



Understanding Match & Leverage

**Thursday, August 29th
10:00-11:00 AM**

Presented by Lisa Mayse-Lillig and Elizabeth Perez of the Chicago Alliance to End Homelessness



Webinar Housekeeping

- Everyone is on mute to reduce background noise
- Save questions for the end of the sections, and use raise hand function
 - Please use the telephone call number located in the chat box to ask questions if your computer does not have a mic
- Do not ask questions in the questions chat box



Webinar Objectives

- Provide an overview of the match requirements as presented in the HEARTH Act
- Present how the match requirements apply to your project
- Clarify the relationship between match & leverage
- Answer questions about match and leverage



Why is Match Required?

U.S. Housing and Urban Development (HUD) homeless program funding is limited and can provide only a portion of the resources needed to successfully address the needs of homeless families and individuals. HUD requires applicants to use supplemental resources, including state and local appropriated funds, to address needs of households experiencing homelessness.



HUD Match Requirement

All grant funds, except for leasing funds, must be matched with no less than 25% of cash or in-kind contributions from other sources.

Match must be used for the costs of activities that are eligible for the project under subpart D of the HEARTH Act Interim Rule.

HEARTH Act, § 578.73 Matching Requirements.



Advantages to Increased Match and Leverage Amounts

- Increased Continuum of Care NOFA score
- Provides access to a wider array of services for project consumers
- Ensures the financial stability of the project and agency



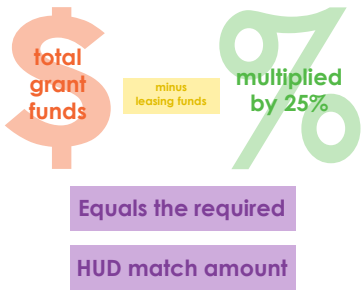
HEARTH Match Regulation

- Projects must match all grant funds, except for leasing funds, with no less than 25% of cash or in-kind contributions from other sources
- 25% percent match must be provided on a grant-by-grant basis
- Cash and In-kind match must be used for the costs or activities that are eligible under subpart D of the HEARTH Act
- In-kind services provided by a third party must have an established memorandum of understanding (MOU) between the project and the third party prior to contract execution
- During the term of the grant, the project must keep and make available, for inspection, records documenting the service hours provided

HEARTH Act Interim Rule, Subpart F, § 578.73



Calculating the Match Requirement





Survey Question

Calculating Match





Cash and In-kind Match

- **Cash Match:** Funds from any source, including any other federal sources (excluding CoC Funds)
- **In-kind:** Value of any property, equipment, goods, or services contributed to the project



Is It Match?

Match Criteria (must meet all):

- Eligible project costs based on Subpart D of the HEARTH Interim Rule.
- CANNOT** already paid for by HUD CoC funds
- Contributes directly to project and can be documented
- May **NOT** be used as match for any other project
- CANNOT** come from HUD CoC funds
- Will be used within the same contract year
- For in-kind, a MOU will be established at the time of contract execution



Match: Eligible Costs

Match must be used for the costs that are eligible under subpart D of the HEARTH Act. Eligible cost include:

Supportive Services (must be necessary to obtain and maintain housing):

- Case Management
- Child Care
- Education Services
- Employment Assistance & Job Training
- Housing Search and Counseling Services
- Legal Services
- Life Skills Training
- Mental Health Services
- Outpatient Health Services
- Outreach Services
- Substance Abuse Treatment
- Transportation
- Utility Deposits



Match: Eligible Costs

Operating

- Maintenance & Repair of Housing
- Property Taxes & Insurance
- Scheduled payments to a reserve for replacement of major systems of the housing
- Building security for a structure where more than 50 percent of the units or area is paid for with grant funds
- Electricity, gas, and water;
- Furniture
- Equipment



Match: Eligible Costs

Leasing

- Costs can be used as match, if expense is an eligible cost for the project under Subpart D of the HEARTH Act

Rental Assistance

- Costs can be used as match, if expense is an eligible cost for the project under Subpart D of the HEARTH Act

Project Administrative Costs

- Costs related to the planning and execution of project activities, which are not eligible costs under the other budget categories



Match: Eligible Costs

Continuum of Care Planning Activities

- Not an eligible cost or match for projects

Unified Funding Agency Costs

- Not an eligible cost or match for projects

Homeless Management Information System

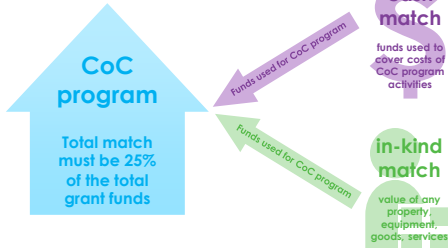
- Not an eligible cost or match for projects

Acquisition, Rehabilitation, New Construction

- Costs can be used as match, if expense is an eligible cost for project under Subpart D of the HEARTH Act



Cash and In-kind Match





Survey Question

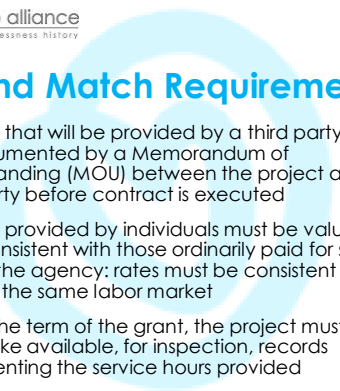
Cash & In-kind Match





In-kind Match Requirements

- Services that will be provided by a third party must be documented by a Memorandum of Understanding (MOU) between the project and the third party before contract is executed
- Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the agency: rates must be consistent with those in the same labor market
- During the term of the grant, the project must keep and make available, for inspection, records documenting the service hours provided





In-kind Match MOU

The MOU must establish the unconditional commitment, except for selection to receive a grant, by the third party to provide the services and must include:

- Should be on agency letterhead of third party
- Name of the program and agency receiving services
- Name of the third party providing services
- Date resources will be available; time frame of services
- Specific service to be provided
- Profession of the persons providing the service
- Hourly cost of the service to be provided.



In-kind MOU Template

ON DONOR AGENCY LETTERHEAD

Date: _____
To: [Agency Director of grant agency]
Subject: Commitment to provide [Homeless service project]

Option A. For Service, Leasing or Operations costs
 _____, commits to provide a contribution worth \$ _____ over the next _____ years to the _____ project. The contribution for _____ will be available beginning _____ through _____.

If professional services based on an hourly rate are involved, add the following to the first two sentences:
 The commitment is calculated based upon _____ hours of _____ at our normal rate of \$ _____/hour.

If non-professional/volunteer services are involved, add the following to the first two sentences:
 The commitment is based upon _____ hours of service at the rate of \$10.00/hour.

If the donation is a physical item, add the following to the first two sentences:
 The amount of the contribution is based upon a donation of _____ items of _____.

B. For Leased Housing
 _____, if leasing to be leased at below market rents, state the following:
 _____, agree to lease _____ of the following units for _____ project at the following rents for _____: _____.
 Note: You will need to use your standard - for market rate, documented comparable rents, a letter from a realtor establishing comparable rents - to calculate the amount of benefit representing the difference between standard rents and the agreed upon rents.

C. For Capital Costs of Acquisition/Rehabilitation/Construction
 _____, commits to provide \$ _____ in the form of cash, bond, building, etc. to _____ project to pay for _____.



Match Record Keeping

- Project must keep records of the source and use of match
- Records must indicate the grant and fiscal year for which each matching contribution is counted
- Records must show how the value placed on third party in-kind match was derived
- Volunteer services must be allocated using the same methods used for regular personnel costs

HUD may deny matching credit for all or part of the costs and require the agency to make further matching contributions to make up for the contribution determined to be ineligible.



Survey Question

In-kind Match MOU/Recordkeeping



Match Questions?

- Click the "raise hand" button to be called on
- Once called on, you will be unmuted to ask question
- We only have limited time for questions, so others can be answered by staff after the webinar





Leverage

- Leverage includes all funds, resources, and/or services that the project can secure on behalf of the consumer being served by the proposed project
- Leverage must be designated for use during the project's contact year
- Leverage includes the required cash/in-kind program match and any additional resources **with established MOUs**



Match vs. Leverage

Match	Leverage
25% Required <small>(Total HUD CoC Funds - Leasing x 25%)</small>	No Limit – NOFA goal of 150%; includes cash & in-kind match
Required by HUD to comply with grant	Required by CoC to remain locally competitive among peers
Must be spent within contract year for eligible activities <small>(based on Subpart D of the HEARTH Act)</small>	Leverage beyond required match can come from any source and are not required to be an eligible cost
Requires established MOU for third party services, before grant execution	
Must be documented in grant files; cannot exceed the number of persons proposed to be served by project	
Volunteer hours should be valued at \$10/hour, unless they are professional services	



Impact on NOFA Exhibit 2

- For 2012, it was one of the five factors on which continua were scored
- All projects will be required to provide the anticipated match and leverage in the NOFA Exhibit 2
- The CoC will only receive full points for this item in the NOFA if:
 - A. All projects identify match and leverage
 - B. Leverage meets or exceeds identified HUD goal (for 2012 it was 150%)



Survey Question

Is it match or leverage?





Survey Question

Is it match or leverage?



Questions and Answer

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Thank You!

Thank you to everyone who participated in this webinar. If you have any additional questions, please visit:

hudhre.info

Or contact us at:

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