



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

**U.S. Department of Housing and Urban Development**

---

**Special Attention of:**

All Multifamily Hub Directors  
All Multifamily Program Center Directors  
All Supervisory Housing Project Managers

Notice #H-08-02

Issued: May 12, 2008  
Expires: December 31, 2008

---

Cross References

---

**SUBJECT:** FY 2008 Grant Extension Procedures for Service Coordinator and Congregate Housing Services Program Grantees

I. Introduction

This Notice provides guidance on the process for extending Service Coordinator (SC) and Congregate Housing Services Program (CHSP) grants whose funds will be expended and whose grant term will end on or before December 31, 2008. The Department's policy is to provide extension funding, to the extent funds are available, to enable programs to continue operating for an additional 12-month period. An extension request should be based on the program's current cost rate. The extension funds should be used only to meet a critical need and in cases where no other funding source is available.

For Fiscal Year (FY) 2008, HUD's appropriation for the Service Coordinator program is \$60 million, which will enable the Department to provide extension funds to all eligible grantees, only if all extensions are funded at an amount less than the typical three percent cost-of-living increase normally provided each year. Providing extension funds to all eligible grants at a three percent (3%) increase over the FY 2007 amount is estimated to be \$61.1 million, which exceeds the amount appropriated. Field offices are asked to work with owners and management agents to identify other sources of funds to make up the small amount of budget shortfall that may occur this FY due to the budget reduction.

HUD plans to consider alternative funding methods for future years if the appropriated amounts continue to not be sufficient to meet the need for extension funds. The Department may make funding decisions based on compliance with program requirements; program performance as demonstrated in performance reports, or other indicators or explanations of both need for and effects of an SC or CHSP program.

SC grantees are responsible for meeting program requirements set forth in the Notice of Funding Availability (NOFAs) through which they were funded, grant agreements, and the Management Agent Handbook, **4381.5, REV-2, CHG-2, Chapter 8. The major program requirements are listed in Attachment 2 to this Notice.**

CHSP grantees must comply with program requirements set forth in grant agreements, Section 802 of the 1990 National Affordable Housing Act, regulations at 24 Code of Federal Regulations (CFR) Part 700 (and 7 CFR Part 1944 for Rural Housing projects), and the CHSP Operating Procedures Handbook, 4640.1, REV-1. A consolidated list of the major program requirements is included as Attachment 3 to this Notice.

Grantees are expected to comply with the relevant program requirements provided in Attachments 2 and 3 to this Notice and with any other requirements set forth in relevant program policy documents. Failure to do so may be a basis for denial of grant funds in the future.

## II. Service Coordinator Grants

### A. Eligibility

1. Grants that will exhaust all available grant funds and whose grant term will end on or before December 31, 2008.
2. Projects that have no available Section 8 operating funds, residual receipts, or excess income that can be used to fund the SC program. Whenever financially feasible, Field Office staff must approve use of project funds, rather than grant funds, to continue a SC program.
3. Programs that are complying with program requirements and that have no management, financial, civil rights, or fair housing problems.

### B. Preparing Extension Requests

#### 1. No-Cost and Cost Extensions

##### a. No-cost Extensions

Grantees must use all existing grant and project funds prior to receiving new grant extension funds. Often grantees will have unspent funds remaining at the end of a grant term. In order to fully use these funds, field staff will provide a no-cost extension for the time period during which the remaining funds will be used.

A no-cost extension means the government is extending the period of performance of a grant, but providing no additional funds. The grant term is extended at “no cost” to the government.

Example: Canterbury Towers determines that their costs from April 1, 2007 through March 31, 2008 will be \$32,000. Their approved budget amount is \$36,100. They will then have \$4,100 left in their account once all costs incurred through March 31, 2008 are reimbursed.

The grantee informs Field Office staff that based on normal operating expenses, the \$4,100 will last 41 days, through May 11, 2008. ( $\$36,100/365 =$  daily rate of

\$99.  $\$4,100/\$99 = 41$  days.) Field staff should then issue a no-cost extension to extend the time period from April 1 through May 11, 2008.

The next year's 12-month extension would then be for the time period May 12, 2008 through May 11, 2009.

b. Cost Extensions

A "cost" extension means the government is extending the period of performance of a grant and awarding additional funds to pay for the activities performed during the extended grant term. Cost extensions should be made for a 12-month period only, no less and no more. The one exception would be in the case where a grantee intends to include the SC in the operating budget and the project's next fiscal year begins during the next 12-month period. HUD can then provide extension funds for the time period leading up to the date the budget modification takes effect.

2. Determining Extension Amount

- a. HUD provides extension funding to continue currently operating programs at that program's current cost rate. Owners must base their proposed extension budget on the costs incurred during the current program year. This assumes that the program was fully operational during the current 12-month period. If the program was not fully operational, for example due to staff turnover, then the current year's costs should be prorated to represent a full 12-month program.
- b. The amount appropriated by Congress in FY 2008 will not allow us to provide all eligible grantees with an extension amount that includes a cost-of-living increase as is normally done. In order to provide all eligible grantees extension funds, it is necessary for us to provide an amount equal to 97% of the amount received in FY 2007 or the amount expended during the past year, whichever is less and as discussed above.

For example, Canterbury Towers' FY 2007 grant extension amount was \$36,100. In FY 2008, the maximum HUD can provide is \$35,017 ( $.97 \times 36,100$ ).

Field staff do not have the authority to approve funding requests that exceed 97% of the amount awarded in FY 2007 or the amount expended during the past year, as discussed above.

3. Extension requests must contain the following:

- a. A cover letter summarizing the request, including the dollar amount and the new 12-month grant term, and
- b. A One-Year Budget (form HUD-91186-A). Grantee staff must itemize all proposed costs on the form, using additional pages if necessary.

4. Dates to Submit Requests to Field Offices

- a. For programs that run out of funds from January through September 2008, grantee should submit requests for cost extensions to the Field Office 120 days prior to the date the existing funds will be entirely expended. If grantees submit requests with less than 120 days before they run out of funds, HUD cannot guarantee that the grantee will receive new grant funds by the time their current monies are exhausted.

For example, the owner of Cherry Blossom Towers determines that according to usual program costs, the SC program will have exhausted all grant funds by July 31, 2008. The owner should submit the extension request to HUD on April 1, 2008.

- b. For programs that run out of funds from October through December, grantees should submit requests for cost extensions to the Field Office no later than August 1. If requests are received by this date, HUD will be able to provide funds before the current fiscal year ends.

### C. Review and Approval of Requests

1. Field staff will review the information presented on the One-Year Budget, form HUD-91186-A. Staff will also review the Grantee's vouchers and semi-annual financial and performance reports to make sure the proposed budget amounts provided in the funding request are in line with the prior year's actual expenses and activities. If field staff find errors in or need additional clarification of proposed activities and costs, the Grantee must make the relevant changes and resubmit the request.
2. If a contract or grant runs out of funds a considerable number of months prior to the submission of an extension request, field staff should consider how great the need is for additional funds. For example, if a grantee submits an extension request to a Field Office six months AFTER all funds have been used, how has the owner paid the salary and fringe benefits of the SC and any related support costs over the last six months? If the grantee has used other funds to pay for this, can the development use those same funds to continue the program, rather than receiving new grant extension funding? Field staff should make such a decision dependent on their knowledge of the development, its budget, and overall operation. Funds are limited and must be used only to meet a critical need that cannot be funded through other sources.
3. Field staff have the authority to approve or not approve grant extension requests. If consultation is needed, Field staff should call and talk to program staff at Headquarters (HQ).

### D. Submitting Requests to HQ

1. Field staff will use the Automatic Renewal and Amendment Management Sub-system (ARAMS) to request extension funds. They should consult the instructional materials, such as the TRACS/ARAMS User Guide found on hud@work. Also, see Attachment 1 to this Notice for sample screen shots.
2. For programs that run out of funds from January through September: Requests should be entered as close as possible to 90 days prior to the grantee running out of funds. Information should not be entered prior to the 90 days.
3. For programs that run out of funds from October through December: Requests should be entered in ARAMS no later than August 15. This way all requests can be funded before the current fiscal year ends, to ensure developments have funds through the first quarter of the next fiscal year.
4. The appropriate Program Assistance System (PAS) code to use is "MSC".
5. Enter the current Federal fiscal year. For example, Staff will enter "2008" if they make a request on June 2 or September 2, 2008. If field staff enters a request on November 1, 2008, the Federal fiscal year is "2009".
6. The SC ARAMS entries constitute requests for additional funds only; they are not reservations. SC grant funds are only reserved when they can be viewed in the "Program Accounting System (PAS) Project Detail" (Q41) screen in the Line of Credit Control System (LOCCS). Therefore, field staff should never send out a grant agreement or amendment until they confirm the fund reservation is in LOCCS.
7. Field staff will not be able to move their request beyond the "Initiated" stage in ARAMS. Since HQ staff will be assigning and reserving the funds, there is no need to move the request beyond this stage. HQ staff will run a report to obtain all the requests in the "Initiated" stage.
8. Each month HQ program staff will gather the data directly from ARAMS and review the requests. Field staff should take care in entering requests, making sure they are accurate, as whatever dollar amount is placed in ARAMS will be the amount assigned and reserved.
9. HQ staff will send out each month's extension requests to all field staff, asking them to confirm the requests. If any extension requests are missing, they can be included at that time.
10. HQ staff will process requests on a monthly basis. Staff will work with the Housing Funding Control Division and the Office of the Chief Financial Officer (CFO) to get the funds assigned and reserved. HQ staff will notify field staff by email when funds are reserved in PAS.

## E. Preparing and Executing Grant Amendments

1. Once funds are reserved in PAS, field staff may send the grant amendment documents to the grantee. Field staff must not send these documents until they confirm that the extension amount is in fact reserved in PAS.
2. Field staff will amend grants in order to provide extension funds. Staff will use the form HUD-1044 to amend the grant agreement. The amendment number is shown in item 4. HUD staff may add new terms and conditions in the grant amendment documents if reporting or other program requirements have changed since the original grant agreement was written.
3. For no-cost extensions, field staff will provide the extended period of performance in item 16. Staff must also note in item 16 that this action is a time extension only and is made at “no-cost” to the Department.
4. For cost extensions, field staff will indicate the new grant amount awarded in items 14 and 15; provide the new grant term effective date in item 5, and give the dates of the 12-month period of performance in item 16.
5. Field staff will send three unsigned copies of the grant amendment documents to the grantee. The grantee must sign all three copies and send them back to the field office. The field office’s Grant Officer then signs the three copies, thereby obligating the funds. Staff will keep one copy in their files; send one copy to the grantee, and the third to the Fort worth Accounting Center (FWAC). Once the FWAC staff receives the grant agreement, they complete their final actions and the funds become available in LOCCS.

At this point, field staff can spread the grant funds among the line items. Once the funds have been distributed, the grantee can begin drawing down the monies.

## F. Extension Information for Project-Funded Programs

If the grantee has available project funds that are expected to last up to three years following the last grant term expiration date, the field staff may execute no-cost extensions of the grant agreement/amendment for this three-year period.

## III. CHSP Grants

### A. Eligibility

1. Grants that will exhaust all available grant funds and whose grant term will end on or before December 31, 2008.
2. Programs that are complying with program requirements and that have no management, financial, civil rights, or fair housing problems.

### B. Preparing Extension Requests

1. No-Cost and Cost Extensions

Follow guidance in section II.B.1, above.

2. Determining Extension Amount

- a. HUD provides extension funding to continue currently operating programs at that program's current cost rate. Follow guidance in section II.B.2.a, above.
- b. The amount appropriated by Congress in FY 2008 will not allow us to provide all eligible CHSP grantees with an extension amount that includes a cost-of-living increase as is normally done. In order to provide all eligible CHSP grantees extension funds, it is necessary for us to provide an amount equal to 100% of the amount received in FY 2007 or the amount expended during the past year, as discussed above. This means that CHSP grantees will receive an amount in 2008 that is no greater than the amount they received in FY 2007.

For example, Red Rock Apartments' CHSP grant extension amount in 2007 was \$50,000. In FY 2008, the maximum HUD can provide is \$50,000.

Field staff do not have the authority to approve funding requests that exceed the amount awarded in FY 2007 or the amount expended during the past year, as discussed above.

3. Extension requests must contain the following:

- a. A cover letter summarizing the request, including the dollar amount and the new 12-month grant term.
- b. An annual Summary Budget, form HUD-91180-A. The budget must indicate the match, participant fees, and the grant amount requested for the next 12-month extension period. Grantees must itemize costs on attached pages so that field staff have full knowledge of how the match, participant fees, and grant funds will be used.

The Annual Summary Budget submission must contain the following supporting documentation:

- (1) Letters of commitment from the third-party agencies providing matching resources. The letters should state the type and amount of matching resource, the supportive service those resources will support, and a commitment of assistance through the grantee's next 12-month period of performance. The letter should come from the match contributor and be addressed to the grantee.
- (2) A copy of a participatory agreement signed sometime during 2007, with the personal information of the participant blacked-out.
- (3) If the participatory agreement does not contain the participant fee schedule for

meals and other services, a copy of the current fee schedule.

(4) Names of Professional Assessment Committee members, along with their job titles and employer names (or other relevant professional credentials).

(5) If not already submitted, a completed Annual Reporting Form (HUD-90006), for the period 10/1/2006-9/30/2007. (The report was due to the local field office on October 30.)

#### 4. Dates to Submit Requests to Field Offices

Follow guidance in section II.B.4, above.

### C. Review and Approval of Requests

1. Field staff will review the above information, along with the vouchers and semi-annual Financial Status Reports (SF-269-As) submitted over the past year. Field staff will look at the proposed budget amounts provided in the funding request and determine if they are in line with the prior year's actual expenses and activities. If field staff find errors in or need additional clarification of proposed activities and costs, the Grantee must make the relevant changes and resubmit the request.
2. Field staff may approve extension requests as long as the grantee is in compliance with their grant agreement and with program policies set forth in Section 802 of the National affordable Housing Act, program regulations, and the CHSP Operating Procedures Handbook. Staff have the discretion to approve or not approve grant extension requests. If consultation is needed, Field staff should call and talk to program staff at Headquarters (HQ).

### D. Submitting Requests to HQ

1. Field staff must send their extension requests by email to Carissa Janis. The ARAMS system used for Sc grants cannot accommodate CHSP grant numbers.
2. The email should include the following information:
  - Grant number
  - Grantee name
  - Dollar amount requested
  - 12-month extension period
3. For programs that run out of funds from January through September: Requests should be emailed as close as possible to 90 days prior to the grantee running out of funds. Information should not be sent prior to the 90 days.
4. For programs that run out of funds from October through December: Requests should



be emailed no later than August 15. This way all requests can be funded before the current fiscal year ends, to ensure grantees have funds through the first quarter of the next fiscal year.

5. Headquarters' Processing of Requests. See guidance in sections II.D.9 and 10, above.

#### E. Preparing and Executing Grant Amendments

Follow guidance in section II.E, above.

#### F. Additional Guidance

HQ provides training on the CHSP program on an individual, as needed basis and plans to provide abbreviated training through one or more conference calls during FY 2008.

#### IV. Paperwork Reduction Act.

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control numbers 2502-0447 and 2502-0485. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

For further questions regarding the Multifamily Housing Service Coordinator and CHSP programs, please contact Carissa Janis at 202-402-2487.

Attachments

---

Brian D. Montgomery  
Assistant Secretary for Housing-  
Federal Housing Commissioner

---

**Distribution: W-3-1,**

---

Previous editions are obsolete

form HUD-21-B (3/80)

## ARAMS screen shots

### TRACS/ARAMS Main Menu Create New Reservation

Reservation Add (Screen 1)

Contract Number: IL06C940008

Click OK

Reservation Add (Continued) (Screen 2)

Property ID: 800000000

Replaced Contract Number(s): N/A

Project Number: 071EH9

Program: UnasstPrj SCHAP

Project Name: WINDY GARDENS

Contract Number: IL06C94000800

FFY: 2004

Suffix:

Funding Code: MSC

CA (\$): \$30,000

BA (\$): \$30,000

Units: 000

Term in Months: 12 FMC:

Create Contract: No

Field Office: Chicago

Type: Renewal

Funding Reason: Other

# TRACS ARAMS

## Reservation Add (Continued)

Property ID: 800000000 Replaced Contract Number(s):  
Project Number: 071EH99

1.
2.
3.
4.
5.

Program: UnasstPrj SCHAP

Project Name: WINDY GARDENS

Contract Number: IL06C940008 FFY: 2004 Suffix:  Funding Code: MSC

CA (\$):  BA (\$):  Create Contract:

Units: 000 Term in Months:  FMC:

Field Office:  Type:

Funding Reason:

## Service Coordinator Program Requirements

The following requirements are stated in Grant Agreements, the *Management Agent Handbook*, 4381.5, REV-2, CHG-2, Chapter 8, and prior annual Notices of Funding Availability (*NOFAs*).

### 1. Receipt of Grant Funds

Grantees will use the Line of Credit Control System/Voice Response System (LOCCS/VRS) to draw down funds to reimburse their costs. Grantees may draw down funds on a monthly or quarterly basis. The Grantee must choose the preferred frequency; notify the HUD Field office staff, and continue with this frequency of draw down until the Field Office staff is again notified of a change. (*Grant Agreement, Article I.G.*)

### 2. Reports

A. LOCCS/VRS Payment Voucher (form HUD-50080-SCMF). The Grantee shall submit this form to Field staff immediately following each draw down of funds from the LOCCS/VRS. This means if a grantee chooses to draw down on a monthly basis, they must submit a LOCCS voucher and list of itemized expenses each month. If the grantee chooses to draw down quarterly, they must submit a LOCCS voucher with itemized expenses each quarter.

Grantees must include the Back-up documentation requested by their field staff along with this form. The Grantee must highlight the documented costs for which it is requesting reimbursement and provide a coversheet with all of the amounts totaled, indicating which expenses are included in which LOCCS budget line items.

B. Semi-annual financial status report (Form SF-269-A (short form)). Grantees must submit this form twice annually, indicating the amount of grant funds used during that reporting period. The second SF-269-A of the year must be a cumulative report for the prior 12-month period.

C. Semi-Annual Performance Report. The Grantee shall submit a Semi-Annual Performance Report, HUD-92456, with each semi-annual Financial Status Report.

D. The semi-annual financial and performance reports must be submitted for each six-month period of the Federal fiscal year and are due to the local field staff 30 calendar days following the end of the reporting period. The reporting periods and due dates are as follows: (*Grant Agreement, Article II*)

- (1) October 1 thru March 31; reports due April 30, and
- (2) April 1 thru September 30, reports due October 30.

### 3. Training

A. SCs must have met a minimum of 36 training hours of classroom/seminar time before

hiring, or must complete this minimum training requirement within 12 months of initial hiring. After the first year of employment, SCs must attend 12 hours of relevant continuing education on an annual basis.

- B. SCs must document their completed training coursework and maintain the information in their program files. For each course, documentation should show the subject matter, length of time, sponsoring organization, dates, and cost. (*Grant Agreement, Article V and Handbook Chapter 8, Section 8.9*)

#### 4. Recordkeeping

- A. Confidential client files. The Service Coordinator should maintain detailed notes regarding any assistance and services provided to the residents. The Service Coordinator must keep the client files in a secured location and accessible ONLY to the service coordinator and to management to the extent necessary.
- B. Program files. The Service Coordinator or other administrative staff should keep detailed records which include any pertinent program activities and expenses. (*Grant Agreement, Article IV*)

#### 5. Private office space

The SC must have sufficient separate and private office space available to meet with residents without adversely affecting normal activities. (*NOFAs*)

#### 6. Quality Assurance (QA).

Grantees who choose to include QA activities in their SC program must comply with the following:

- A. The QA provider must conduct one program evaluation review six months following the Program's start date and then one review every 12 months thereafter. The Grantee must provide copies of the program evaluation reports received from the QA provider to the local Field Office staff on or before October 30 of each year.
- B. The grantee must ensure and provide documentation to HUD that confirms that the individual employed to perform Quality Assurance is qualified to do so. The Grantee shall submit documentation (i.e., a resume) to HUD indicating the qualifications of the individual employed to perform Quality Assurance. The Grantee shall submit such documentation with their first semi-annual financial status and performance reports. The documentation shall also be maintained in the Grantee's files, for future reference. (*Grant Agreement, Article I.K., Handbook Chapter 8, Section 8.5*)

## **Congregate Housing Services Program Major program Requirements**

This document references the CHSP statute, Section 802 of the 1990 National Affordable Housing Act (NAHA); the regulations at 24 CFR Part 700 (7 CFR 1944 for Rural Housing projects), and Handbook 4640.1, REV-1, "Congregate Housing Services Program (CHSP) Operating Procedures". The following is a list of the major, but not the only, program requirements. To verify that grantees are in compliance with all requirements, staff should thoroughly read both the regulation and the handbook.

### **Eligible Supportive Services:**

Eligible services are those that are essential for achieving and maintaining independent living and may prevent premature and unnecessary institutionalization. They may include congregate meals, service coordination, transportation, personal care, dressing, bathing, toileting, housekeeping, chore assistance, non-medical counseling, assistance with medications, preventative health programs, and personal emergency response systems. *(NAHA Sections 802(d)(2), (4), (5), and (K)(16), Regulations at 700.105 and 120, and Handbook section 2.12)*

Grantees must make available to program participants a full meal service adequate to meet nutritional needs, defined as a minimum of at least one hot meal a day served in a group setting. Meals must be provided to program participants on site. While a meal service is a mandatory component of the CHSP, not all CHSP participants are required to take meals from the CHSP. *(NAHA sections 802(d)(2) and (k)(16)(A), Regulations at 700.105 and 120(c) and Handbook section 2.12(a))*

### **Cost Distribution:**

The grantee must provide matching funds that will cover at least 50 percent (50%) of program costs; HUD will provide grant funds in an amount not to exceed 40 percent (40%) of program costs, and program participants must pay fees that cumulatively cover at least 10 percent (10%) of program expenses. *(NAHA section 802(i)(1)(A), CHSP regulations at Section 700.145(a)(1), and Handbook section 2.14)*

Eligible matching funds must be directly related to the types of supportive services prescribed by the Professional Assessment Committee (PAC) or used for administration of CHSP. Matching resources may be cash, the imputed dollar value of other agency or third party-provided direct services or staff time, in-kind contributions, and volunteer time. *(Regulations at Section 700.145(c) and Handbook section 2.15)*

In-kind items may not exceed 10% of the dollar value of the grantee's match. For example, if the match is \$25,000, the dollar value of in-kind contributions cannot exceed \$2,500. *(NAHA section 802(i)(1)(c), regulations at Section 700.145(c)(2)(iii), and Handbook section 2.15)*

**Participant Fees:**

For residents receiving more than one meal per day, seven days per week, the grantee must charge a meals fee that is between 10 and 20 percent of the participant's adjusted income, or the cost of providing the meals, whichever is less.

For residents receiving no more than one meal a day, seven days a week, the grantee must charge a fee equal to 10 percent of the participant's adjusted income, or the cost of providing the meals, whichever is less.

For services other than meals, grantees must charge a flat fee per unit of service. For example, \$3 an hour for housekeeping services charged to all participants, regardless of income.

Program participants cannot pay fees that total more than 20 percent of their adjusted incomes for any combination of services. (*NAHA section 802(d)(7), Regulations at 700.150, and Handbook section 2.13*)

**Program Participants:**

The Grantee may provide services only to frail elderly, non-elderly people with disabilities, and temporarily disabled individuals who reside in an eligible housing development and who have been formally assessed and approved for participation by a PAC. (*NAHA section 802(e), Regulations at 700.125, and Handbook section 2.6*)

Once the PAC and a potential participant approve a supportive services plan, the participant must sign a participatory agreement governing the utilization of the plan's supportive services and the payment of supportive services fees. The grantee annually must renegotiate the agreement with the participant. (*Regulations at 700.140 and Handbook section 2.7.d*)

**Professional Assessment Committee (PAC):**

Grantees must use a PAC to conduct a formal assessment of a potential participant's eligibility and to propose and negotiate a supportive services plan for that participant. A PAC's membership must include at least three qualified medical and other health and social service professionals competent to appraise the functional abilities of the frail elderly and persons with disabilities. (*NAHA section 802(e)(3), Regulations at 700.135, and Handbook sections 2.8 and 2.9*)

**Program costs:**

Allowable costs for direct provision of supportive services includes the direct hiring of staff, including a service coordinator; supportive service contracts with third parties; Equipment and supplies necessary to provide services; operational costs of a transportation service; Purchase or lease of vehicles, and Direct and indirect administrative expenses for administrative costs.

Administrative costs cannot exceed 10 percent of a program's total budget. For example, if the total CHSP program budget (match+fees+grant) is \$100,000, then the administration budget line item cannot exceed \$10,000. (*Regulations at 700.115(a) and (c) and Handbook section 2.16*)



## Receiving Grant Funds and Submitting Reports:

1. Grantees will use the Line of Credit Control System/Voice Response System (LOCCS/VRS) to draw down funds to reimburse their costs. Grantees may draw down funds on a monthly or quarterly basis. The Grantee must choose the preferred frequency; notify the HUD Field office staff, and continue with this frequency of draw down until the Field Office staff is again notified of a change.
2. LOCCS/VRS CHSP Payment Voucher (form HUD-90198). Within five days of submitting the reimbursement request to LOCCS, the grantee must send the LOCCS/VRS CHSP Payment Voucher (form HUD-90198, with any supporting documentation of expenses, to the local field office staff. This means if a grantee chooses to draw down on a monthly basis, they must submit a LOCCS voucher and list of itemized expenses each month. If the grantee chooses to draw down quarterly, they must submit a LOCCS voucher with itemized expenses each quarter.

Grantees must include the Back-up documentation requested by their field staff along with this form. The Grantee must highlight the documented costs for which it is requesting reimbursement and provide a coversheet with all of the amounts totaled, indicating which expenses are included in which LOCCS budget line item.

3. Semi-annual financial status report (Form SF-269-A (short form)). Grantees must submit this form twice annually, indicating the income received and the amount of grant funds used during that reporting period. The second SF-269-A of the year must be a cumulative report for the prior 12-month period.

The Financial Status Report must be submitted for each six-month period of the Federal fiscal year and is due to the local field staff 30 calendar days following the end of the reporting period. The reporting periods and due dates are as follows:

- October 1 thru March 31, reports due April 30.
- April 1 thru September 30, reports due October 30.

4. Grantees must also submit an Annual Report, Form HUD-90006, each year, which contains a summary of programmatic and budgetary information for grantee operations during the preceding 12 month period. The reporting period is October 1 through September 30 and the report is due to the field staff on October 30 of each year. (*Regulations at 700.155(d) and 700.165(a) and Handbook sections 4.7, 4.8, and 4.9*)