host Homes</b>	<b>Are HQS inspections required for Host Homes in which a stipend is provided to the host, not rental assistance/payments?</b>	<b>12/11/2019</b>
<p><u>Guidance:</u> No. The Host Homes project is supportive services only. The stipends only include eligible food and transportation costs in 24 CFR 578.53. 24 CFR 578.75(b) requires that "Housing leased with Continuum of Care program funds, or for which rental assistance payments are made with Continuum of Care program funds, must meet the applicable housing quality standards (HQS) under 24 CFR 982.401 of this title." RTFH, however, requires Host Home subrecipients to conduct a home safety check on all Host Homes prior to program participants placement in the home. Subrecipient shall conduct, at a minimum, annual safety checks on all Host Homes when a program participant remains in the home.</p>		
<b>Host Homes</b>	<b>What is the length of time a youth may remain in a host home?</b>	<b>2/9/2021</b>
<p><u>Guidance:</u> A youth can remain in a host home for the duration of the grant (unless the subrecipient agreement states otherwise). There is no other time limit set by HUD.</p>		
<b>Hotel/Motel Expenses</b>	<b>Motel/Hotel Guidance. Eligible and Ineligible expenses</b>	<b>10/1/2020</b>
<p><u>Guidance:</u> <b><i>It is important to remember that what applies to the CoC Program interim rule also applies to the Youth Homelessness Demonstration Program.</i></b></p> <p>CoC Program funds may be used to help eligible program participants obtain or retain a stable housing situation, including renting a unit in a hotel or motel. HUD would permit a recipient or subrecipient to house a household in a hotel or motel so long as all CoC Program requirements are met. Some examples of requirements are for the motel to enter a lease with the participant, meet FMR and Rent Reasonableness and housing standards, as outlined below.</p> <ul style="list-style-type: none"> <li>• <b>Leases</b> - All program participants in permanent housing projects must be the tenant on a lease for a term of at least one year that is terminable only for cause and that can be renewed for terms that are a minimum of one month long. All program participants in transitional housing must have a signed lease, sublease, or occupancy agreement for a term of at least one month that ends in 24 months (see <a href="#">section 578.3 of the CoC Program interim rule</a> for more information).</li> </ul>		

In our experience, most hotel/motel agreements do not meet this standard so be sure to check with your attorney to ensure the lease agreement for this household meets the CoC requirements and is a legal lease in your state and that the unit is subject to state landlord and tenant law.

- **FMR and Rent Reasonableness** - All housing for which leasing or rental assistance payments are made must meet FMR and rent reasonableness standards. Rent reasonableness should be determined by considering the reasonableness of the rent in relation to rents being charged for comparable unassisted units, taking into account the location, quality, size, type, and age of unit, as well as any amenities, housing services, maintenance, and utilities provided by the owner. Reasonable rent may not exceed rents currently being charged by the same owner for comparable unassisted units.
- **Housing Standards** - All units that receive rental assistance through the CoC Program must meet the requirements and standards included in Sections 578.75(b) and (c) of the CoC Program interim rule. Section 578.75(b) states that housing leased with CoC program funds or for which rental assistance payments are made must meet applicable housing quality standards under 24 CFR 982.401. Section 578.75(c) states that all dwelling units must have at least one bedroom or living/sleeping room for each two persons.
- **Written Standards for Administering Assistance** - The recipient or subrecipient must follow the written standards for providing assistance under CoC Program in compliance with the written standards established by the CoC (see section 578.7(a)(9) of the CoC Program interim rule for more information).
- **Program Participant Eligibility**- All individuals and families received assistance under the CoC Program must meet the eligibility requirements for the project in which they will be receiving assistance. This means that the individual or family must meet the definition of homeless set forth in section 578.3 of the CoC Program interim rule and meet any additional eligibility criteria set forth in the FY NOFA under which the project was funded.

**Indirect Costs**

**What is the difference between administrative, indirect, and overhead costs?**

**9/14/2020**

Guidance: **Administrative, Indirect, and Overhead Costs**

It is not always clear how to charge a particular cost. In fact, the same cost may be classified differently for different recipients or subrecipients based on whether their particular approach to the tasks and their recordkeeping systems allow the costs to be readily assignable to specific components or not. The general guidance below should help you think through and clarify some of these considerations.

- **Administrative costs** are explicitly defined in section 578.59 section of the CoC Program interim rule and are related to overall planning and execution of CoC activities. Please also note that administrative costs do not include staff and overhead costs directly related to carrying out activities eligible under Sections 578.43 through 578.57 because those costs are eligible as part of those activities. (24 CFR 578.59(a)).
- **Indirect costs** refer to costs that support service delivery, but are incurred for common or joint objectives under both CoC and one or more other programs, and are not readily assignable to the CoC program. **Indirect costs included in an indirect cost allocation plan most commonly involve costs such as rent for office facilities, or salary and benefit costs for program-wide administrative functions.**
- **Overhead costs** are the costs required to support the activities that are allowable under each component (e.g., management, bookkeeping, contractual activities, supplies, or equipment-related costs). Joint costs, such as these, are prorated individually as

direct costs to the appropriate component and to other activities and/or awards using a base most appropriate to the particular cost being prorated. This method is acceptable, provided each joint cost is prorated using a base, which accurately measures the benefits provided to each component. The bases must be established in accordance with reasonable criteria, and be supported by current data. Depending on how a recipient's indirect costs allocation plan designates specific types of costs, an overhead cost could be considered a direct or indirect cost.

Below we have provided more detailed guidance regarding each type of cost.

- **Post-Award: Indirect Cost Rates**

When project applicants submit their project application, the application asks them to declare their intention to use an indirect cost rate. At this time, HUD is using the responses for *informational purposes*. Applicants should have responded to the questions on Screen 6A about indirect cost rates and, if applicable, submit proposals and approvals as requested. Currently, eligible indirect costs cannot be identified as a line item in the project application's budget or within eLOCCS when recipients draw down funds.

The CoC Program interim rule states at 578.63 that CoC funds may be used to pay indirect costs in accordance with the applicable OMB Circular by adding the indirect costs to the direct costs to determine the total cost for the project's eligible activities.

However, in order to apply the indirect cost rate to the budget line item direct costs, the indirect cost rate must reflect the Federal Negotiated Indirect Cost rate or the de minimis rate, as modified for the CoC Program. Recipients must use a cost rate based on Modified Total Direct Costs (MTDC), which will adjust the indirect cost rate (both Federally negotiated and de minimis) so that it is based only on eligible costs and not ineligible costs.

SNAPS is in the process of developing additional guidance that will provide further clarification to recipients and subrecipients on how to implement the provisions of Part 200 related to indirect costs in the CoC Program, including information about Modified Total Direct Costs (MTDC). Once available, recipients and subrecipients should consult with financial management advisors familiar with federal cost principles and indirect cost rate methodologies.

- **Staff and Overhead Costs**

In the absence of an indirect cost rate that has been based on Modified Total Direct Costs (MTDCs) for the CoC Program, staff and overhead costs are eligible for reimbursement. As indicated 578.59 of the CoC Program interim rule, staff and overhead costs directly related to carrying out activities eligible under 578.43 through 578.57 are eligible costs as part of those activities.

Generally speaking, recipients/subrecipients should review the eligible cost categories in the CoC Program interim rule and allocate

salaries and related costs to the appropriate cost categories per the eligible activities. Salaries and benefits may need to be prorated based on their tasks and responsibilities; for example, staff time spent on preparing program budgets and schedules would be considered a project administration cost, while staff time on case management would be considered a supportive service cost.

Whether the office space can be charged to the grant will depend on how the space is being used. The office space would be eligible under the leasing budget line item, for example, if the activities conducted were related to the administration of eligible leasing activities. Section 578.59(a)(1)(iv) also lists other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space as eligible costs.

Please note, if eligible and ineligible activities are carried out in the same structure, 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). Additionally, if eligible activities under different budget line items are carried out in the same structure, the costs charged to respective budget lines must be prorated as well, because the CoC Program interim rule states that staff and overhead costs directly related to carrying out grant activities under 578.43-578.57 should be charged to the applicable activity (see Section 578.59(a)).

As described in 2 CFR 200.403, costs must be consistently charged as either indirect costs using the indirect cost rate or as direct costs, as discussed above, but they may not be double charged or inconsistently charged as both.

- **Project Administrative Costs**

Recipients seeking reimbursement for administrative costs should review Section 578.59 of the CoC Program interim rule, which details the project administrative eligible costs: The recipient or subrecipient may use up to 10 percent of any grant awarded under this part, excluding the amount for Continuum of Care Planning Activities and UFA costs, for the payment of project administrative costs related to the planning and execution of Continuum of Care activities. Note that Project Administrative costs do not include staff and overhead costs directly related to carrying out activities eligible under § 578.43 through § 578.57 because those costs are eligible as part of those activities. Continuum of Care activities. Note that Project Administrative costs do not include staff and overhead costs directly related to carrying out activities eligible under § 578.43 through § 578.57 because those costs are eligible as part of those activities.

- **Reminders regarding Financial Management Practices**

Recipients and subrecipients need to remember these key considerations:

- Always clearly and thoroughly document processes and justifications for decisions made.
- Ensure storing all records received from HUD and the cognizant federal agency for the appropriate number of years required under the applicable recordkeeping requirements.
- Review organizational policy and procedure documents to confirm that the organization's indirect cost and cost allocation policies are spelled out and accurate.
- Ensure that regardless the approach taken, it is applied uniformly across all grants and programs and with all funders.

Ultimately a local certified public accountant (CPA) can help organizations determine which rate methodology is best suited for their organization and can support the organization through the whole process of rate determination. Organizations typically cannot select and implement a negotiated indirect cost rate without the assistance of a CPA or accountant, particularly one who is familiar with federal cost principles and the Uniform Administrative Guidance. Recipients and subrecipients are ultimately responsible for ensuring compliance with applicable regulations and policies.

**Additional Resource Links:** [RTFHSD.org](http://RTFHSD.org)  
[HUD Exchange Website Home Page](#)  
[CoC Program Interim Rule \(24 CFR 578\)](#)  
[CoC Program Page](#)  
[CoC Program Toolkit Page](#)  
[Frequently Asked Questions – CoC Program](#)  
[CoC Program Toolkit – Determining and Documenting Homelessness](#)  
[Indirect Cost Toolkit for CoC](#)