SNOFO Communities: PEER-TO-PEER SESSION

Financial Management Tips & Tricks
December 11, 2024

AGENDA

- Intros & Announcements
- HUD Update
- Financial Management Tips and Tricks
- Expending Administrative Funds
- Innovative Ways to Spend SNOFO Funds
- Q&A/Discussion

Introductions

Intros

Say Hello! In the chat, share:

- Name
- Location & Agency
- Role
- Favorite holiday treat/dish

Announcements

SNOFO Resources

- **New System Modeling with Stella M Resources Available!** The System Modeling Toolkit is now available in Spanish.

- **Office of Public and Indian Housing:** Notice PIH 2024-34, summary of Housing Choice Voucher (HCV) provisions collected from various regulations, Notices, and the HCV Guidebook
  - See Housing Stability Voucher recording from last month's Peer to Peer
  - Stability Voucher Webinar Series and Roadmap

- **SNOFO Goal Worksheet - HUD Exchange:** a tool that will assist communities with easily and systematically tracking progress made towards the commitments made in their CoC plan for serving individuals and families experiencing homelessness with severe service needs

- Don't forget to visit HUD's **Unsheltered webpage**! Here you can find resources specific to addressing Unsheltered Homelessness.

Learning Opportunities

Part 2 of the **East-West Unsheltered Training** will be hosted by HUD TA on Thursday, **December 12, 2024 from 2:30-4:00 PM ET**. Join us to explore a range of innovative strategies communities are employing to enhance street outreach practices, humanize data collection, and strengthen partnerships for more comprehensive approaches to address and prevent unsheltered homelessness. More information and registration here.

HUD Update

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Special NOFO Progress

December 2024

SPECIAL NOFO SPENDING PROGRESS

Total SNOFO Committed	Total SNOFO Obligated	% SNOFO Obligated	Total SNOFO Disbursed	% SNOFO Disbursed
$486,252,0008	$475,442,144	97.8%	$37,326,245	7.9%

Data current as of October 2024

PERFORMANCE REPORTING

First APR opened October 1, 2024 (90-day reporting period) & is due December 29, 2024

REMINDER:

If you are behind on your QPR submissions, please submit all previous QPRs. All must be submitted prior to submitting the APR/recent reports.

	Total Households	Households Moved into Housing	Total Persons	Persons Moved into Housing
Joint	200	27	316	35
PSH	1226	686	1447	844
RRH	1008	442	1734	766
SSO: Other	3903		4656	
SSO: Street Outreach	5753		6422	
Total		1155		1645

Financial Management Tips and Tricks

Background

- Recipients and subrecipients have been slow to implement their SNOFO funded projects
- Implementation challenges vary widely, but are often are related to financial management due to low capacity, communications and a lack of training.
- This training will address common financial and grant management challenges with tips and tricks that will help jumpstart project implementation and expedite your housing and service delivery.

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Tip #1:
Communicate & Coordinate with your Fiscal Staff

Challenge: Fiscal Staff Lacks Capacity

Results in……

- Inability to keep up with processing monthly invoices
- HUD or recipient expenditure reports do not match grantee spending
- Not getting reimbursed timely for expenses - may turn into a cash flow issue
- Prioritization by fiscal staff on other funding sources due to limited resources

TAC TECHNICAL ASSISTANCE COLLABORATIVE

DON'T FORGET!

CoC Recipients		Subrecipients
Recipients drawdown funds through LOCCs at least once per quarter	Recipients distribute funds to subrecipients within 45 days of an approvable request	Subrecipients disburse funds within 3 business days of receipt

Source: 24 CFR Part 278.85(c)(1-3)

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Strategy: Schedule Regular Meetings

Recipient fiscal staff should meet with (sub)recipient financial and program management staff (at a minimum) monthly to:

- Address questions and follow-up inquiries related to invoices received.
- Review and analyze budget YTD actuals, current spending trends
- Obtain context to spending related issues (e.g., staff turnover)
- Discuss program office updates
- Determine where fiscal/program training is needed
- Prepare for upcoming reports

DON'T FORGET!
SNOFO TA can provide resources, answer questions, and be a liaison to HUD to address larger, more complex issues.

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Example of Program/Finance Meeting Agenda Template:

https://docs.google.com/document/d/1fCOiHT4yjs2LGkwldVHE1D9C9szMkEz9/edit?usp=drive_link&ouid=112768094902734648052&rtpof=true&sd=true

Strategy: Determine where training and support is needed

- Identify trends or common errors in spending to offer staff re-training
  - Example: Finance staff is send back/deny 30% of rent requests because leases are unsigned
  - Example: Subrecipient accounting staff is not responding timely to emails from recipient fiscal staff.
- Connect program/fiscal staff with TA for training
- Create/revisit communications protocols
  - TA can provide examples and help facilitate conversations

QUESTION:
What does your coordination internally look like between your programs and finance?
What needs to be improved?

TAC TECHNICAL ASSISTANCE COLLABORATIVE

DID YOU KNOW……HUD Advances Funds???

- Advanced payments must be included in the recipient's cash management policies
  - Must demonstrate that the time elapsed between the transfer of funds and disbursement meet the standards for fund control.
  - Must include reimbursement process

- Recipient cannot hold the advancement of funds longer than 3 days

- Fund advancement must be limited to the minimum amount needed

- Must be timed with the actual, immediate cash disbursement for direct program or project cost and the proportionate share of any allowable indirect costs.

Source: 2 CFR Part 200.305
https://www.govinfo.gov/content/pkg/FR-2013-12-26/pdf/2013-30465.pdf

TAC TECHNICAL ASSISTANCE COLLABORATIVE

What are my responsibilities as a recipient if these strategies are not working?

HUD expects the recipient to **document their efforts** on how they are addressing non-compliance from subrecipients.

- **Example:** Subrecipient is not submitting monthly invoices - a contract requirement.

Options: Start at the top - other interventions may not be necessary!

- Send formal communications out about invoice due dates - reference contract language.
  - Ex. Enforce monthly submissions of invoices by 15th
- Develop (and enforce!) a corrective action plan in partnership with the subrecipient
- Send formal notification email to CoC Board Chair, Vice Chair, HUD
- Meet with CoC Board to discuss subrecipient performance, its potential impact on the CoC competition, the rank and review process, etc.

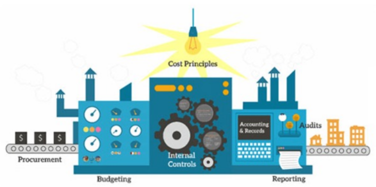
Important HUD Resource!

Overview

Completing the financial management curriculum will assist grantees and subrecipients to comply with federal grant requirements, increase effectiveness, and maximize efficiency.

HUD recommends users complete the curriculum in the following order:

1. Financial Management 101: Introduction
2. Financial Management 201: A Closer Look
3. Financial Management 201: Examining the Parts



Financial Management 101: Introduction

Introduction to key topics and financial management basics

This video, dynamic Prezi presentation, and self-paced training module help grantees understand Federal financial requirements, create an effective system for managing Federal funds, and improve program performance.

Financial Management 201: A Closer Look

Blueprints for sound financial management

These self-paced training modules cover the following topics: 2 CFR Part 200, Cost Principles, Budgeting, Procurement, Internal Controls, Fund Accounting, and Federal Audits.

Financial Management 201: Examining the Parts

Advanced financial management for CPD programs

These self-paced training modules cover the following programs: Home Investment Partnerships Program (HOME), Community Development Block Grant (CDBG), Housing Opportunities for Persons With AIDS (HOPWA), Emergency Solutions Grant (ESG), and Continuum of Care (CoC).

Section on CoC focusing on: 1) eligible costs and match requirements; 2) expenditure requirements; 3) program income sources + uses; 4) recordkeeping requirements, and more!

Available at: https://www.hudexchange.info/trainings/financial-management-curriculum/

Tip #2: Closely Track Your Budget Expenditures

Strategy: Closely Monitor & Track Spending

- Utilize tools to track spending in real time and ensure spending aligns with program goals.
- Conduct regular reviews to assess spending patterns and identify discrepancies, and necessary adjustments.
    - Ensure that program management, fiscal accounting and grant management staff are included in these conversations.
    - Conversations can occur during monthly fiscal/program mgmt. meetings
- REMINDER: Keep in close contact with your TA and HUD to strategize development and submission of budget amendment requests.

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Example:

Approved Budget	Budget	Oct-22	Nov-22	Dec-22
Section A: Rental Assistance	**$ 320,000.00**	$ 31,619.20	$ 20,001.01	
Section B: Supportive Services				
Assistance with Moving Cost	**$ 20,000.00**	$ 2,500.00	$ 1,600.00	
Case Management Salaries	**$ 220,000.00**	$ 5,624.80	$ 11,249.60	
Fringe	**$ 58,400.00**	$ 1,532.96	$ 3,083.17	
Outreach Services (Cell phones and mileage for outreach workers)	**$ 500.00**	$ -	$ 180.00	
Utility Deposits	**$ 2,000.00**	$ 200.00	$ -	
Transportation	**$ 1,000.00**	$ -	$ -	
Food	**$ 1,000.00**	$ -	$ 39.85	
Housing Search and Counseling Services (app fees)	**$ 5,000.00**	$ 335.25	$ 220.75	
Section C- HMIS				
HMIS Licenses/Admin Support	**$ 1,200.00**	$ -	$ -	
ART Licenses	**$ 900.00**	$ -	$ -	
Total Direct Costs	**$630,000.00**	**$41,812.21**	**$36,374.38**	**$0.00**
Administration (Maximum of 10%)	**$ 70,000.00**	$ 2,587.68	$ 7,080.33	
TOTAL	**$700,000.00**	**$44,399.89**	**$43,454.71**	**$0.00**
MATCHING FUNDS (25% REQUIRED)	**$175,000.00**			

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Examples of budget tracking/spend down tools: https://drive.google.com/drive/folders/11UnrsSNsyiUZiRgbJQawldKZ2ZvfxiNk?usp=drive_link

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Challenge: Operating a Program Using an Outdated Budget

Results in……

- An outdated budget that can no longer guide spending and program strategies.
- Difficulty identifying trends in spending, ensuring it aligns with program goals
- Expending funds on ineligible activities if staff cannot reference a budget that accurately reflects current program needs.
- Does not reflect the needs of the community being served.

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Strategy: Budget Planning

- Identify the need for budget changes before it’s too late!
- When submitting an amendment, its first important to understand if the budget change you want to make is **significant** or **insignificant**.

Significant	Insignificant
Significant changes to a project require a **grant amendment** approved by HUD. Examples of “significant” changes: • Change of recipient • Change of project site • Additions/deviations in the type of approved activities for a project • A shift of more than 10% of the total budget from one approved eligible cost to another eligible cost. • A reduction in the number of units • A change in population served	Non-significant changes **do not require a grant amendment**, but must be documented in the project’s records Examples of “non-significant” changes: • A shift of less than 10% from one approved budget item to another • Shift in project practices that do not rise to the level of significant • Change in contractors

TAC TECHNICAL ASSISTANCE COLLABORATIVE

IMPORTANT:

If you need more money in a Budget Line Item (BLI) (e.g. transportation), move it from another BLI in the same supportive services component (e.g., food). It's all one big pot of funds!

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Strategy: Budget Planning Cont'd…

Keep in close contact with HUD, so they are aware of your intent to submit a budget amendment.

- Review budget changes with your TA or HUD before submitting an amendment request
- Budget request is submitted to your Field Office. Amendment request should include: What changed? Why? How? Ensure that the number of people you intend to serve does not change.
- Be prepared to wait for 1-2 months for approval
- Changes to your budget do not go into effect until you receive an updated grant agreement from HUD.

Tip #3: Ensure Staff Understand How to Access eLOCCS *(and how where to find help!)*

Electronic line of Credit Control System (eLOCCS)

Platform the recipient uses to drawdown funds from HUD. Don't forget 24 CFR 578.85 Timeliness standards! Recipient must:

- Distribute the funds to subrecipients (in advance of expenditures by the subrecipients);
- Distribute the appropriate portion of the funds to a subrecipient no later than 45 days after receiving an eligible request for such distribution from the subrecipient; and
- Draw down funds at least once per quarter of the program year, after eligible activities commence.

TAC TECHNICAL ASSISTANCE COLLABORATIVE

eLOCCS Troubleshooting

- **BLANK – 27054E – exp. 08312026**

  This is the required form that needs to be submitted to gain access to eLOCCS
  - Follow the directions exactly and have someone else review prior to submission!
- **eLOCCS_Registration_Guide**

  This is the step-by-step guidance on **how to apply for eLOCCS access**.
- **eLOCCS_Getting_Started_Guide**

  How to **get into and use eLOCCS** (navigate the website, create vouchers, and see pertinent grant detail).
- REAC Secure Systems Technical Assistance Center (TAC) at 1-888-245-4860

TIPS SUMMARY

TAC TECHNICAL ASSISTANCE COLLABORATIVE

KEY TAKEAWAYS

1. Track your budget early and often. Meet frequently with fiscal+program staff to review budget.

2. Identify areas where training, tools and additional resources are needed.

3. Make budget changes where/when needed; keep HUD and TA in the loop;

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Spending Administrative Funds

Administrative Costs

Don't forget to bill for administrative costs (see 24 CFR 278.59)

- Can allocate up to 10% of budget to admin costs
- Admin costs = planning and execution of program

Eligible Costs:

staff salaries/overhead	monitoring/program activities
preparing program budgets/schedules	preparing reports
developing systems to meet compliance requirements	coordinating monitoring/audit(s)
rental/purchase of equipment, insurance, office supplies, office rent, maintenance	training on CoC requirements
developing agreements	evaluating program results
environmental reviews	admin services provided by 3rd parties (accounting/audit)

What staff activities can you bill to admin? Ask yourself, is this person….

- Compiling Annual Performance Reports (APRs)?
- Working on program budgets?
- Signing invoices and mileage timesheets?
- Reviewing backup documentation?

If **YES**, then bill a portion of their time as Admin

Not an Administrative Cost if person is…

- Providing direct supervision + oversight
- Working on Policies and Procedures
- Creating documentation

These are activities directly attributable to programs and are not admin costs.

TAC TECHNICAL ASSISTANCE COLLABORATIVE

If billing to admin, don’t forget to charge overhead!

Examples of Overhead Costs that can be charged to Admin	A computer, laptop/tablet, hotspot for accounting staff
	Cell phone, cell phone costs for admin staff
	Staff person’s time spent preparing an invoice, communication between recipient and subrecipient, drawing down funds from LOCCS, reviewing YHDP staff timesheets
	Rent for office space, photocopier costs, lighting/utilities for office

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Allocating Overhead Costs

You must bill the **same proportion** to overhead as you do to the direct cost.

- **Example:** If a Program Director billed 10 hours of their staff time (20%) to admin, their overhead costs should be billed proportionally (20%) under admin.

COMMON MISTAKE
Allocating staff overhead only under supportive services if they also billed their time to admin.

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Innovative Ways to Expend SNOFO Funds

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Did you know……

Purchasing Narcan and Fentanyl Test Strips are eligible costs.

Eligible under:

- Supportive Services – Street Outreach and Outpatient Health Services (when prescribed and provided by licensed medical professionals)

- Operating Costs – for TH and PSH (e.g., as component of building's emergency first aid kit)

HUD Narcan Fact Sheet:
https://www.hud.gov/sites/dfiles/CPD/documents/HOPWA-Fact-Sheet-on-Naloxone-for-CoC-ESG-YHDP-and-HOPWA-Grantees-2023-12-21.pdf

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Did you know……

When hiring staff, there are many opportunities to use your HUD-CoC funding to support the hiring process:

- Put together an incentive package to attract new hires. CoC funding can pay for: 1) **sign on bonuses**; 2) **relocation expenses** (2 CFR 200.463(c)); 3) **travel costs** of applicants for interviews
- Travel costs of employees while engaged in recruiting personnel
- Advertise and/or promote vacancy using online platform (e.g. Indeed)
- Operating costs of an employment office necessary to secure and maintain staff.
- Use of a temp agency (costs cannot be in excess of standard commercial rates for services)

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Did you know….

There are lots of different activities that you can bill to rental assistance (Section 582.105(e)(e))**.** Staff time spent:

processing rental payments to landlords	receiving new participants into the program
examining participant income and family composition	performing rent reasonableness determinations
providing housing information and assistance	housing search
inspecting units for HQS compliance	

****NOTE:** CoCs can pay a commission/fee to a realtor or broker to locate/obtain units but its an eligible Supportive Service cost, not Rental Assistance (24 CFR 578.53(e)(8))

- Must be equally applied to all applicants/tenants, not just CoC participants
- Include in your Policies and Procedures

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Did you know……

You can purchase gift cards for clients to buy food and transportation (bus passes).

- Must get a receipt from client – can only get reimbursed for eligible costs spent using gift card.
- The gift card itself is **not** an eligible cost
- Activation fees are an eligible cost
    - Example: $50 gift card - $2 activation fee + $36 food purchase = $38 eligible reimbursement to HUD (with receipt)

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Did you know……

Payment of bonuses for CoC Program staff is an eligible cost (see 2 CFR Part 200 for basic guidelines). In addition:

- Update your internal compensation policies to reflect whether the bonus is included in staff salaries or as a fringe benefit. Include the methodology, amount and who is eligible ($3/hr. increase for case management, $500/staff flat amount, etc.)
- Ensure the bonuses are reasonable. It is considered reasonable if it is consistent for paid work in similar activities. (2 CFR 200.430)
  - Check out your local or regional wage data for comparisons – keep in your records
- Use timecards to track who is receiving the bonus and for what length of time.
- Ensure its equitable – for example, don't limit bonuses to SNOFO funded RRH case management staff – **all** RRH case management staff should receive bonuses.

TAC TECHNICAL ASSISTANCE COLLABORATIVE

Q&A/Discussion

NEXT STEPS

All peer-to-peer session materials are located in a shared Google folder and will be emailed out:

Link to Google folder:
https://drive.google.com/drive/folders/1ihnbuXGw9mZjXW4wp3ri80oTS9lzyP8i?usp=sharing

Next Peer to Peer Session:
January 8th at 2pm ET/1pm CT/11am PT