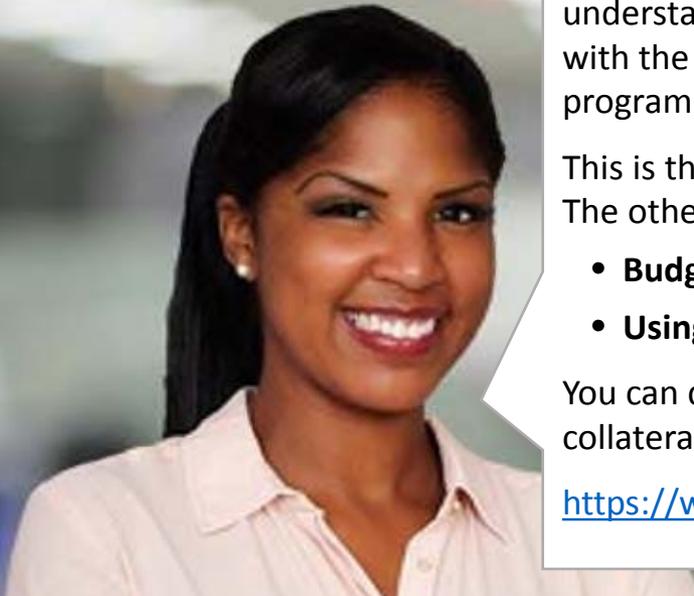


Accurately Completing HUD form 91186-A

Mini-Webinar #2



Hi, I'm Jeanine, and these are my colleagues Ruth, Dan and Jitesh. We have come together to help each other, and you, better understand budgeting and the use of key HUD forms associated with the Service Coordinators in Multifamily Housing (SCMF) program.

This is the second of three 'mini-webinars' that we've produced. The other two are titled:

- **Budgeting for HUD's SCMF Program**
- **Using the "Burn Rate" Tool**

You can download the three mini-webinars and all their associated collateral materials on the SCMF website at:

<https://www.hudexchange.info/programs/scmf/budgeting/>



And I'm Dan. In a minute Jeanine and I will be speaking about ***Accurately Completing HUD form 91186-A***, the one-year annual budget renewal form; but before that, I wanted to direct your attention to the **MFHP Financial Management Toolkit**, which you can download on the SCMF website.

The **Toolkit** serves as a supplementary reference to assist you – HUD grantees and sub-recipients alike – to fulfill your grants management and fiduciary responsibilities, as detailed in your contracts and grant award documents. You can get it here:

<https://www.hudexchange.info/programs/scmf/>

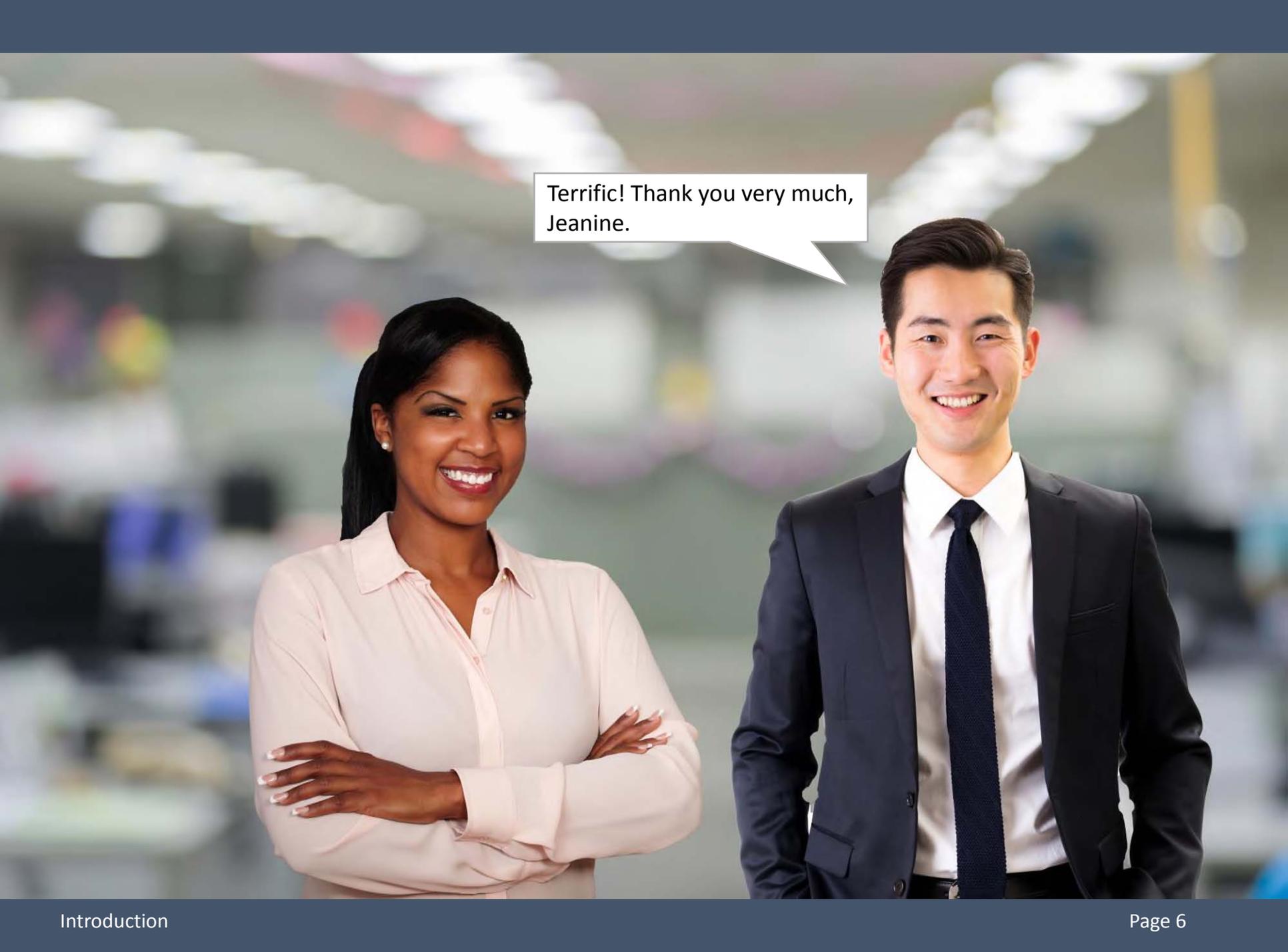




Hello, Jeanine, thanks for making time to meet with me today. I sure could use some advice on completing **HUD Form 91186-A**, the Service Coordinator Program's '**One-Year Budget**' form.

Sure, Dan, let's go through it section by section to address any specific questions you might have and also to highlight key areas of concern for HUD. It's mostly self-explanatory, but to complete it accurately requires understanding terminology and expectations.





Terrific! Thank you very much, Jeanine.

First of all, you can download the recently updated, Excel spreadsheet version of **HUD form 91186-A** (Service Coordinators in Multifamily Housing One-Year Budget) on the HUD.GOV website:

www.hud.gov/program_offices/administration/hudclips/forms/hud9

Please make sure that you download form **HUD-91186-A**. You must use this one-year continuation budget to request grant renewals, not form HUD-91186, which is a three-year budget template. Form 91186 is used only for first-time applications.



In addition to downloading a blank form HUD-91186-A, you might find it helpful to download the sample completed form, which is designed to accompany this (and the other two) PowerPoint webinar presentations.

You can download the sampled completed form here:

<https://www.hudexchange.info/programs/scmf/budgeting/>





The HUD form 91186-A spreadsheet has four tabs:

- **Project Information**
- **Budget Detail**
- **Budget Summary**
- **Instructions**

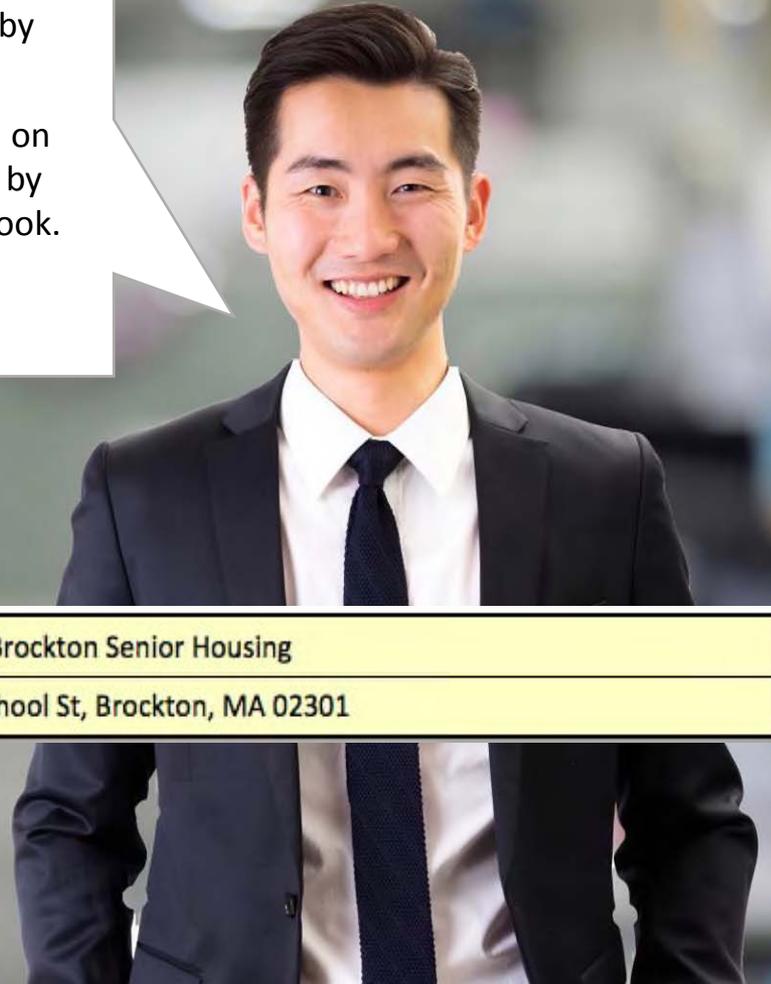
Let's begin with 'Project Information' on *Tab 1*. Right at the top of the form you'll see:

- **Owner (Applicant) Legal Name**
- **Owner (Applicant) Address**

In this workbook, all cells that are completed by the applicant are shaded yellow.

Blue-shaded cells will automatically fill, based on embedded formulas and information entered by the applicant on one of the tabs in the workbook.

Cells that are white or grey provide labels, guidance and/or supplementary information.



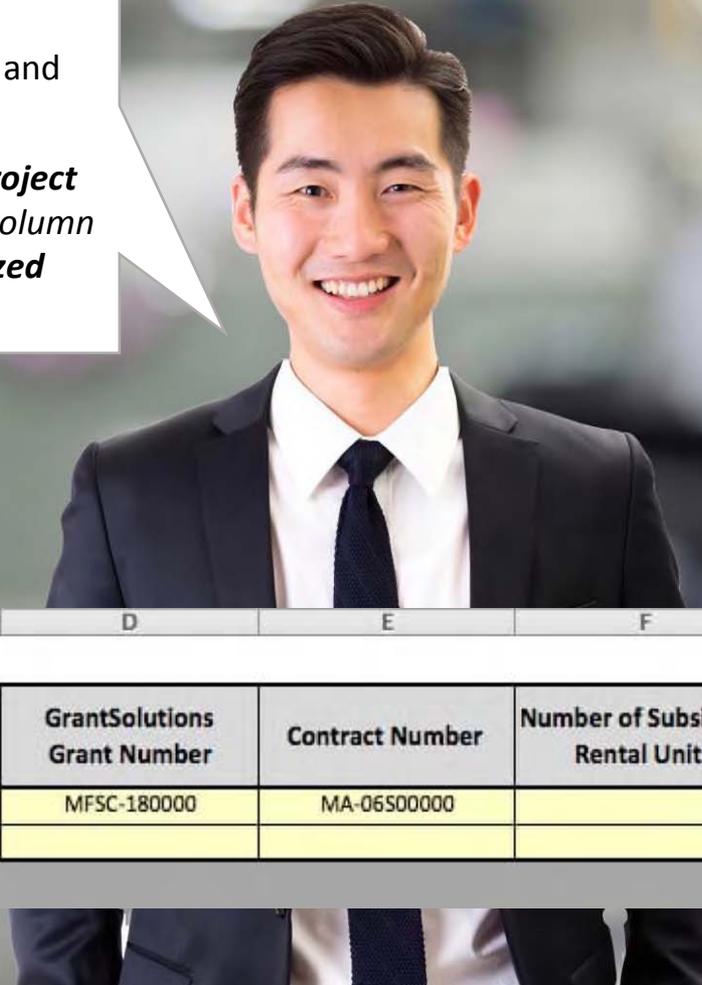
Owner (Applicant) Legal Name:	Brockton Senior Housing
Owner (Applicant) Address:	45 School St, Brockton, MA 02301

Please complete the **Owner/Applicant information** first and then move on to **Section 1: 'Project Information.'**

The instructions (*Tab 4*) say that if the application includes 2 or more projects, then you must choose a **'lead'** project and list the information on that project first.

List **'Project Name'** and complete **'Address'** in *Column A* and **'Project Type'** in *Column B*.

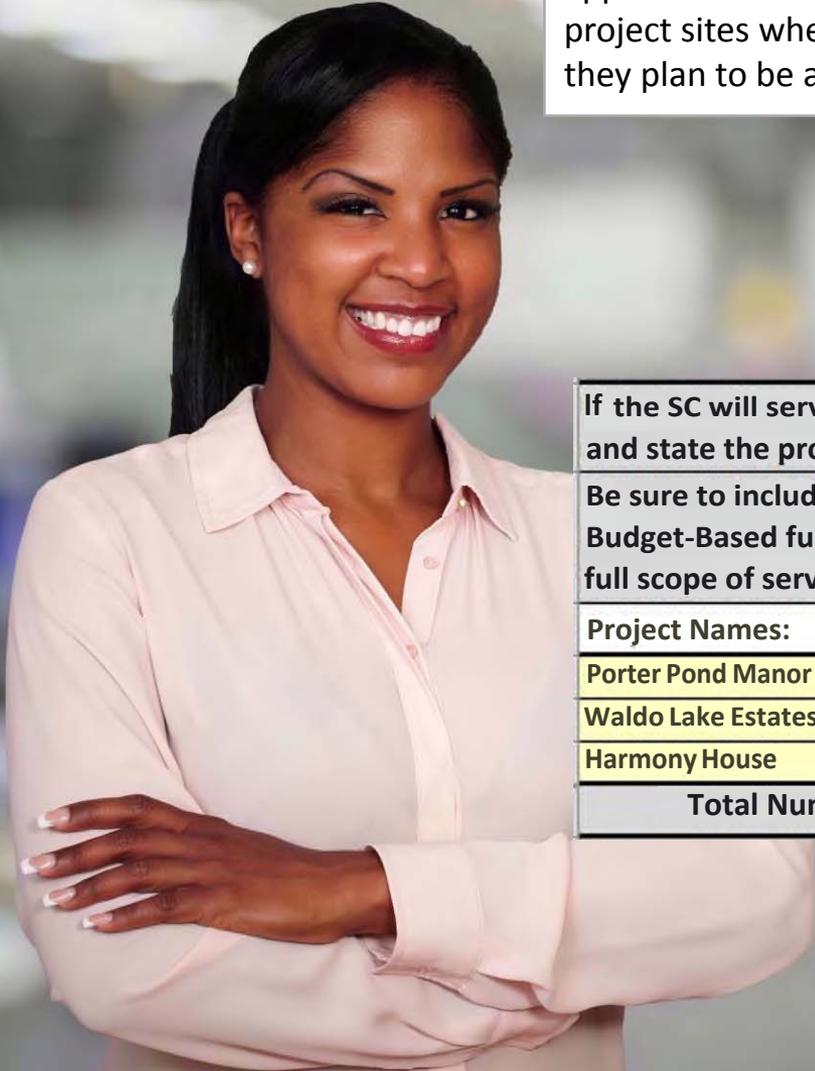
Please be sure to include, as appropriate, the **'FHA or Project Number'** (*Column C*), **'GrantSolutions Grant Number'** (*Column D*), **'Contract Number'** (*Column E*), and the **'# of Subsidized Rental Units'** (*Column F*).



A	B	C	D	E	F
1. Project Information: <i>Please provide the information for every project included in your request</i>					
Project Name and Address	Project Type <i>Sec. 202, 236, 221 (d)(3)BMIR or Section 8</i>	FHA or Project Number	GrantSolutions Grant Number	Contract Number	Number of Subsidized Rental Units
Harmony House, 123 Easy St, Brocton, MA 01301	202	023-EE-001	MFSC-180000	MA-06S00000	60
					-
Total # of Residents Served in this Proposal:	60				



In the sample workbook, we have only entered information for one project, but comparable information on ***up to four additional projects*** can be entered beneath the the lead entry, using as many lines as needed.



If the Service Coordinator (SC) will serve multiple eligible projects, applicants are asked to use the next section to list all the different project sites where staff will work and estimate amount of time they plan to be at each site over the course of a normal work week.

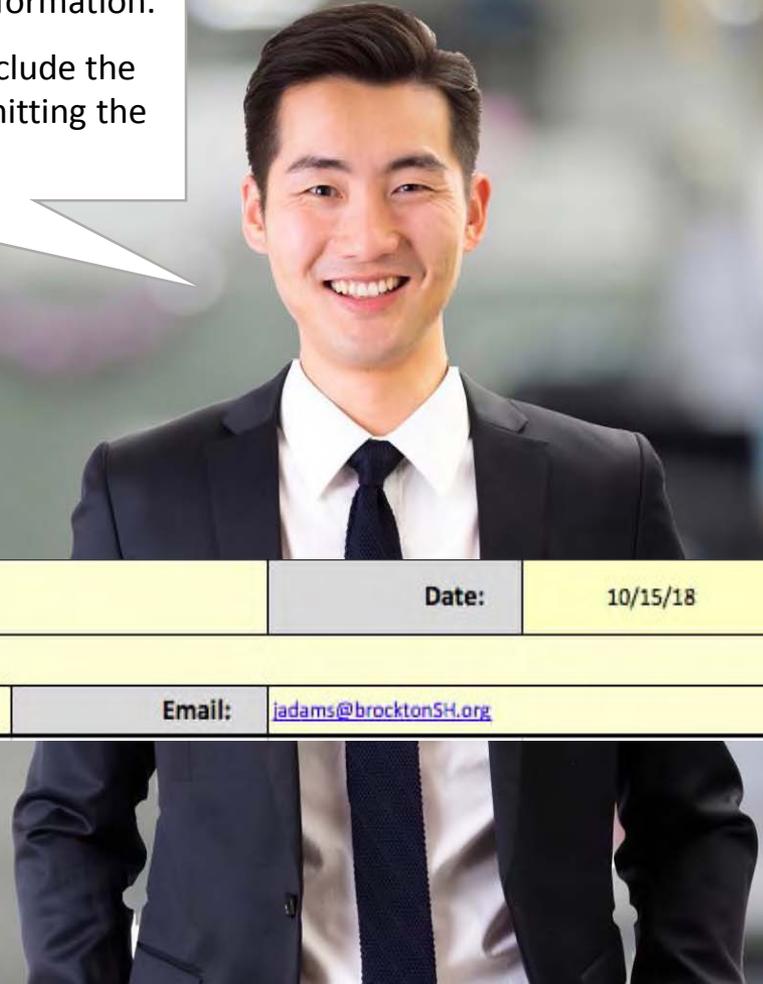
If the SC will serve multiple eligible projects, list the individual projects and state the proportionate amount of time planned at each site.

Be sure to include all SC activities, whether funded by the MFSC grant, Budget-Based funds or Other Sources -- this listing should reflect the full scope of services offered, regardless of the source of funding.

Project Names:	Number of Hours per Site
Porter Pond Manor	4.00
Waldo Lake Estates	4.00
Harmony House	32.00
Total Number of Hours at All Sites:	40.00

And finally, the last information block on *Tab 1* is the signature block, date of signing and contact information.

Please be sure to complete this section and include the signature of the Owner/Applicant before submitting the form to HUD.



Signature:		Date:	10/15/18
Contact Name and Title:	John R. Adams		
Phone:	505-580-7123	Email:	jadams@brocktonSH.org



Moving on to *Tab 2, Section 2: 'Budget Detail'* provides spaces to enter information on the eight expense line items (*2.a – 2.i*) that comprise the SC program budget. Each section has several lines so that applicants have enough room to be specific.

Let's look at what elements this budget section includes:

- *Column A-B* is for a **narrative description** of the cost element,
- In *Column C* you enter '**Rate per Hour**' or other '**Cost Basis**,
- *Column D* captures the '**Number of Hours**' or '**Quantity**,' and
- *Column E* calculates the '**Estimated Annual Cost**.'



A	B	C	D	E
2. Line Item Expenses:				
a. Salary/Direct Labor – Please Identify Positions (e.g. 'SC' or 'Aide') and Professional Licensure (e.g. 'MSW')		Rate per Hour	Number of Hours	Estimated Annual Cost
d. Training – List fees and rates to the extent known and provide basis for the projected cost		Cost Basis	Number of Hours	Estimated Annual Cost
g. Other Direct Costs – List & describe individual Third-Party Contracts for professional services, such as QA & Service Coordination.		Estimated Unit Cost	Quantity	Estimated Annual Cost



To the right of *Section 2* you'll see *Section 4: 'Application of Funding Sources to Specific Expense Items.'*

Please notice that it comprises four columns (*G-J*), and they all relate to your funding sources and which sources you propose using to cover which SC program expenses.

We will get back to this in detail in a few minutes

Let's move down to *Line 2.a: 'Salary/Direct Labor.'*

- **List positions** and **certifications** in *Column A-B*,
- **State the Rate per Hour** in *Column C* and
- **Number of Hours** budgeted in *Column D*.

Use 2,080 hours per year as the standard number, or the value your organization uses to perform this calculation, if different.

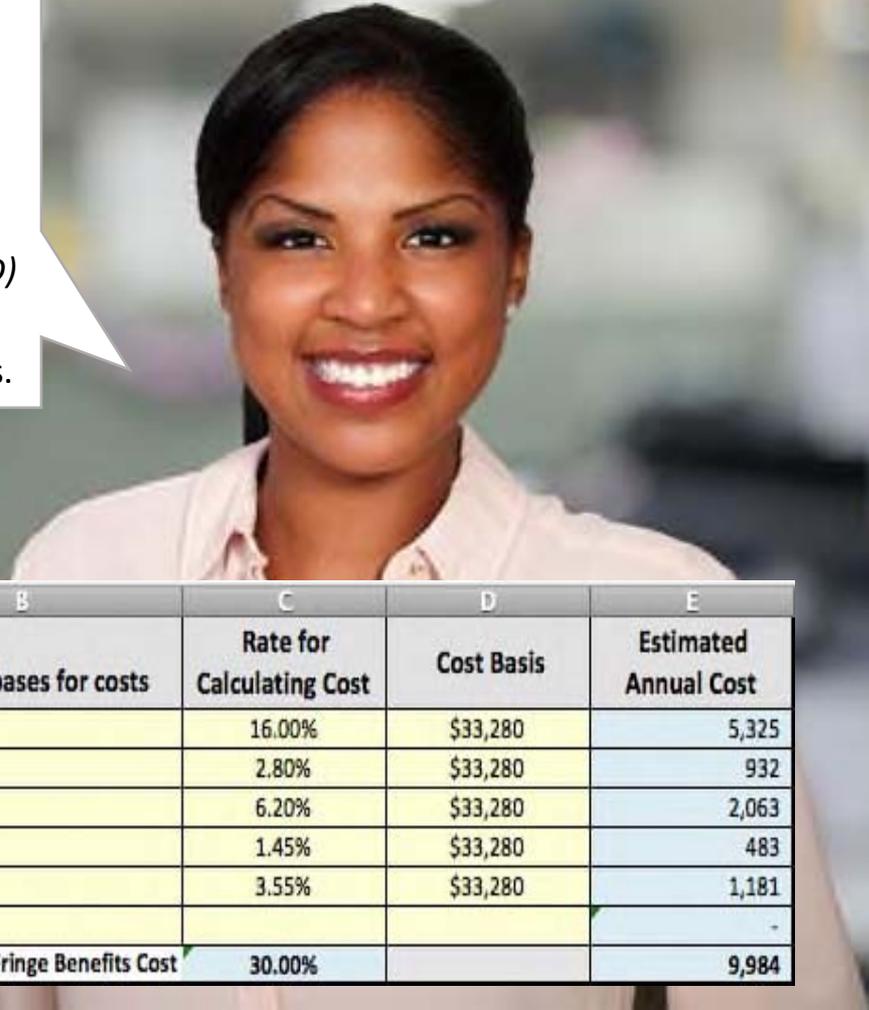
- Please do not show fringe benefits or indirect costs in this section.



A	B	C	D	E
a. Salary/Direct Labor – Please Identify Positions (e.g. 'SC' or 'Aide') and Professional Licensure (e.g. 'MSW')		Rate per Hour	Number of Hours	Estimated Annual Cost
1.0 FTE Service Coordinator (MSW)		\$16.00	2,080	33,280
Subtotal Salary/Direct Labor Costs				33,280

Line 2.b is for '**Fringe Benefits.**' You should use the same standard fringe benefits rate used by your organization.

- The SC's fringe benefits rate should be consistent with that of all other employees of the organization.
- Please **itemize all fringe benefits** (Column A-B) and **state their rate** (Column C) and **Cost Basis** (Column D)
- Use as much space as needed to provide a complete description of your fringe benefits package and costs.



A	B	C	D	E
b. Fringe Benefits –		Rate for	Cost Basis	Estimated
List and describe all benefits and taxes included; specify individual bases for costs		Calculating Cost		Annual Cost
Medical and Dental Insurance		16.00%	\$33,280	5,325
Employer Matching Contribution to Employees Retirement Fund		2.80%	\$33,280	932
Federal Social Security Tax - Employer Portion		6.20%	\$33,280	2,063
Medicare Tax - Employer Portion		1.45%	\$33,280	483
Life and Disability Insurance		3.55%	\$33,280	1,181
				-
Subtotal Fringe Benefits Cost		30.00%		9,984

The instructions say to use the '**Total Direct Labor Cost**' as the base for the calculation of fringe benefits.
What if our organization calculates fringe benefits differently?

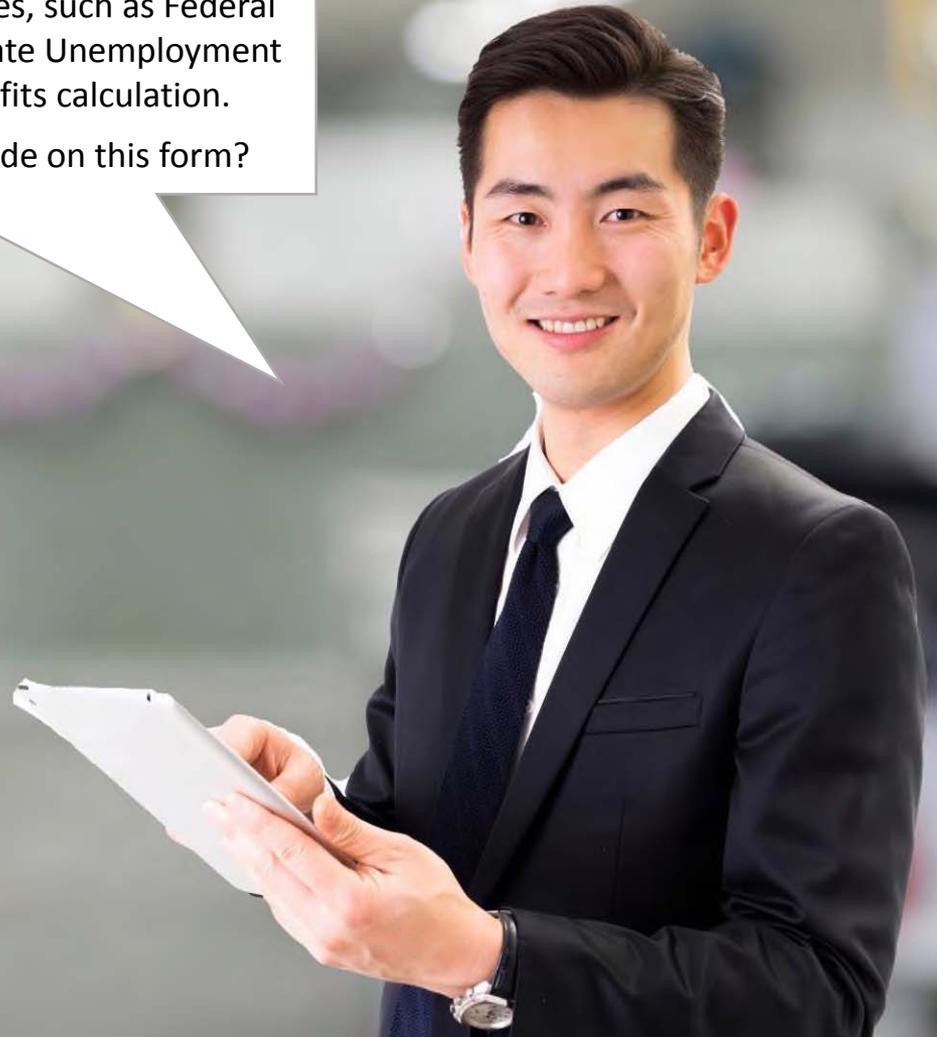




In that case, Dan, you may have a different basis, but be sure to use the space provided in **Line 2.b** to explain, in detail, what your agency includes in its fringe benefits package and the components' costs.

Be sure to reference **2 CFR 200, Subpart E – Cost Principles** to assure conformance with applicable federal Guidelines regarding the **allowability** (§200.403) and **reasonableness** (§200.404) of costs.

In addition to offering medical, dental, life and disability insurance, and a retirement fund matching contribution, our agency normally includes payroll taxes, such as Federal Social Security and Medicare tax, and State Unemployment Insurance as elements in our fringe benefits calculation. Is that the level of detail we should provide on this form?





Yes, Dan, absolutely. You should list the various fringe benefit components individually so that HUD staff can see exactly what they include and cost. And if your description will not fit into the space provided, please attach an additional sheet.

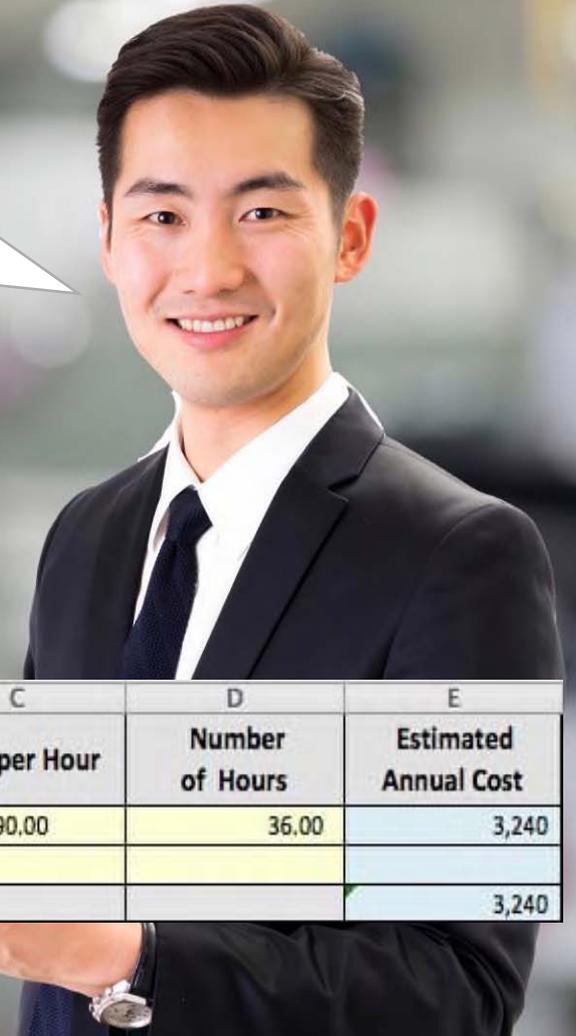


Next is *Line 2.c*: '**Quality Assurance/Program Evaluation (QA)**,' and here we find a friendly reminder to make sure that the total for this line item does not exceed 10% of the **Total Salary/Direct Labor Costs** shown on *Line 2.a* above.

In fact, this worksheet has a safety feature that will alert you if you attempt to enter criteria that will result in a total '**Estimated Annual Cost**' for QA that exceeds this limit.

The instructions for *Line 2.c*, Jeanine, to ask for some programmatic details, including:

- The **title of the professional** (e.g. MSW) who will be performing the QA work (*Column A-B*),
- The hourly rate for their services (*Column C*),
- And the **number of hours** over the course of the year you expect to use them (*Column D*).



A	B	C	D	E
c. Quality Assurance/Program Evaluation –				
Remember that QA costs cannot exceed 10% of Salary/Direct Labor Costs (item 2.a)		Rate per Hour	Number of Hours	Estimated Annual Cost
MSW faculty at the Boston College School of Social Work		\$90.00	36.00	3,240
Subtotal Quality Assurance Costs				3,240



Next is **Line 2.d: 'Training.'** The instructions say:

- Give fees and rates for appropriate training programs, to the extent known;
- Otherwise estimate and provide a basis for the projected cost.

Okay, so this can be a little challenging for our agency.

With all the staff turnover we've been experiencing in recent years, I feel like I need to budget aggressively for training, just in case we end up hiring someone who's never been an SC before and needs more than a tune up.

What do you suggest, Jeanine?



A woman with dark hair in a ponytail, wearing a light pink button-down shirt, stands with her arms crossed and a smile. To her right, a man in a dark suit, white shirt, and dark tie stands with his hands in his pockets, also smiling. A white speech bubble with a tail pointing to the man contains the text. The background is a blurred industrial setting with overhead lights.

That much turnover can certainly cause a tough situation, but I'm not sure you need to budget for 36 hours of training each year.

Most grantees budget for 12 hours per year, and still, it might be worthwhile to come up with a reasonable estimate of the costs for new hires to complete the full 36 hours of mandatory training, if need be.

In our sample worksheet, we budgeted 12 hours at \$50 per hour for AASC sponsored training.

A	B	C	D	E
d. Training – List fees and rates to the extent known and provide basis for the projected cost		Cost Basis	Number of Hours	Estimated Annual Cost
AASC-sponsored training curriculum		\$50.00	12.00	600
Subtotal Training Costs				600



Okay, Dan, let's move now to **Line 2.e: 'Travel.'**
There are two eligible travel expenses:

- Travel between multiple work sites
- Travel for trainings

The instructions for form 91186-A ask that we:

- Provide mileage and cost estimates for the use of private vehicles or public transportation;
- Show the estimated cost of airfare required to attend training programs,
- List necessary per diem rates in accordance with your organization's policies, and
- Give travel destinations if known.





That's a number of different instructions, Dan. Let's break it down a bit, starting with costs for local travel between multiple sites.



That's terrific, Jeanine, because I need more instruction on the eligibility of local travel costs.



First of all, local travel costs are only eligible when a Service Coordinator serves multiple projects that are ***a significant distance from each other***. Travel from home to her main office is not an eligible expense.

A woman with dark hair pulled back, wearing a light pink button-down shirt, stands with her arms crossed and a friendly smile. The background is a blurred office environment with various desks and equipment.

It is up to each agency to determine what their parameters are for reimbursing staff to drive to multiple locations if they use their own vehicle, or to subsidize their use of public transportation.

That said, however, the mileage rate submitted to HUD for reimbursement cannot exceed the standard Federal mileage rate in effect at the time.

Again, this is **only** if the sites are a '**significant**' distance apart.

A	B	C	D	E
e. Travel – Detail local travel (e.g. private vehicle, mileage & rate per mile) and travel for training: airfare (trips & fare), other (quantity & unit cost) and per diem (# days & daily rate)	Cost Basis	Quantity	Estimated Annual Cost	
Local Travel - weekly trip from primary office location to 2 satellite locations:				-
50 trips per year x 60 miles @ \$.545 per mile	\$32.70	50		1,635

A smiling woman with dark hair pulled back, wearing a light pink button-down shirt, stands in a blurred office environment. A white speech bubble with a tail pointing to her is positioned to her left, containing text about training expenses.

Travel expenses for **training** are also eligible.

Given the very limited SC budget overall, the agency should take care to spend training-related travel funds sparingly.

Local trainings might be favored over those that require long-distance travel and overnight stays.

If the SC must travel out of town, the instructions suggest using your agency's standard per diem rates.

If your agency doesn't set its own rates, use the Federal per diem rates posted on the General Services Administration (GSA) website: www.gsa.gov/perdiem



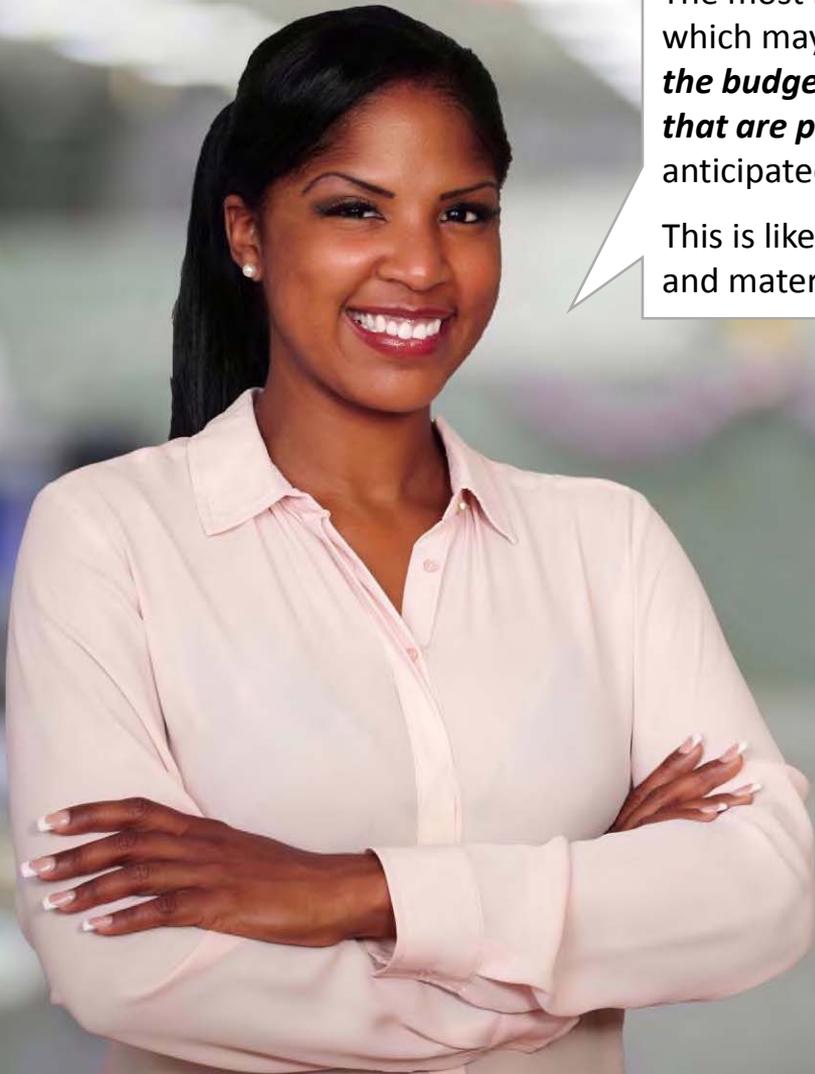
And the instructions ask for travel destinations, if known. For travel to an AASC conference, for example, the dates, location, costs and curriculum are known many months in advance. So I am able to use all this information in building my budget.



A	B	C	D	E
e. Travel – Detail local travel (e.g. private vehicle, mileage & rate per mile) and travel for training: airfare (trips & fare), other (quantity & unit cost) and per diem (# days & daily rate)		Cost Basis	Quantity	Estimated Annual Cost
Travel expenses for mandatory training:				-
Airfare from Boston, MA to Denver, CO		\$450.00	1	450
Conference Hotel - 4 nights lodging		\$150.00	4	600
Per Diem costs - 4 days during conference		\$50.00	4	200
Reimbursement for airport parking - 5 days @\$12 per day		\$12.00	5	60
Reimbursement for mileage from home to airport - RT mileage = 40 miles		\$0.545	40	22

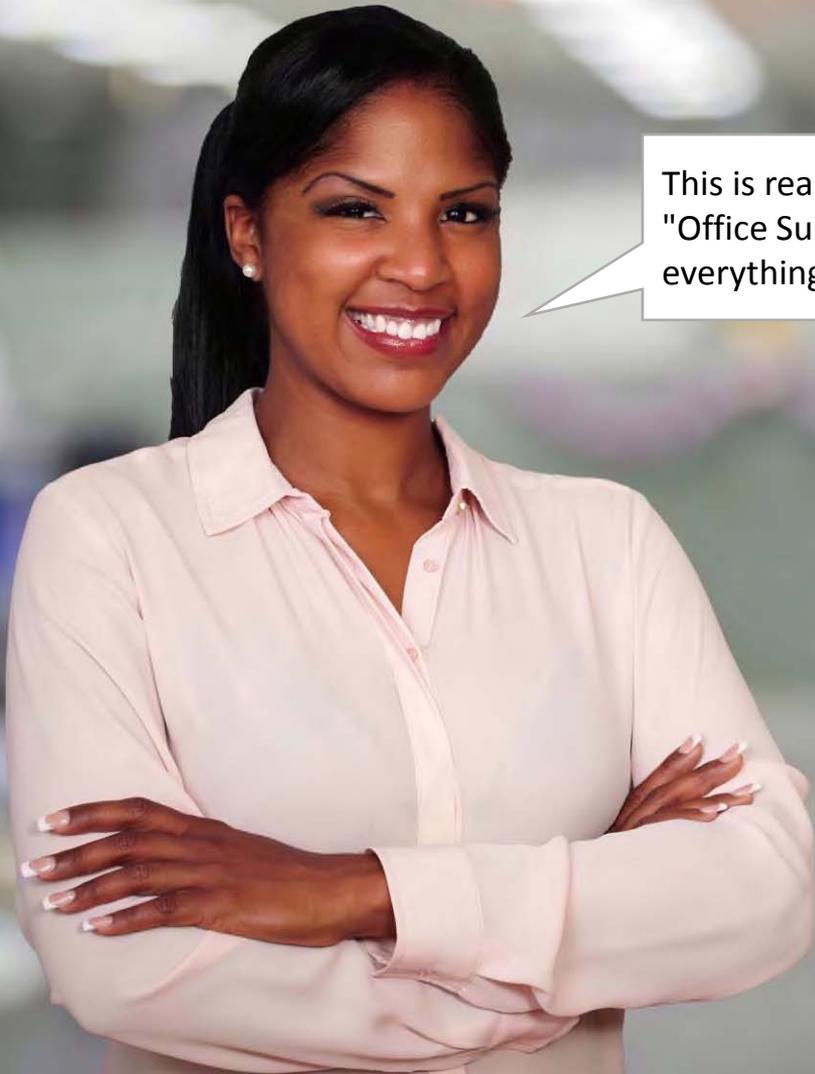


Okay, next is *Line 2.f*: '**Supplies and Materials.**' The instructions say to list the supplies you propose to purchase.



The most important instruction on the form, which may get lost because it comes last, is that ***the budget MUST individually list all the supplies that are proposed*** for purchase, along with their anticipated quantity and expected cost.

This is like a mini-budget just for office supplies and materials.



This is really important. You cannot just say, "Office Supplies = \$400." HUD expects you to list everything that you plan to buy.

A smiling woman with dark hair pulled back, wearing a light pink button-down shirt, stands in the foreground. The background is a blurred office space with rows of desks and overhead lights.

For **supplies** you can use an anticipated consumption rate to estimate the cost, e. g. one box of copy paper every 6 months, easel paper, a toner cartridge, and general office supplies.

For **equipment**, you should include the costs of replacing office equipment as it wears out or becomes outdated.

Maybe we should talk about typical elements in Supplies & Materials.

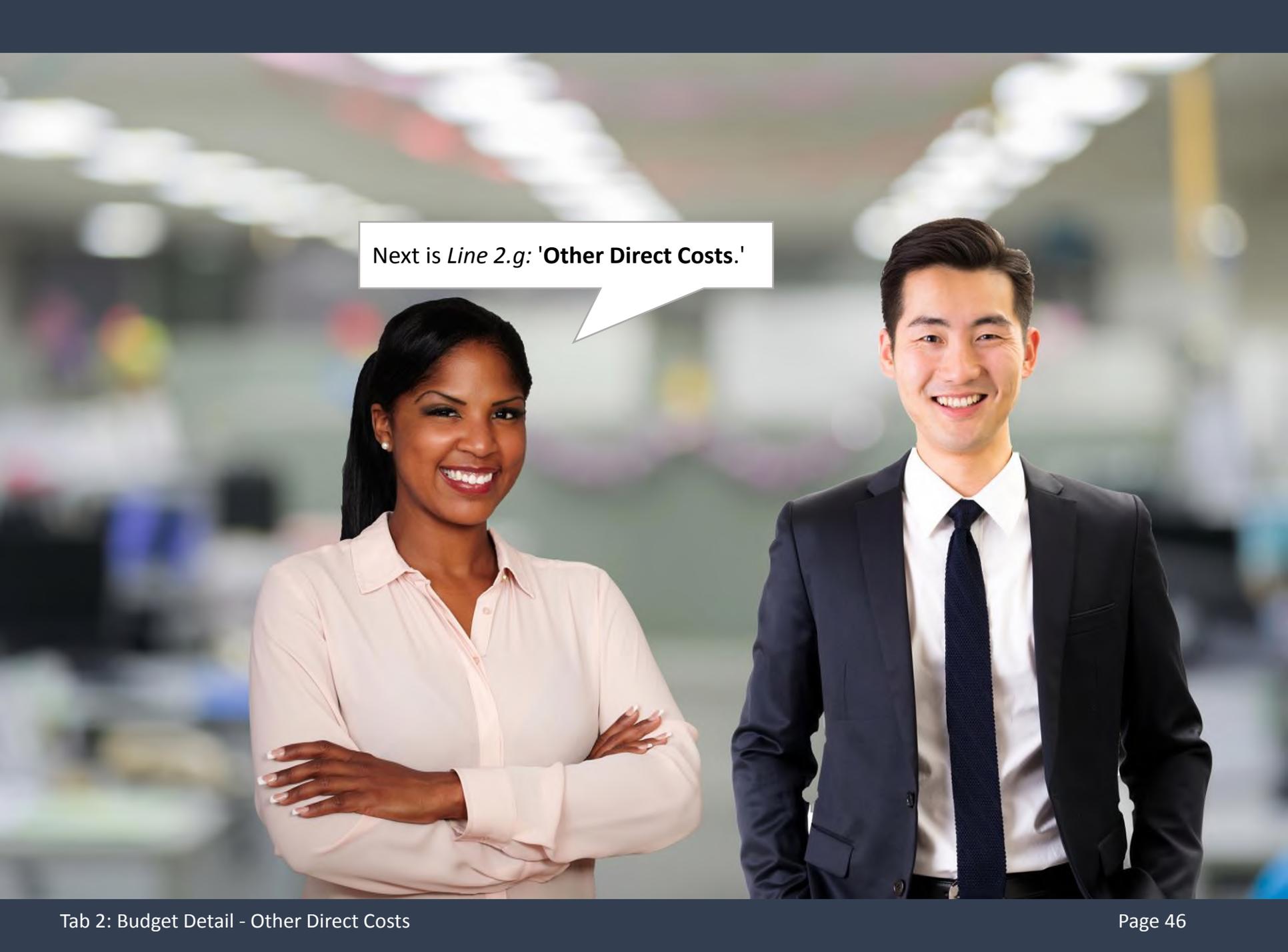


In our example of a completed form 91186-A, we include:

- *Ink cartridge/toner*: 3 @ \$54,
- *Copy paper*: 2 boxes @ \$52,
- *Easel pad*: 2 @ \$23, and
- *General office supplies*: \$50.



A	B	C	D	E
f. Supplies and Materials – Detail individual items to be purchased, unit cost and quantity; include replacement of office equipment. Do not lump items together.		Estimated Unit Cost	Quantity	Estimated Annual Cost
Ink cartridge/toner for printer/copier/scanner/fax machine		\$54.00	3	162
Copy paper		\$52.00	2	104
Easel pad		\$23.00	2	46
				-
Subtotal Supplies & Materials Costs				312



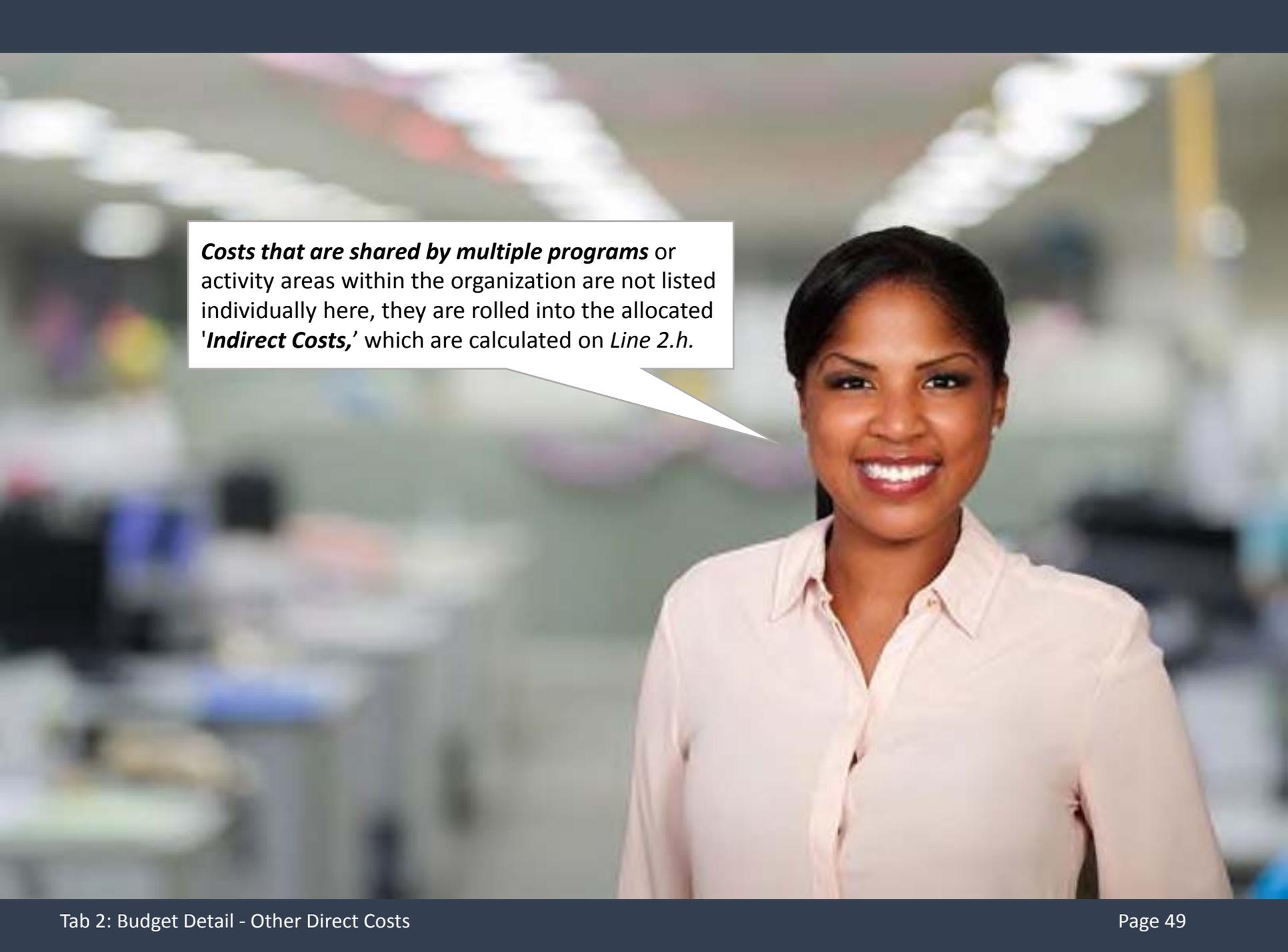
Next is *Line 2.g*: **'Other Direct Costs.'**

The instructions say to include such costs as telephone and internet service, printing, postage, and maintenance of office equipment, ***when such costs are directly attributable to the SC program only***. What does that mean, Jeanine?



A woman with dark hair pulled back, wearing a light pink button-down shirt, is smiling and looking towards the camera. She is standing in a factory or industrial setting, with blurred machinery and lights in the background. A white speech bubble with a black border is positioned to her left, containing text.

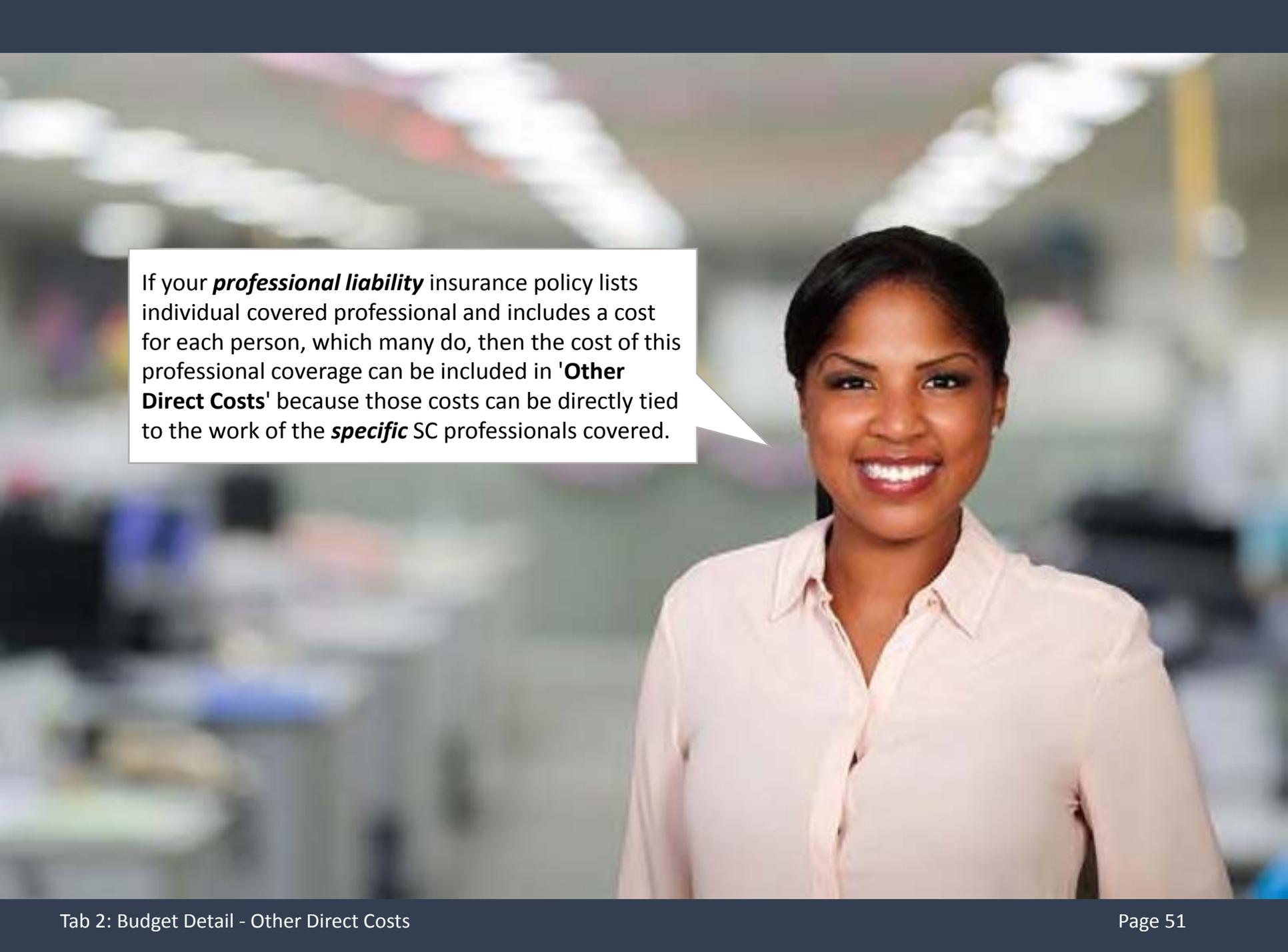
This goes back to the ***Federal definition of 'Direct' vs. 'Indirect' costs***, Dan, and in this case, in order to be considered direct costs, they have to ***benefit only the SC program***. Details on the definition of direct costs can be found at ***2 CFR 200.413***.



Costs that are shared by multiple programs or activity areas within the organization are not listed individually here, they are rolled into the allocated '**Indirect Costs,**' which are calculated on *Line 2.h*.



A good example is insurance. We can talk about two different kinds of insurance, ***professional liability*** vs. ***general liability***.

A woman with dark hair pulled back, wearing a light pink button-down shirt, is smiling warmly at the camera. The background is a blurred office or industrial setting with overhead lights.

If your **professional liability** insurance policy lists individual covered professional and includes a cost for each person, which many do, then the cost of this professional coverage can be included in '**Other Direct Costs**' because those costs can be directly tied to the work of the **specific** SC professionals covered.

A woman with dark hair pulled back, wearing a light pink button-down shirt, is smiling and looking towards the camera. The background is a blurred office environment with rows of desks and overhead lights.

The agency's **general liability** policy, on the other hand, covers **all the activities of the agency** and must be assigned to indirect costs.

We'll get back to that in a few minutes.

Other Direct Costs to list here include any contracted SC services, such as if you hire a **third-party contractor** to provide service coordination at one of your sites.

These contracts do not belong in Indirect Costs. They belong here in 'Other Direct Costs' because they are activities undertaken specifically for the SC program.



A	B	C	D	E
g. Other Direct Costs – List & describe individual Third-Party Contracts for professional services, such as QA & Service Coordination.		Estimated Unit Cost	Quantity	Estimated Annual Cost
Third-party Contracted SC Aide - Porter Pond Manor and Waldo Lake Estates; 400 hours @ \$11/hour		\$11.00	400	4,400
Dues: AACCS & MASC - MSW staff only		\$225.00	1	225
AASC Online subscription - annual fee for 1 user		\$595.00	1	595
Mobile phone & data service - monthly cost for 1 user		\$75.00	12	900
				-
Subtotal 'Other Direct Costs'				6,120



And **all third-party contracts** for services also have to be listed and described in *Line 2.k: 'Sub-Contracts/ Sub-Grantee Agreements.'*

We'll cover that in just a few minutes.

k. Sub-Contracts/Sub-Grantee Agreements – If you plan to contract out for a Service Coordinator or for Quality Assurance, list specific contracts, describe the scope of services and the related costs.

A woman with dark hair pulled back, wearing a light pink button-down shirt, is smiling and looking towards the camera. She is standing in a factory or industrial setting, with blurred machinery and lights in the background. A white callout box with a tail pointing to the right is positioned to her left, containing text.

Line 2.h is for '**Indirect Costs**,' which also have a specific definition for Federal purposes, as described in 2 *CFR* 200.414.

A woman with dark hair in a ponytail, wearing a light pink button-down shirt, stands with her arms crossed and a smile. To her right, a man in a dark suit, white shirt, and dark tie stands with his hands in his pockets and a smile. A white speech bubble with a black border points from the text above to the man.

The instructions for HUD form 91186-A define **Indirect Costs** as those that have been incurred by multiple programs for common or joint purposes.

It says that **Indirect Costs** are associated with 'centralized' services that are distributed throughout the agency and, due to this **broad agency-wide distribution**, cannot be readily identified with any one program.

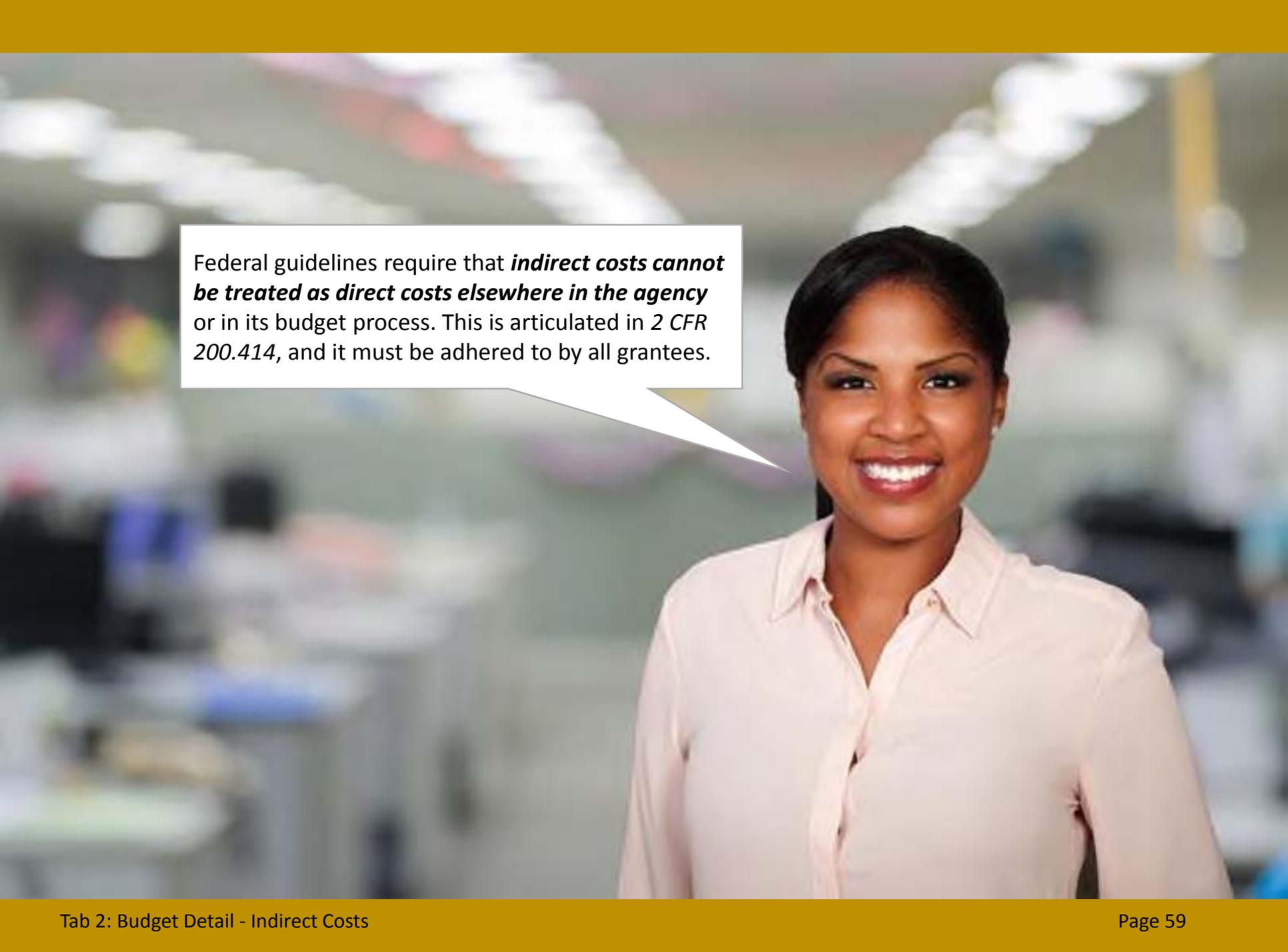


General liability insurance, which we talked about above, is a good example of a shared or centralized cost. Other **typical indirect costs** would include such activities as:

- Accounting and human resources activities and
- Administrative support for vouchering and payroll

Utilities and other building-related expenses that are being reimbursed through operating subsidies **are not eligible** for inclusion as indirect costs in your the SCMF program budget.





Federal guidelines require that ***indirect costs cannot be treated as direct costs elsewhere in the agency*** or in its budget process. This is articulated in *2 CFR 200.414*, and it must be adhered to by all grantees.

And lastly, if your organization has already received a ***Federally approved Indirect Cost Rate***, you should note what this rate is, and use it.





But what if an agency, like mine, doesn't have a Federally approved Indirect Cost Rate?

A woman with dark hair pulled back, wearing a white button-down shirt, is smiling and looking towards the camera. A white speech bubble with a black border is positioned to her left, containing text. The background is a blurred industrial or office setting with overhead lights.

Well, if your SCMF budget has already been approved to include indirect costs, and your agency doesn't have a standard indirect cost allocation rate, then HUD suggests using the so-called '*de minimis*' option. Let me explain what this is in more detail.

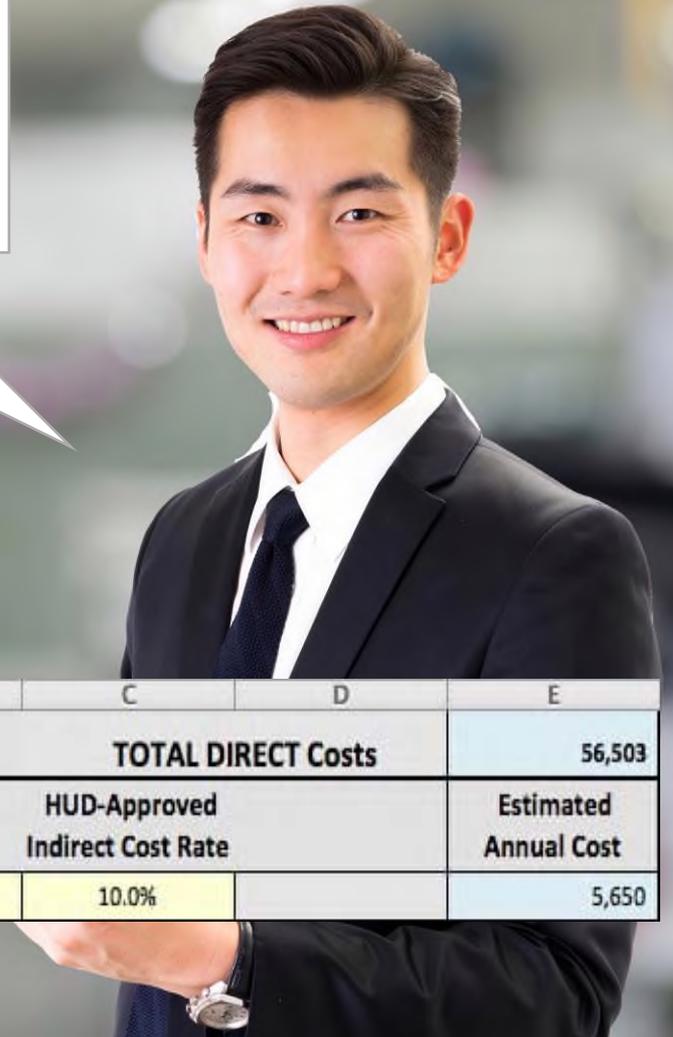
A woman with dark hair pulled back, wearing a light pink button-down shirt, is smiling warmly at the camera. She is positioned in the foreground, with a blurred office background featuring rows of desks and overhead lights.

Using the 'de minimis' indirect cost rate, grantees calculate indirect costs as a flat ten percent (10%) of the SC program's '**Modified Total Direct Costs**,' as defined and specified in 2 CFR 200.414(f).

Please remember, however, any reimbursement by HUD for indirect costs, whatever rate is applicable, is always subject to the availability of funds.

Looking again at our sample completed HUD form 91186-A spreadsheet, we see that *Line 2.h* shows our '**TOTAL DIRECT Costs**' and *Line 2.i* calculates the appropriate **Indirect Cost**, based on the percentage the applicant enters in *Column C*.

Because our agency has been approved for the 'de minimis' indirect cost rate, we entered 10.0%.



A	B	C	D	E
h.	TOTAL DIRECT Costs			56,503
i. Indirect Costs – List indirect cost rate, if approved by HUD	HUD-Approved Indirect Cost Rate			Estimated Annual Cost
HUD-approved de minimis indirect cost rate	10.0%			5,650

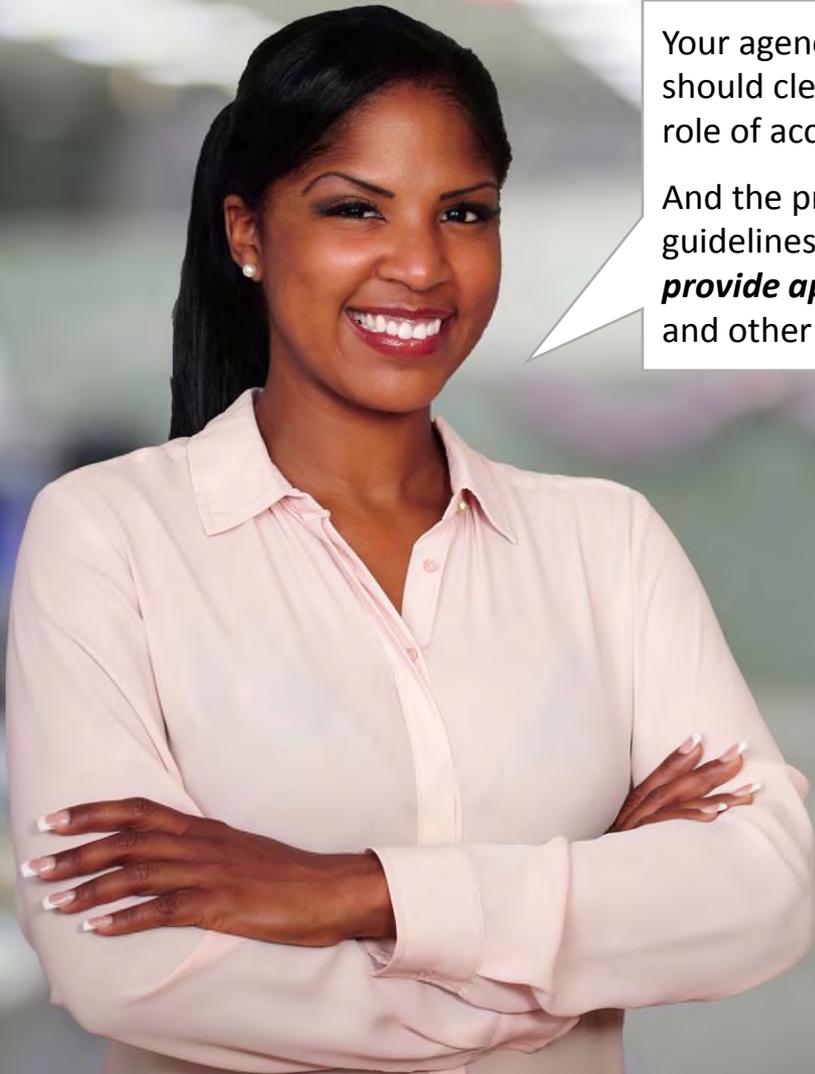
A woman with dark hair pulled back, wearing a light pink button-down shirt, is smiling warmly at the camera. She is positioned in the foreground, with a blurred background of an office or industrial setting. A white speech bubble with a black border is positioned to her left, containing text.

This percentage is based solely on '**allowable direct costs**' and doesn't require the tracking of actual indirect costs; it's simply a calculation.

Therefore, **it's essential that you know what elements are allowable** in the 'Modified Total Direct Costs' and that your agency tracks and documents them properly.

It's worth also looking at 2 *CFR* 200.403: '**Factors affecting the allowability of costs.**' *Item (g)* focuses on ***the need for proper documentation of all costs incurred***, whether direct or indirect.





Your agency's **Accounting Policies & Procedures** should clearly spell all of this out, including the role of accounting staff in documenting costs.

And the procedures should also include clear guidelines for the SC's role so that she is able to **provide appropriate backup documentation**, and other input, as needed.



Wow, okay, thanks, Jeanine. I will definitely make sure my agency has all of that covered. What else?



Well, Dan, the final thing to stress here is that the availability of funding for indirect costs is **completely at HUD's discretion**, based on year-to-year funding levels, and only for approved SCMF grantees.

Next we have *Line 2.j*, which is the '**GRAND TOTAL All Costs**' for all expense line items. We started by adding up *Line 2.a* through *Line 2.g* to obtain the '**TOTAL DIRECT Costs**' (*Line 2.h*); then added **Indirect Costs** (*Line 2.i*) to get the GRAND TOTAL for your SCMF renewal request. Now let's look at contracts.



	A	B	C	D	E
h.	TOTAL DIRECT Costs				56,503
i. Indirect Costs –			HUD-Approved		Estimated
List indirect cost rate, if approved by HUD			Indirect Cost Rate		Annual Cost
HUD-approved de minimis indirect cost rate			10.0%		5,650
j.	GRAND TOTAL ALL Costs				62,153

A man in a dark suit, white shirt, and dark tie is smiling and holding a tablet. A white callout box with a pointer to the tablet contains text. The background is a blurred office or factory setting.

Line 2.k offers a place to provide more information regarding all amounts included for '**Subcontracts/Sub-Grantee**' agreements.

The instructions say: If you will contract with a public or private agency to provide the Service Coordinator or Quality Assurance, ***list the activities and costs that would be included in the contract.***



A	B	C	D	E
k. Sub-Contracts/Sub-Grantee Agreements – If you plan to contract out for a Service Coordinator or for Quality Assurance, list specific contracts, describe the scope of services and the related costs.				
Line 2.c: One-year contract for QA with Boston College School of Social Work, Newton, MA; ongoing QA monitoring & consulting. 3 hrs/mo @ \$90/hr; \$3,240 total				
Line 2.g: One-year contract for SC Aide with SE Mass Service Coordinators; 8 hrs/week @ \$11/hr; \$4,400 total annual cost				



Yes, that's right, Dan, and the **third-party entity** should provide you with a detailed budget that outlines not only their proposed costs, but also their scope of work and staffing plan for the year.



That portion of their contract, typically included as an amendment to the standard subcontract, provides the **source documentation** needed to assure that these costs will be reasonable, allowable and reimbursable, as required by Generally Accepted Accounting Principles (GAAP) and 2 *CFR* 200, specifically §200.403 (g).

Well, Dan, that covers all the expense categories in HUD form 91186-A. Please remember to always refer to *Tab 4: 'Instructions'* if you have any questions regarding what to include in the budget and where it belongs in this form. You can also refer to the other resources available online.





Next, **Section 3** of **Tab 2: Budget Detail** is all about '**Funding Sources.**' Let's be really clear up front that HUD expects grantees to list ***all sources of funding*** for their SC program:

- SCMF grant funds,
- The three '**Budget-Based**' funding sources and
- '**Other Sources,**' like philanthropy, gifts and fund raising.

As owner/grantees, we can use any, and all, of these funding sources to cover the costs of the SC program's operations; and we should show on this budget form both the full costs and all funding sources anticipated for the program.





Given that we can use these resources either individually or in combination with each other, could you please go over each of the five sources for us again, Jeanine?

3. Funding Sources (Complete all that apply)

Housing owners/MFSC Grantees can use any of the five funding sources to pay the costs of a Service Coordinator program. You may use these resources individually or in combination with each other. In the section below, please indicate the amount of funding from each source you propose to use in this year's budget.



Yes, of course, Dan. To begin with, HUD talks about two overarching types of programmatic funding:

- SCMF grant funding
- Budget-based funding

And here's a graph that clearly depicts this:



Here are the eligibility criteria for renewing a SCMF grant:

Upon the completion of the initial grant term, HUD offers annual renewals to previously funded grant awards so as to ensure the continuity of the SC Program for residents.

Renewal funds are to be used only to meet a critical need and in cases where no other funding source is available.

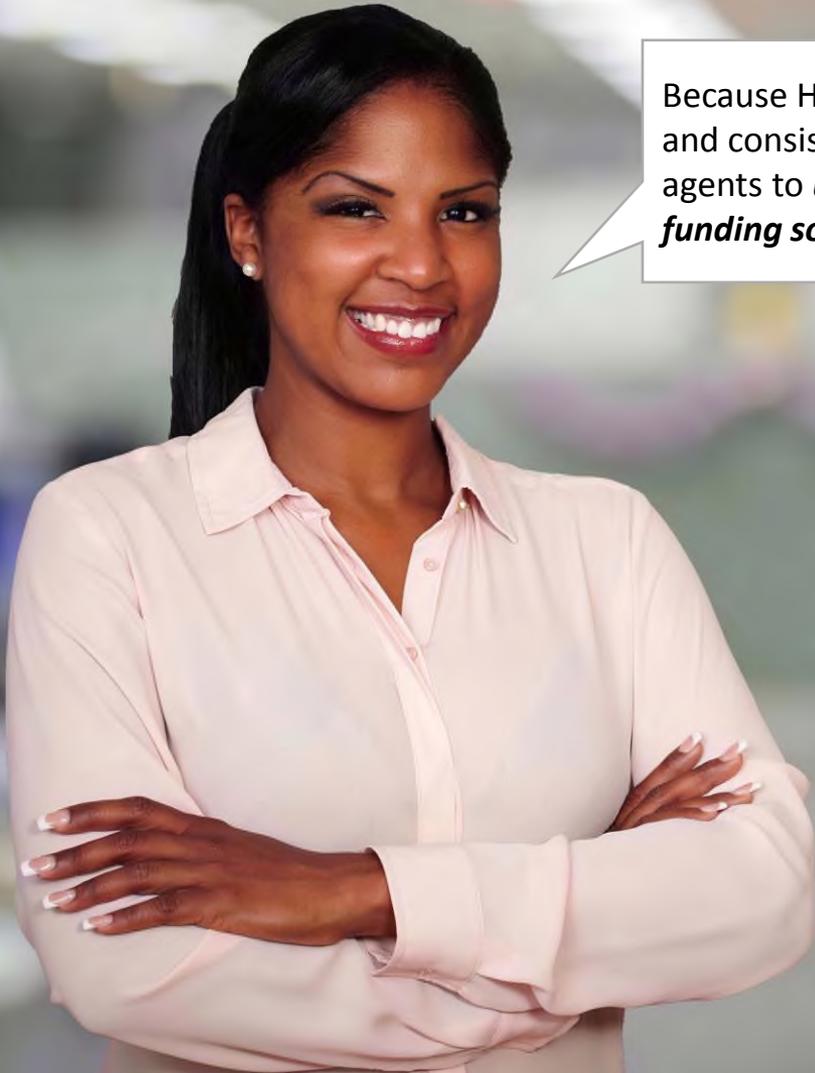
- Meeting a "critical need" means addressing a need that cannot be met through use of other resources.
- All renewals are subject to the availability of funds.





In addition to SCMF Grant funding (*Line 3.l*), the three sources that comprise '**Budget-Based**' funding include:

- Residual Receipts (*Line 3.m*),
- Rental Assistance (*Line 3.n*) and
- Debt Service Savings (*Line 3.o*)



Because HUD views these funding streams are more stable and consistent over time, HUD urges owners and managing agents to ***use and document the use of these budget-based funding sources*** to fund the SC program, whenever possible.



On *Line 3.p 'Other Sources'* you would include any funding that the agency will be contributing, either from its private fund raising, unsolicited gifts or philanthropy.

Your careful listing of all expenses and funding sources on this updated form will assist HUD to better understand the true costs of operating SCMF programs nationwide.

And *Line 3.q* calculates the '**GRAND TOTAL ALL Sources.**'



A	B	C	D
3. Funding Sources (Complete all that apply)			
I. MFSC Grant		\$ Amount	Percent of Total Estimated Costs
MFSC-180000		56,000	92.9%
Offset from 2017		1,750	
Subtotal MFSC Grant Funds		57,750	
m. Residual Receipts		\$ Amount	Percent of Total Estimated Costs
FY 2017		1,403	2.3%
Subtotal Residual Receipts		1,403	
n. Rental Assistance		\$ Amount	Percent of Total Estimated Costs
		-	0.0%
Subtotal Rental Assistance		-	
o. Debt Service Savings		\$ Amount	Percent of Total Estimated Costs
		-	0.0%
Subtotal Debt Service Savings		-	
p. Other Sources (e.g. Gifts, Fundraising & Philanthropy)		\$ Amount	Percent of Total Estimated Costs
Brockton United Way		3,000	4.8%
Subtotal Other Sources		3,000	
q. GRAND TOTAL ALL Sources		62,153	100.0%



In the downloadable sample completed 91186-A that is a **companion piece to this training**, we show how to list all the funding sources, as well as the expense line items, in conformance with the instructions given here, and with GAAP, 2 CFR 200 and other HUD and Federal guidance.

If you haven't already, you can download this sample here:

<https://www.hudexchange.info/programs/scmf/budgeting/>

Alright, Dan, now that we've detailed all the expense and revenue categories and are satisfied that the budget we developed balances, let's start applying the various funding sources to specific expense line items.

To do that, let's move to Section 4: **'Application of Funding Sources to Specific Expense Items.'**



Tab 2, Section 4: ‘**Application of Funding Sources to Specific Expense Items**’ is a mini-worksheet that allows the applicant to demonstrate to HUD which specific Line Item costs will be paid through **SCMF Grant** funds (*Column G*) and which will be funded through **Other Sources** (*Column H*).

In addition, *Column I* saves a place to enter any **adjustments** that HUD suggests to this budget after its first review.

And *Column J* calculates the total of *Columns G-I*. The totals in *Column J* ‘**Total All Sources**’ should equal the totals in *Column E* ‘**Estimated Annual Cost**’ for each line item.

E	F	G	H	I	J
		4. Application of Funding Sources to Specific Expense Items:			
Estimated Annual Cost		Amount MFSC Grant	Amount Other Sources	HUD Approved Adjustments	Total All Sources

To get a feel for how this works, let's first look at 2.a 'Salary/Direct Labor.' In this case, we plan to use our \$3,000 gift from Brockton United Way, which helped fund this position about 10% for services at the 2 remote sites. We are then funding the balance (90%) with SCMF Grant funds.



a. Salary/Direct Labor	Estimated Annual Cost	Amount MFSC Grant	Amount Other Sources	HUD Approved Adjustments	Total All Sources
1.0 FTE Service Coordinator (MSW)	33,280	30,280	3,000		33,280
					-
Subtotal Salary/Direct Labor Costs	33,280	30,280	3,000	-	33,280

That's a smart way of budgeting, Dan, because if you can get a local philanthropy – or fundraising – to cover some of the costs, it reduces the burden on HUD funds. It looks like you did something similar in the **'Travel'** category, *Line 2.e*.



Yes, Jeanine, in this case we propose applying \$1,003 of **Residual Receipts** to cover some of the staff travel costs to and from our 2 remote locations.

A	B	E	F	G	H	I	J
2. Line Item Expenses:			4. Application of Funding Sources to Specific Expense Items:				
e. Travel		Estimated Annual Cost		Amount MFSC Grant	Amount Other Sources	HUD Approved Adjustments	Total All Sources
Local Travel - weekly trip from primary office location to 2 satellite locations:							
50 trips per year x 60 miles @ \$.545 per mile		1,635		632	1,003		1,635

Now, if you jump down to *Lines 2.h – 2.j*, you'll see that you also need to allow for an allocation of **Indirect Costs** from your '**Other Sources**' funding category.

You can see that the **TOTAL DIRECT Costs** (*Line 2.h*) for '**Other Sources**' came to \$4,003, and then the worksheet calculated an **Indirect Cost** amount of \$400 (*Line 2.i*), based on the agency's HUD-approved 'de minimis' rate of 10%.

The **GRAND Total** (*Line 2.j*) for '**Other Sources**' is \$4,403.



A	B	E	F	G	H	I	J
2. Line Item Expenses:				4. Application of Funding Sources to Specific Expense Items:			
h. TOTAL DIRECT Costs		56,503		52,500	4,003	-	56,503
i. Indirect Costs – List indirect cost rate, if approved by HUD		Estimated Annual Cost		Amount MFSC Grant	Amount Other Sources	HUD Approved Adjustments	Total All Sources
HUD-approved de minimis indirect cost rate		5,650		5,250	400	-	5,650
j. GRAND TOTAL ALL Costs		62,153		57,750	4,403	-	62,153

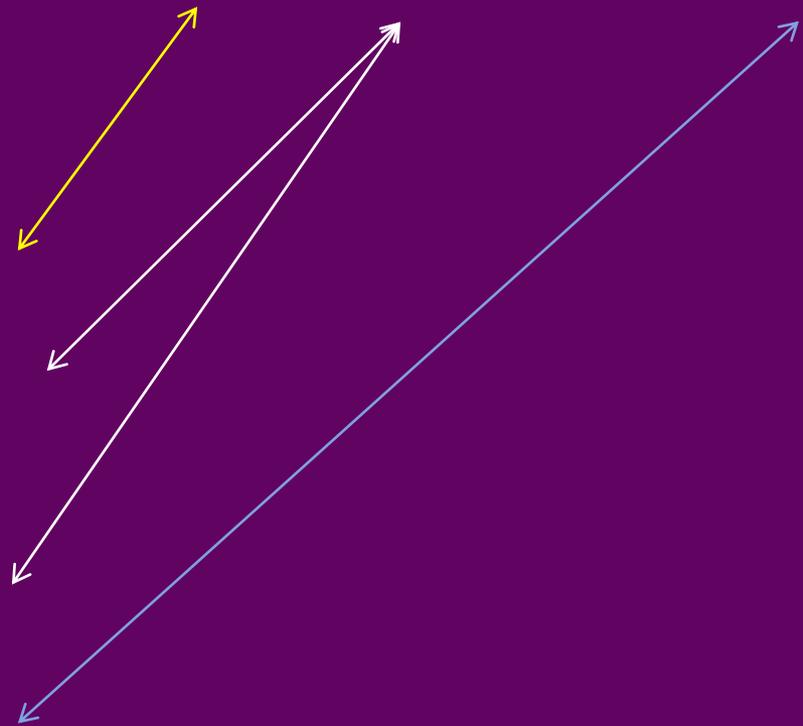


Once **Section 4** has been completed, we need to go back to **Section 3** and verify that we have our dollar amounts and categories the same in both places. You can see our example on the next slide.

On **Tab 3: Budget Summary** we'll have a chance to see this again with more funding detail.

A	B	E	F	G	H	I	J
2. Line Item Expenses:			4. Application of Funding Sources to Specific Expense Items:				
h. TOTAL DIRECT Costs		56,503		52,500	4,003	-	56,503
i. Indirect Costs – List indirect cost rate, if approved by HUD		Estimated Annual Cost		Amount MFSC Grant	Amount Other Sources	HUD Approved Adjustments	Total All Sources
HUD-approved de minimis indirect cost rate		5,650		5,250	400	-	5,650
j. GRAND TOTAL ALL Costs				57,750	4,403	-	62,153

3. Funding Sources (Complete all that apply)	
l. MFSC Grant	\$ Amount
MFSC-180000	56,000
Offset from 2017	1,750
Subtotal MFSC Grant Funds	57,750
m. Residual Receipts	\$ Amount
FY 2017	1,403
	-
Subtotal Residual Receipts	1,403
p. Other Sources (e.g. Gifts, Fundraising & Philanthropy)	\$ Amount
Brockton United Way	3,000
	-
Subtotal Other Sources	3,000
q. GRAND TOTAL ALL Sources	62,153



Tab 3: 'Budget Summary' shows us all the information that we just entered in Tab 2: 'Budget Detail' in a more compact framework.

And it gives us the opportunity to fill in more detail regarding which of the five funding sources is paying for which expense categories.



4. Budget Summary: Total Revenue and Expenses

MFSC Budget Summary	Expense Totals	Fund Sources Total	MFSC Grant	Residual Receipts	Rental Assistance	Debt Service Savings	Other Sources
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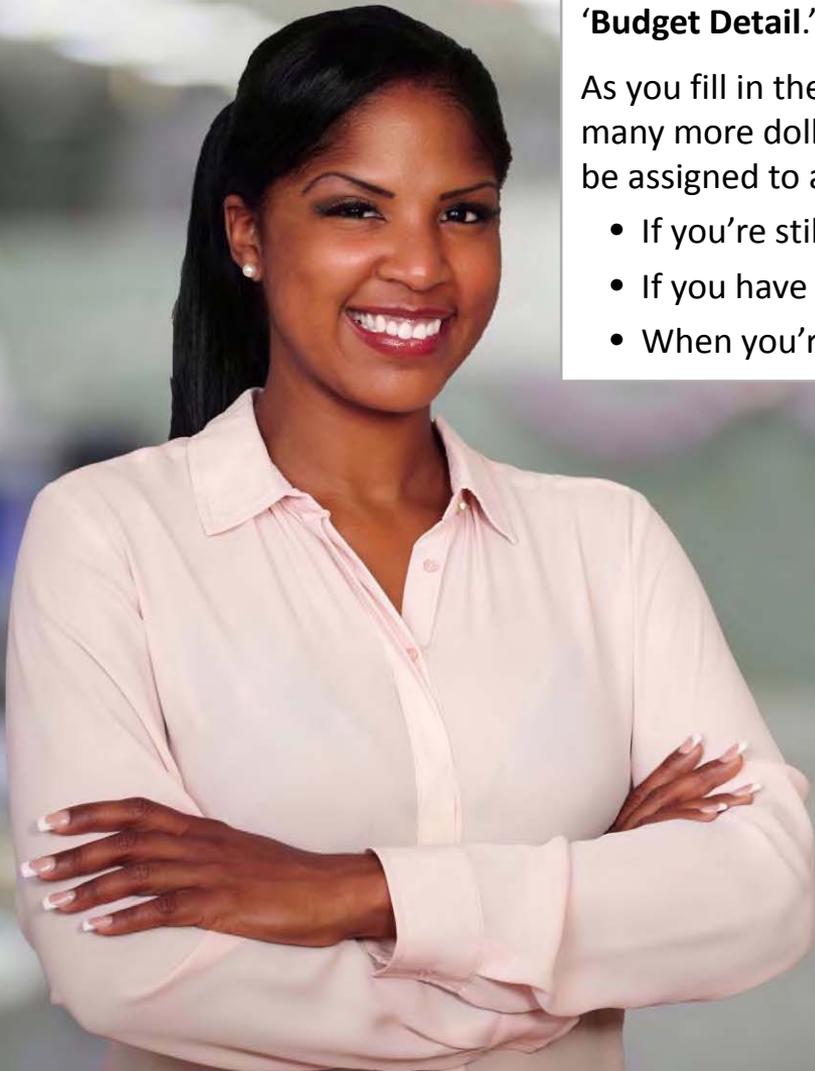
The blue-shaded cells in *Columns A-C* of this worksheet (see next slide) are auto-filled with your data regarding: **Expense Categories**, **Expense Totals** and **Fund Source Totals**.

The middle section, *Columns D-H* (shaded yellow) are open for you to enter the specific amounts from each of the five funding sources that you propose using for each expense line item (*4.a – 4.h*). Then, *Line 4.j* shows the **Grand Totals**.



4. Budget Summary: Total Revenue and Expenses

MFSC Budget Summary	Expense Totals	Fund Sources Total	MFSC Grant	Residual Receipts	Rental Assistance	Debt Service Savings	Other Sources
a. Salary/Direct Labor	33,280	33,280	30,280	70			3,000
b. Fringe Benefits	9,984	9,984	9,984				
c. Quality Assurance	3,240	3,240	3,240				
d. Training	600	600	600				
e. Travel	2,967	2,967	1,964	1,003			
f. Supplies and Materials	312	312	312				
g. Other Direct Costs	6,120	6,120	6,120				
h. Indirect Costs	5,650	5,650	5,250	400			
j. Grand Total	62,153	62,153	57,750	1,473	-	-	3,000



There is a built-in assistant in *Column I* '**Amount Remaining to Apply**' that will help make sure that the amounts entered here in the yellow-shaded cells match the totals reported in *Tab 2: 'Budget Detail.'*

As you fill in the yellow cells on each line, *Column I* shows how many more dollars in *Column C* '**Fund Sources Total**' remain to be assigned to a particular funding source (*Columns D-H*):

- If you're still under-assigned, it's a positive number.
- If you have over-assigned funds, this number goes negative.
- When you're done, it's zero – and everything balances.

In the example below, Jeanine, you can see that we are still learning. I have over applied funds from **Residual Receipts** in *Line 4.a* by \$70 and under-applied **SCMF Grant** funds in *Line 4.b* by \$50, and got it just right on *Line 4.c*.

MFSC Budget Summary	Expense Totals	Fund Sources Total	MFSC Grant	Residual Receipts	Rental Assistance	Debt Service Savings	Other Sources	Amount Remaining to Apply
a. Salary/Direct Labor	33,280	33,280	30,280	70			3,000	(70)
b. Fringe Benefits	9,984	9,984	9,934					50
c. Quality Assurance	3,240	3,240	3,240					-
j. Grand Total	62,153	62,153	57,700	1,473	-	-	3,000	(20)



There are two additional sets of check figures on this page.

Below *Line 4.j 'Grand Total'* you'll see the label '**Revenue-Expense.**' This auto-fill cell demonstrates that the totals in *Columns B and C* match.

Below that you'll see the label '**Check Figures.**' The amounts in *Columns C-H* on this row are brought forward from the amounts entered and calculated on *Tab 2: Budget Detail.*

These amounts and those on *Line 4.j 'Grand Total'* should also match. If not, then *Column I* will indicate the difference.



And that's it! We have covered the three tabs that make up the active portion of the workbook for updated HUD form 91186-A. There is one additional tabs placed here for your reference:

- **Tab 4: Instructions** – detailed guidance for completing all the yellow-shaded, data entry cells in *Tabs 1, 2 & 3*.



It's worth noting that, since FY 2017, requests for renewals are being submitted and processed through the **Grants Management Module** (GMM), an electronic grants management system that streamlines and standardizes many grants management processes for HUD and its grantees.

This procedure assumes that all previously incurred costs have been paid through the end of the month preceding the last eLOCCS payment date. Grantees should make certain that, ***before submitting a renewal request***, all vouchering is current, whether you're on a monthly or quarterly cycle.





In determining if a renewal request is acceptable, HUD will review the program's annual renewal request in **GrantsSolutions**, along with the:

- Current unexpended funds in eLOCCS
- Last voucher submission
- 12-month approved budget amount



That's a helpful reminder, Jeanine, thank you!

Again, everything should be current before we submit our request to HUD. And we should be sure the form is properly signed and dated by ***the owner's authorized representative.***



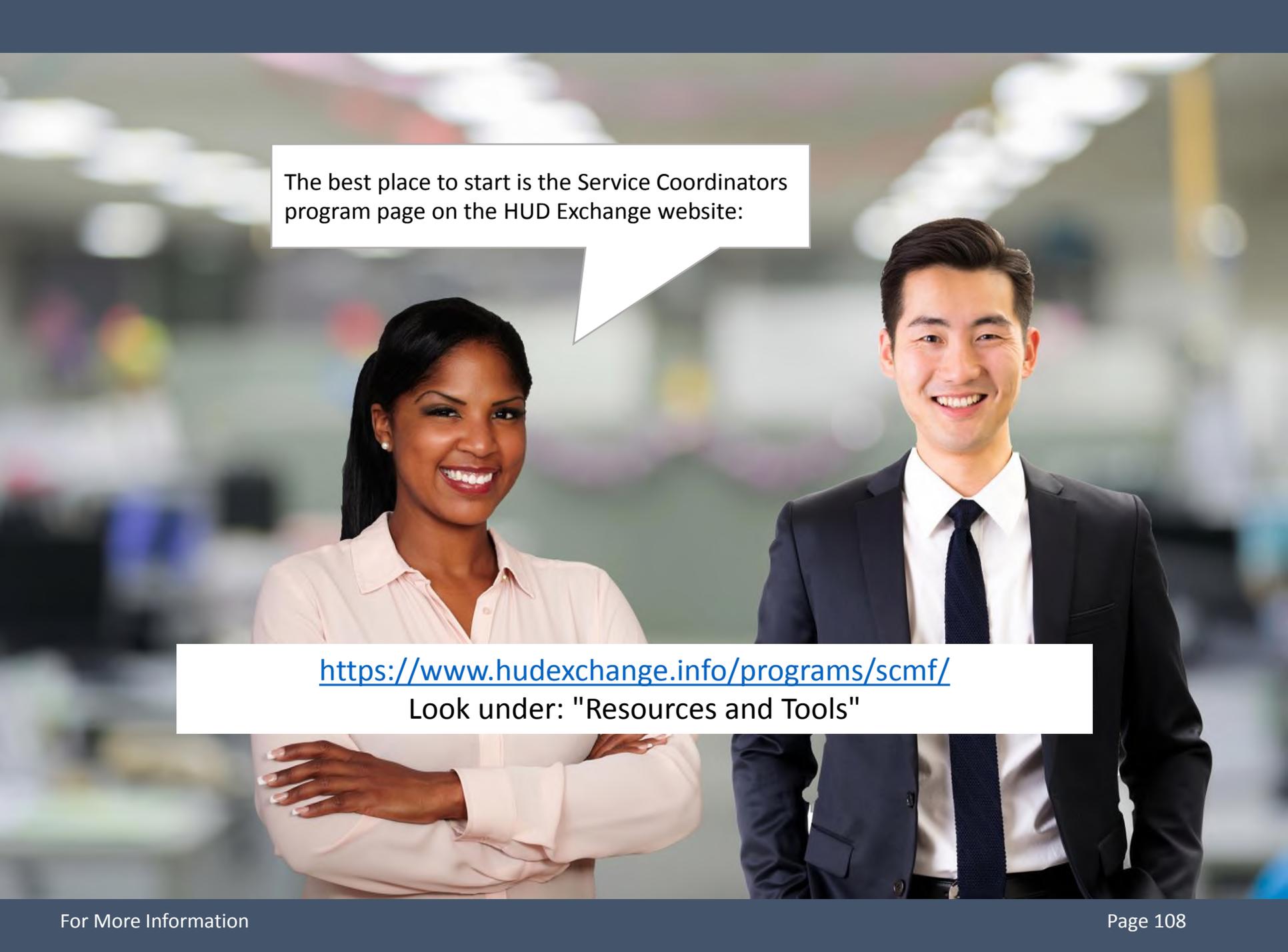
Thanks once, more, Jeanine, for all your thoughts and guidance today. This session really helped me cement key facts and follow practical approaches.

And if I wanted to find out more information on any of the topics we discussed today, where would I look?



Thanks for all your thoughts and guidance, Jeanine.
Today's session really helped me cement key facts
and approaches.

And if I wanted to find out more information on any
of the topics we discussed today, where would I look?



The best place to start is the Service Coordinators program page on the HUD Exchange website:

<https://www.hudexchange.info/programs/scmf/>

Look under: "Resources and Tools"

And don't forget to study the MFHP Financial Management Toolkit, which you can access on the SCMF website.

The Toolkit serves as a supplementary reference to assist you – HUD grantees and sub-recipients alike – to fulfill the grants management and fiduciary responsibilities, detailed in your SCMF grant awards and contracting documents.

<https://www.hudexchange.info/programs/scmf/>



Thanks for joining us today. Please join us for the other two 'mini-webinars' in this series:

- **Budgeting for HUD's Multi-Family Service Coordinator Program**
- **Using the Burn Rate Tool**

<https://www.hudexchange.info/programs/scmf/budgeting/>