



Eligible Costs: Supplemental NOFO Continuum of Care

Taken from [Supplemental NOFO](#) pages 21-22

e. Eligible Costs.

- (1) Unsheltered Homelessness Set Aside. For the Unsheltered Homelessness Set Aside, 24 CFR 578.37 through 578.63 identify the eligible costs, except that projects applying for funds under the Unsheltered Homelessness Set Aside may not request funds for acquisition (24 CFR 578.43), rehabilitation (24 CFR 578.45), or new construction (24 CFR 578.47). HUD will reject any requests for ineligible costs and HUD will reject any projects that request funds for acquisition, new construction, or rehabilitation.

- (2) Rural Set Aside.
 - (a) In general. For the Rural Set Aside, eligible activities are those identified in the CoC Program regulations at 24 CFR 578.37 through 578.63, and those listed in paragraph when they are part of an SSO, PH, or Joint TH and PH:RRH Component project. Additionally, staff and overhead costs directly related to carrying out the eligible activities in paragraph (b) of this section are eligible as part of those activities.
 - (b) The eligible activities authorized under section 491 that are eligible under this Special NOFO are:
 - i. Rent or utility assistance after 2 months of nonpayment of rent or utilities to prevent eviction or loss of utility service. Funds may be used to pay rent or utility arrear payments up to 6 months on behalf of program participants residing in permanent housing.
 - ii. Short-term emergency lodging in motels or shelters, either directly or through vouchers. Eligible costs include lodging costs in motels or hotels for program participants; pro-rata share of sheltering program participants in existing shelters so long as the costs are actual costs of creating new and temporary beds in emergency shelters and not to permanently increase the capacity of the shelter. No funds may be used to shelter program participants in existing shelter beds.
 - iii. Repairs, (such as insulation, window repair, door repair, roof repair, and repairs) that are necessary to make housing habitable to be used for transitional or permanent housing by people



- experiencing homelessness. The total cost of repairs may not exceed \$10,000 per structure.
- iv. Capacity building activities. Capacity building activities are those activities that maintain or improve the skills of recipients. Eligible capacity building activities include employee education, job training, staff retention activities such as financial incentives to staff, paying for continuing education opportunities, cross training within an organization, staff training and professional licensing or certification, and other professional development activities. An applicant may apply for up to 20% of funds requested as part of the project, including project administrative costs, for capacity building activities.
- v. Emergency food and clothing assistance. The cost of providing meals or Page 21 of 70 groceries and clothing to program participants are eligible costs.
- vi. Costs associated with making use of Federal Inventory property programs to house homeless individuals and families. Federal Inventory property programs means the Use of Federal Real Property to Assist the Homeless program authorized by title V of the Act, and implemented by 24 CFR part 581, and the Single-Family Property Disposition Program authorized by section 204(g) of the National Housing Act (12. U.S.C. 1710(g)) and implemented at 24 CFR part 291 Eligible costs are: preparing and submitting applications to obtain ownership of the real property; transfer taxes; recording fees; closing costs; building permit and zoning fees; attorney's fees; rehabilitation of buildings and structures on the property necessary to bring them into compliance with local building codes and to convert them to the intended homeless assistance use; water, sanitation, sewer and utility hook-up fees and deposits and bringing lines to the property; wells; septic systems; and



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improving access to the real property from public roads.

- (c) HUD will reject any requests for ineligible costs.

f. **Indirect Costs.** Normal indirect cost rules under 2 CFR part 200 apply. Project applicants that intend to charge indirect costs to the award must clearly state in the project application(s) the rate and distribution base the recipient intends to use, and if applicable, the rate and distribution base to be used by any subrecipient(s). If the rate is a Federally negotiated indirect cost rate, the project application must include the corresponding negotiated indirect cost rate agreement signed by the cognizant agency. A government department or agency unit that receives no more than \$35 million in direct federal funding per year and has developed and maintains an indirect cost rate proposal and supporting documentation in accordance with 2 CFR part 200, appendix VII, may use the rate and distribution base specified in that indirect cost rate proposal, unless the cognizant agency requires the proposal to be submitted for negotiation.

For each applicant or intended subrecipient that meets the conditions for the de minimis rate under 2 CFR 200.414(f) and will use that rate to charge indirect costs, the project application must clearly state the intended use of the de minimis rate of 10 percent of Modified Total Direct Costs (MTDC). As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. Once an organization elects to use the de minimis rate, the organization must apply this methodology consistently for all Federal awards until the organization chooses to negotiate for a rate, which the organization may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.