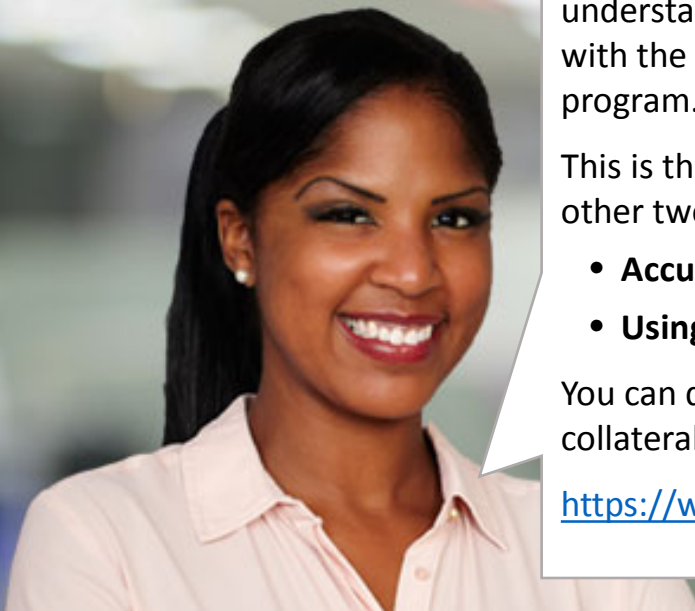


Budgeting for Service Coordinators in Multi-family Housing Program

Mini-Webinar #1



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 first of three 'mini-webinars' that we've produced. The other two are titled:

- **Accurately Completing HUD form 91186-A**
- **Using the "Burn Rate" Tool**

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

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




Hello, I'm Ruth. In a minute I'll be speaking with Jeanine about my budget questions, 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 the grants management and fiduciary responsibilities, detailed in your SCMF grant awards and contracting documents.

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




A photograph of two women standing side-by-side in a blurred office environment. The woman on the left is Black with dark hair in a ponytail, wearing a light pink button-down shirt. The woman on the right is White with long brown hair, wearing a white button-down shirt. Both are smiling and have their arms crossed. A speech bubble originates from the woman on the right.

Hi, Jeanine, thanks for making time to speak with me today! I'd like to get your help in thinking about budgeting for my Service Coordinator program through Multifamily Housing at HUD. Can we talk about a few specific budget issues I am processing?

Yes, Ruth, I'd be happy to help you! I'm glad to know you're thinking ahead, because unforeseen issues frequently impact the budget and knowing how best to handle them is important to assuring your program's success and sustainability.






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.



Are there any specific situations facing you right now, Ruth?


Two women are standing side-by-side, smiling at the camera. The woman on the left is Black with dark hair pulled back, wearing a light pink button-down shirt. The woman on the right is White with long brown hair, wearing a white button-down shirt. Both have their arms crossed. The background is a blurred office environment with shelves and lights.

Yes, Jeanine, I'd like to start with what I need to do when a Coordinator leaves her position during the program year on maternity leave, for example, or for a permanent change.



Okay, Ruth, let's look at any budgetary impacts first:

- a) Do you think there will be a gap between when the current person leaves and the new person begins?
- b) Will there be a difference in pay and/or fringe benefits between the two staff members?

The image shows two women standing in a blurred industrial or factory background. The woman on the left is Black with dark hair in a ponytail, wearing a light pink button-down shirt with her arms crossed. The woman on the right is White with long brown hair, wearing a white button-down shirt with her arms crossed. A white speech bubble with a black border points from the right towards the center of the image.


Yes, Jeanine, both. The person I hope to hire will be earning \$2 less per hour, and she'll be starting 2 weeks after the current SC leaves. So, there will definitely be a gap in coverage.



Okay, Ruth, here's what to do:

Start by estimating the cost of the salary and benefits for the new person, based on the number of weeks she will work through the end of the operating year.

If you're following along on form 91186-A, we're in *Tab 2: 'Budget Detail,' Section 2: **Line Item Expenses***, on *Line 2.a 'Salary/Direct Labor.'*

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

You can see on the next slide that on *Line 2.a* we estimate the new Service Coordinator, Marjorie Marcus, will work for 787 hours (4.5 months) at \$16 per hour, for an ***Estimated Annual Cost*** of \$12,592.

Her Fringe Benefits (*Line 2.b*), calculated at the agency's standard rate of 30% of annual salary costs, come to \$3,778.

And *Line 2.h* shows that the **Total Direct Costs** are \$16,370.

Next, let's calculate what balances remain in those two line items after the agency makes final salary and fringe benefit payments for the current coordinator, Sally Soriano.

Since her departure will leave a two-week gap in coverage, her **Salary** total (*Line 2.a*) comes to \$21,384. (That's 1,213 hours @ \$18/hour.)

And her **Fringe Benefit** expense (*Line 2.b*), calculated at 30% of her Salary costs, comes to \$6,550.

The **Estimated Annual Cost** for the current person is \$28,384.

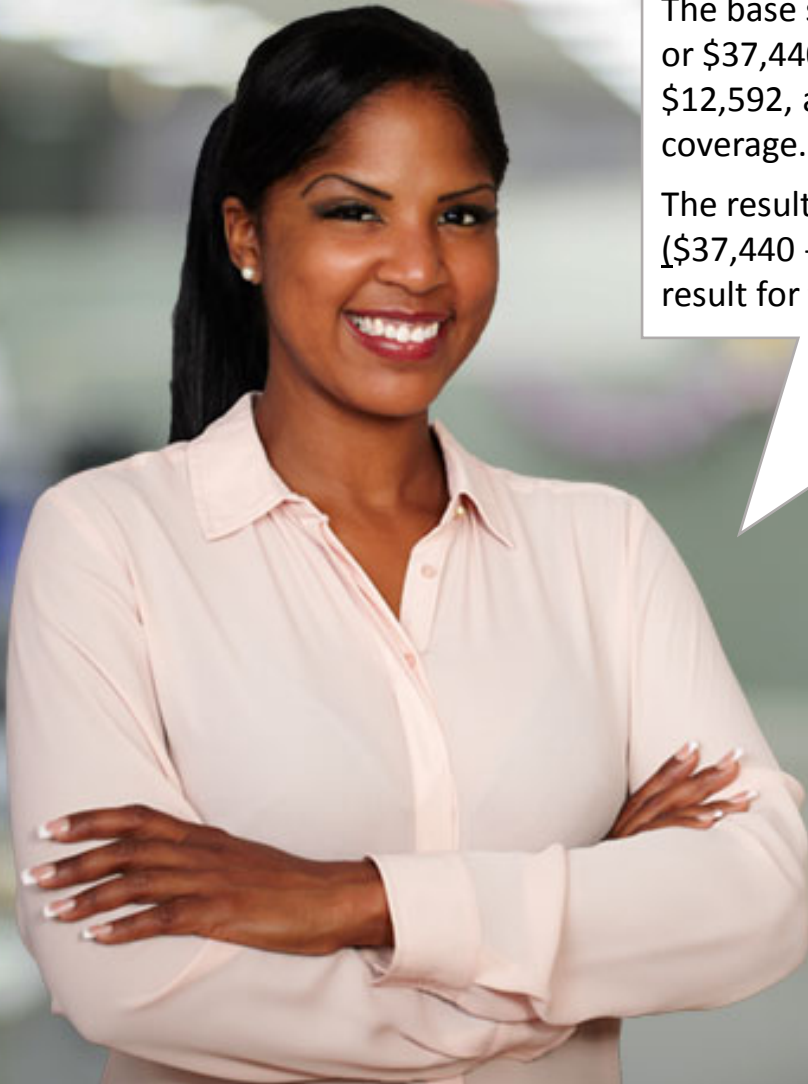


2. Line Item Expenses:

a. Salary/Direct Labor	Rate per Hour	Number of Hours	Estimated Annual Cost
1.0 FTE Service Coordinator (MSW) - Marjorie Marcus	\$16.00	787	12,592
Subtotal Salary/Direct Labor Costs			12,592
b. Fringe Benefits	Rate for Calculating Cost	Cost Basis	Estimated Annual Cost
Medical and Dental Insurance	16.00%	\$12,592	2,015
Employer Matching Contribution to Employees Retirement Fund	2.80%	\$12,592	353
Federal Social Security Tax - Employer Portion	6.20%	\$12,592	781
Medicare Tax - Employer Portion	1.45%	\$12,592	183
Life and Disability Insurance	3.55%	\$12,592	447
			-
Subtotal Fringe Benefits Cost	30.00%		3,778
h. TOTAL DIRECT Costs	TOTAL DIRECT Costs		16,370

2. Line Item Expenses:


a. Salary/Direct Labor	Rate per Hour	Number of Hours	Estimated Annual Cost
1.0 FTE Service Coordinator (MSW) - Sally Soriano	\$18.00	1,213	21,834
Subtotal Salary/Direct Labor Costs			21,834
b. Fringe Benefits	Rate for Calculating Cost	Cost Basis	Estimated Annual Cost
Medical and Dental Insurance	16.00%	\$21,834	3,493
Employer Matching Contribution to Employees Retirement Fund	2.80%	\$21,834	611
Federal Social Security Tax - Employer Portion	6.20%	\$21,834	1,354
Medicare Tax - Employer Portion	1.45%	\$21,834	317
Life and Disability Insurance	3.55%	\$21,834	775
			-
Subtotal Fringe Benefits Cost	30.00%		6,550
h. TOTAL DIRECT Costs	TOTAL DIRECT Costs		28,384



Next, let's calculate the difference between the HUD-approved budget and our projected actual expenses.

The base salary budget was 2,080 hours @ \$18 per hour, or \$37,440. The salary estimate for the new staff person is \$12,592, and we expect to pay \$21,834 for current coverage. The new salaries total comes to \$34,426.

The result is that we expect to end the year under budget ($\$37,440 - \$21,834 - \$12,592 = \$3,014$). Similar savings will result for fringe benefits ($\$3,014 \times 30\% = \904).




Now, if we look ahead to project **Salary** and **Benefits Costs** for next year, with the new staff person in place, the base salary estimate for the following year will be 2,080 hours @ \$16 per hour, or \$33,280. Fringe Benefits will be $\$33,280 \times 30\% = \$9,984$. The new total for **Salary** and **Benefits** will thus be \$43,264, which is \$5,408 less than in the current year's budget of \$48,672.

We will have to factor this savings into our "**offset**" in next year's SCMF grant renewal, a topic that we cover in depth in 'mini-webinar' #3: **Using the Burn Rate Tool**.

2. Line Item Expenses:

a. Salary/Direct Labor	Rate per Hour	Number of Hours	Estimated Annual Cost
1.0 FTE Service Coordinator (MSW) - Marjorie Marcus	\$16.00	2,080	33,280
Subtotal Salary/Direct Labor Costs			33,280
b. Fringe Benefits	Rate for Calculating Cost	Cost Basis	Estimated 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
h. TOTAL DIRECT Costs	TOTAL DIRECT Costs		43,264

A photograph of two women standing in a factory or industrial setting. The woman on the left is Black with dark hair in a ponytail, wearing a light pink button-down shirt. The woman on the right is White with long brown hair, wearing a white button-down shirt. Both have their arms crossed and are smiling. A speech bubble originates from the top right, pointing towards the text.

Now, let's see what happens in this same scenario, Ruth, if we need to pay the new Service Coordinator \$2 per hour more than what the current staff person is earning.

You may recall that we expect to pay \$21,834 for current coverage and now anticipate paying \$15,740 for the new SC, so the revised total is \$37,574, which is over budget by \$134. Fringe Benefits will, likewise, be \$40 over budget.

This won't necessarily be a budgetary problem because the amount is so small; the **Estimated Annual Costs** for **Salary & Benefits** is only \$174 over budget. But if the overage were greater, we would need to look for savings opportunities in other line items in order to stay within our approved budget.



2. Line Item Expenses:

a. Salary/Direct Labor	Rate per Hour	Number of Hours	Estimated Annual Cost
1.0 FTE Service Coordinator (MSW) - Marjorie Marcus	\$20.00	787	15,740
Subtotal Salary/Direct Labor Costs			15,740
b. Fringe Benefits	Rate for Calculating Cost	Cost Basis	Estimated Annual Cost
Medical and Dental Insurance	16.00%	\$15,740	2,518
Employer Matching Contribution to Employees Retirement Fund	2.80%	\$15,740	441
Federal Social Security Tax - Employer Portion	6.20%	\$15,740	976
Medicare Tax - Employer Portion	1.45%	\$15,740	228
Life and Disability Insurance	3.55%	\$15,740	559
			-
Subtotal Fringe Benefits Cost	30.00%		4,722
h. TOTAL DIRECT Costs	TOTAL DIRECT Costs		20,462

While we talking about **Fringe Benefits**, Jeanine, can you address what level of detail we need to be tracking in our budget development and reporting?

The instructions for HUD form 91186-A say to use the same standard fringe benefits rate (percentage of direct salary costs) that is standardly used by our agency and to list separately each of the individual fringe charges.



There are two primary things to remember here, Ruth:

- First, your agency should use the same Fringe Benefit rate for SC program staff as is used for all other staff.
- Second, when budgeting, you should show the various individual components of the agency's benefits package.



In addition to offering insurance coverage for medical, dental, life and disability, and a matching contribution for retirement, 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 be providing in our budgets and reports?



Yes, absolutely. You can't just put: "Benefits = 30% of Salaries."
You must detail the individual elements as best you can.

And again, your agency must offer the same package of fringe benefits to the SCMF staff as is offered to other staff members.



This scenario assumes we are in the 3rd quarter of the year, so we would naturally turn to the “**Burn Rate**” Tool to see how our budget looks – not only for personnel costs, but also for the overall budget year to date (YTD). But before we do that, Ruth, let's consider the other expense items and how we budget them. Sound good?



Two women are standing side-by-side, smiling at the camera. They are both wearing professional attire: a light pink button-down shirt for the woman on the left and a white button-down shirt for the woman on the right. They have their arms crossed. The background is a blurred office environment with various desks and equipment. A speech bubble originates from the top left, containing text.

Let's talk next about **Third-Party Contracts** and **Travel** expenses.



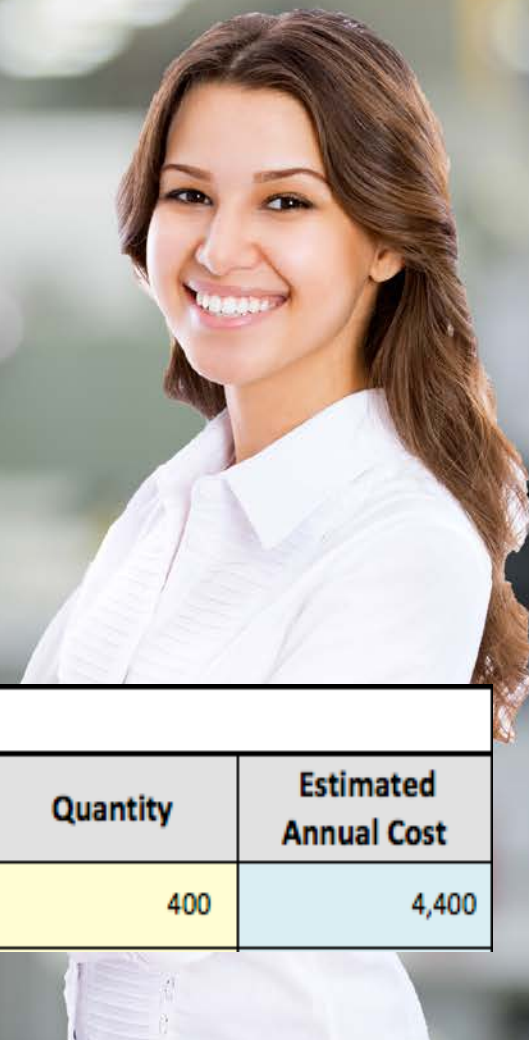
Third-Party Contracts and **Sub-Grantee Agreements** for professional staffing from outside agencies are typically undertaken to supplement and/or substitute for an agency's own staff.

When hiring a ***Third-Party Contractor*** to provide SCMF services to residents, these costs should be considered '**Other Direct Costs**,' not 'Indirect Costs.'

Please refer to 2 *CFR* 200.413-414 for more information regarding properly categorizing Direct and Indirect Costs.


Let me make sure I've got this right. ***A third-party contract for SC services is considered a direct cost***, because it is directly associated with the purpose of our SC grant; but due to the fact that the person performing the duties is not a staff member employed directly by our agency, their time cannot be included in personnel costs.

According to Federal guidelines and GAAP, it belongs in the '**Other Direct Costs**' category – and not in indirect costs.



2. Line Item Expenses:

g. Other Direct Costs	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

A photograph of two women standing in a factory or industrial setting. The woman on the left is Black with dark hair in a ponytail, wearing a light pink button-down shirt. The woman on the right is White with long brown hair, wearing a white button-down shirt. Both have their arms crossed and are smiling. A speech bubble originates from the right side of the image, pointing towards the text.

Absolutely right. And now, regarding **Travel** costs, Ruth, there are two types of eligible expenses:

- Travel between multiple work sites
- Travel for trainings



Local travel costs are only eligible for HUD reimbursement when a Service Coordinator serves multiple projects that are ***a significant distance from each other***. Travel from home to her primary office is not an eligible expense.

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.




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

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


If the traveler goes out of town, use either your agency's standard per diem rates or the Federal per diem rates posted on the General Services Administration (GSA) website: www.gsa.gov/perdiem

2. Line Item Expenses:


e. Travel	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
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
Subtotal Travel Costs			2,967

A photograph of two women standing side-by-side in a blurred office environment. The woman on the left is Black with dark hair in a ponytail, wearing a light pink button-down shirt. The woman on the right is White with long brown hair, wearing a white button-down shirt. Both have their arms crossed and are smiling. A white speech bubble with a black border is positioned above the woman on the right, containing text about training costs.

Thanks, Jeanine. I also wonder about **Training** costs, because with so much staff turnover, it's not possible to know in advance ***how much training each new SC will need***, in order to be in compliance with our HUD contract; and there are ***HUD's annual SC training requirements*** as well.



Yes, as you know, new Service Coordinators must have met ***a minimum of 36 training hours*** of classroom or seminar time before hiring, or should complete this minimum training requirement within 12 months of initial hiring.

A photograph of two women standing side-by-side with their arms crossed, smiling at the camera. The woman on the left is Black and wearing a light pink button-down shirt. The woman on the right is White and wearing a white button-down shirt. They are positioned in front of a blurred background that appears to be an office or a public space with other people and lights.

Furthermore, ***all SC's should attend at least 12 hours of training annually.*** For more information, including detailed training expectations and guidelines, go to the HUD Exchange website and open the '***Service Coordinators in Multifamily Housing Program – Online Learning Tool.***' Chapter 3 is titled: 'Hiring and Training Service Coordinators.'

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

Yes, all right, Jeanine, but how do I budget for that?

Sometimes I feel like I need to budget for 20 hours or more of training every year, just in case I have to hire someone who hasn't done this work before; but then, if it's not needed, I end up under budget on Training.



20 hours is probably too many, Ruth. Most grantees budget 12 hours per year. There's a cap on these costs and HUD requires that they must also be 'reasonable.'

Also, remember that a new hire has 12 months to complete the training requirement, so in most cases you could spread the trainings over two budget years and stay within the cap.



To budget for this, the instructions for form 91186-A say: to the extent known, give fees and rates for appropriate training programs. Otherwise estimate and provide bases for the anticipated cost.


I am confident I can do that now. Thanks, Jeanine!

2. Line Item Expenses:			
d. Training	Cost Basis	Number of Hours	Estimated Annual Cost
AASC-sponsored training curriculum	\$50.00	12.00	600
Subtotal Training Costs			600

So let's talk now about the calculation and application of "offsets."

First of all, Ruth, what is an offset?

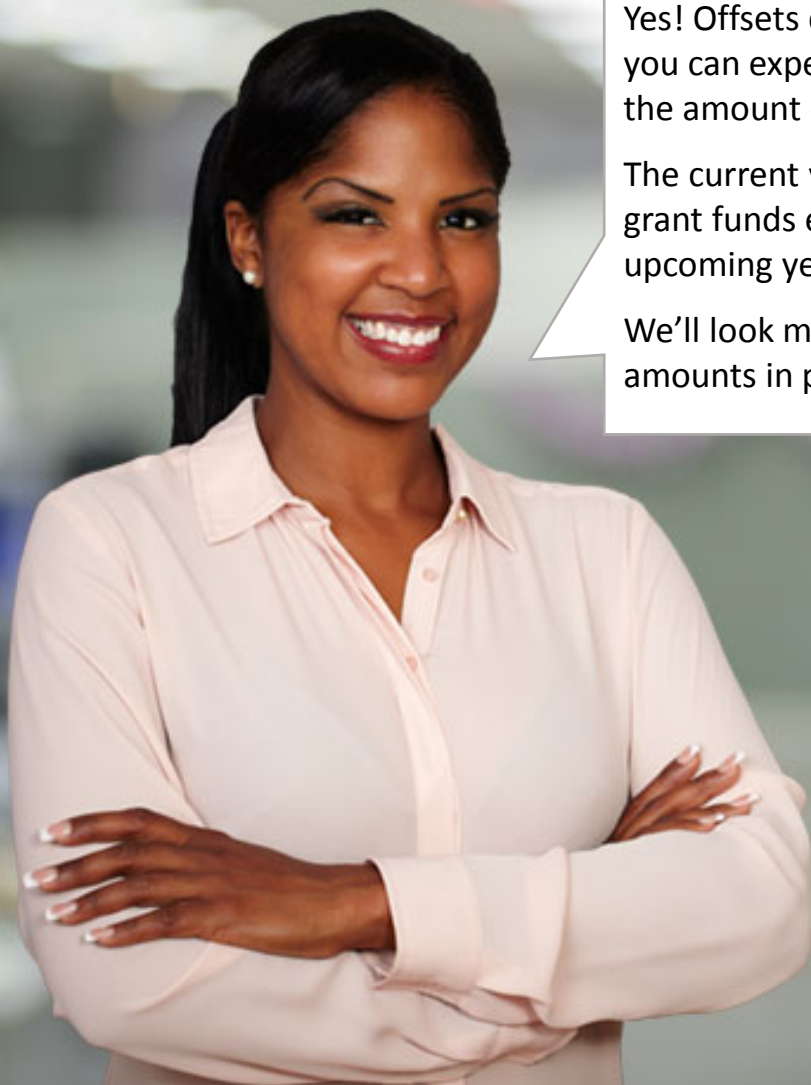


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Well, the concept is simple, Jeanine, but it does quickly become more complicated in real life.

If we haven't spent our entire grant amount by the end of the grant performance period (Dec. 31), then any line item balances remaining (the unexpended funds) are aggregated and the total amount, which is called an "offset," is applied against new SCMF grant revenues in the renewal grant's performance period.






Yes! Offsets don't impact the total amount of HUD funding you can expect through the renewal, but they do reduce the amount of new SCMF grant funds that get approved.

The current year's final off-set amount plus new SCMF grant funds equal the total approved budget for the upcoming year.


We'll look more closely at estimating year-end offset amounts in presentation #3: **'Using the Burn Rate Tool.'**

How would you like to talk about the difference between **Direct** and **Indirect Costs**, Ruth?




A photograph of two women standing in a factory or industrial setting. The woman on the left is Black, wearing a light pink button-down shirt, with her arms crossed and a smile. The woman on the right is White, wearing a white button-down shirt, also with her arms crossed and a smile. A speech bubble originates from the woman on the right, containing text about direct and indirect costs. The background is a blurred industrial environment with overhead lights.

That would be great, Jeanine, because I can sometimes get confused about how to tell if a particular expense is a direct or indirect costs. Why don't I tell you what I remember?




2 CFR 200.413 defines **Direct Costs** as those that are ***directly identified with a Federal award*** or grant, meaning that they are incurred to specifically carry out the programmatic intention of the SC grant and are not shared with any other program or project.



Indirect Costs are those that have been incurred on behalf of multiple programs for shared or common purposes.


They are ***typically associated with shared services*** – those related to facilities or administrative functions that cannot be easily identified with any one particular program over another (2 CFR 200.414).

The image features two women standing in a blurred industrial or factory background. The woman on the left is Black with dark hair in a ponytail, wearing a light pink button-down shirt with her arms crossed. The woman on the right is White with long brown hair, wearing a white button-down shirt with her arms crossed. A white speech bubble with a black border points from the right towards the left woman. Inside the bubble is text about cost allocation.


First, Ruth, you have to decide what cost '**basis**' or **methodology** will be used to allocate these costs across multiple programs. Let's focus on administrative costs.




For ***administrative services***, the costs of employing the executive director and other staff who provide benefit to the organization as a whole, such as the human resources and accounting teams, as well as any administrative support staff, would all be considered part of administrative support for general operations; so a portion of their salaries, benefits and other direct costs will be factored into the share of indirect costs that is assigned to the SC program.




Again, the agency's policies and procedures will spell out the ***indirect cost allocation methodologies*** to be used for each expense category, all in accordance with Generally Accepted Accounting Principles (GAAP) and the updated Federal Cost Principles that are outlined in *2 CFR Part 200 – Subpart E* (Cost Principles). These are our primary guides.

Two women are standing side-by-side, smiling at the camera. The woman on the left is Black and wearing a light pink button-down shirt. The woman on the right is White and wearing a white button-down shirt. Both have their arms crossed. The background is a blurred office environment with shelves and lights.


So, assuming that my agency's accounting team is handling all these cost allocations properly, how do I know what to bill HUD for my SC program's indirect costs?

A photograph of two women standing in a factory or industrial setting. The woman on the left is Black with dark hair in a ponytail, wearing a light pink button-down shirt with her arms crossed. The woman on the right is White with long brown hair, wearing a white button-down shirt with her arms crossed. A white speech bubble with a black border points from the top right towards the women. The background is a blurred industrial environment with lights and machinery.

It's actually very easy. The SC program has two preferred methods for billing indirect expenses:




First, if your agency has a ***Federally Approved Indirect Cost Rate***, or a standard rate that is used across the agency, then you are requested to use it.



Otherwise, HUD asks that you follow the guidance for the "***de minimis***" ***indirect cost rate***, which is 10% of 'Modified Total Direct Costs,' as defined and specified in 2 *CFR* 200.414(f).

But remember, this is only for those grantees that have been approved by HUD to bill indirect costs.

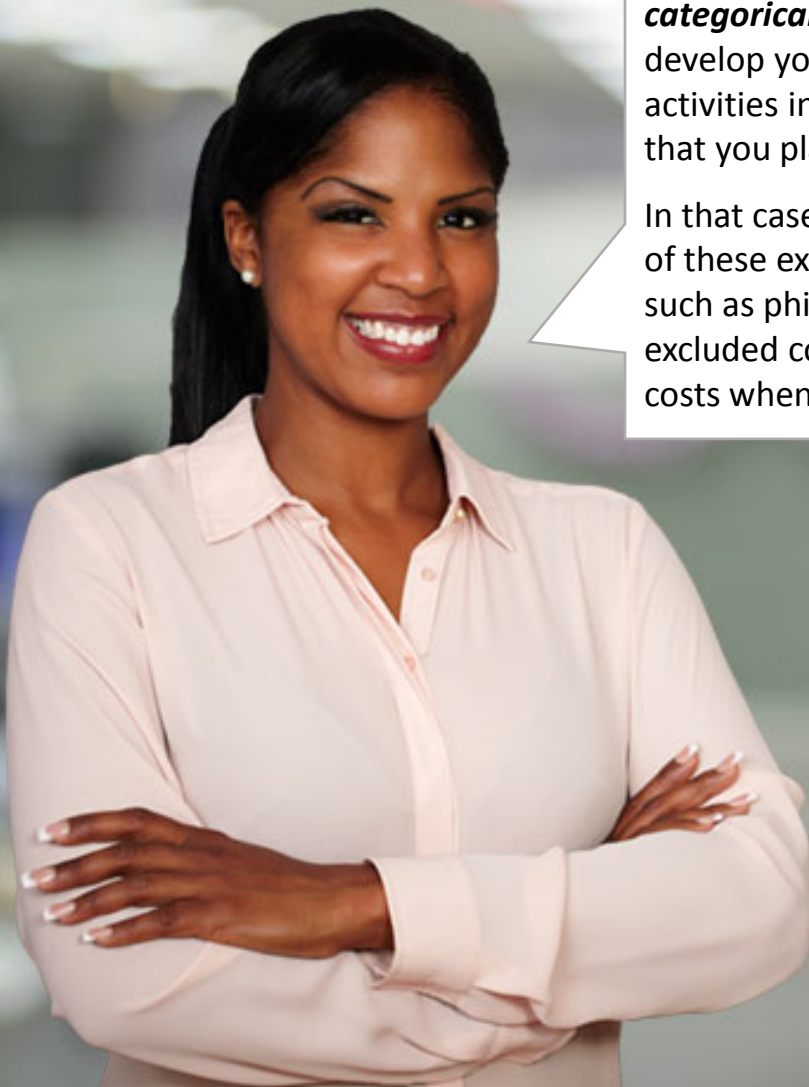
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Now would be a good time, Ruth, to mention that there are a number of costs that are excluded, by definition, from HUD reimbursement:

EXCLUDED COSTS INCLUDE:

- Supervision performed by property management staff (Management fees already pay for such supervision)
- Usual audit and legal fees
- Application preparation and submission
- Increasing management fees
- Service Coordinator-related training courses for property management staff who do not directly provide Service Coordination. Owners must use their management fees to pay this expense
- Food and beverage
- Gifts to residents/or staff
- Any costs associated with parties or meals (even for residents)
- Restaurant meals/travel not associated with approved training and/or not included in the approved budget
- Computer hardware/software or other equipment not used/required by the Service Coordinator
- Or any other cost as defined by 2 CFR Part 200






I specifically wanted to highlight the costs that are ***categorically excluded by HUD*** because when you develop your overall SC program plan, some of the activities in the HUD-excluded category might be things that you plan to do, or would like to offer, for residents.

In that case, you will need to be careful that the payment of these expenses comes from non-HUD-related sources, such as philanthropy, and that you separate HUD-excluded costs (and reimbursements) from HUD-eligible costs when you incur and record them.

A photograph of two women standing side-by-side in a blurred office environment. The woman on the left is Black with dark hair in a ponytail, wearing a light pink button-down shirt. The woman on the right is White with long brown hair, wearing a white button-down shirt. Both are smiling and have their arms crossed. A white speech bubble with a black border originates from the woman on the right, containing text about cost types and budget development.


So now we have **3 cost types: direct, indirect and excluded.**

Therefore, it's really important that my Executive Director and the Chief Financial Officer understand these Federal definitions and consider these distinctions in their overall agency budget development, not only in preparing and managing the SC program's budget.

Two women are standing side-by-side, smiling at the camera. The woman on the left is Black and wearing a light pink button-down shirt. The woman on the right is White and wearing a white button-down shirt. Both have their arms crossed. The background is a blurred office or retail environment.

Most definitely. The Federal guidelines at 2 *CFR* 200.413(a) state:
"Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs."

This means that ***all similar costs must be handled in the same way*** across the agency, whatever the source of revenue used to cover them and whichever team of employees is doing the work.


A photograph of two women standing in a factory or industrial setting. The woman on the left is Black with dark hair in a ponytail, wearing a light pink button-down shirt. The woman on the right is White with long brown hair, wearing a white button-down shirt. Both have their arms crossed and are smiling. A speech bubble originates from the woman on the right, containing text about Quality Assurance. The background is a blurred industrial environment with lights and machinery.

Now, the last expense I want to talk about is **Quality Assurance**. Remember that the QA budget is limited to no more than 10% of Salary/Direct Labor costs. So, if you make changes in staffing, please look also at the impact it will have on allowable QA costs.

The image features two women standing in a blurred industrial or factory background. The woman on the left is Black with dark hair in a ponytail, wearing a light pink button-down shirt with her arms crossed. The woman on the right is White with long brown hair, wearing a white button-down shirt with her arms crossed. A white speech bubble with a black border originates from the woman on the right, containing text about budgeting and QA expense projections.


Wow, I'm not sure I would have remembered that, thanks!

So, in this scenario, because my salary cost projection is lower than originally budgeted, I have to make sure that the ***QA expense projection falls within the 10% limit.***

A photograph of two women standing in a factory or industrial setting. The woman on the left is Black with dark hair in a ponytail, wearing a light pink button-down shirt. The woman on the right is White with long brown hair, wearing a white button-down shirt. Both have their arms crossed and are smiling. A speech bubble originates from the woman on the right, containing text about budgeting and personnel costs. The background is a blurred industrial environment with lights and machinery.

Yes, that's right, Ruth. If there's a significant reduction in personnel costs, you would need to lower the amount budgeted in QA.

And again, all of these changes will impact your actual spending. As you bring costs down, then your unexpended year-end amount goes up; and this will increase your "offset" amount for next year.

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This is so helpful, Jeanine, thank you! Can we talk about the revenue or funding sources side of the budget next?
As I understand it, HUD looks at five potential funding sources. Could you go over them, please?

Sure. To begin with, HUD talks about two overarching types of funding:

- SCMF grant funding
- Budget-based funding

And here's a graph that clearly depicts this:

Grant funding

Multifamily Housing Service Coordinator Grant

Or

Budget-based funding

Residual receipts


Rental assistance

Project rental assistance contract

Project-based Section 8


Debt service savings



A photograph of two women standing side-by-side with their arms crossed, smiling at the camera. The woman on the left is Black and wearing a light pink button-down shirt. The woman on the right is White and wearing a white button-down shirt. They are positioned in front of a blurred background that appears to be an indoor market or a busy public space with various stalls and people.

Aside from grant funding, Ruth, HUD talks about three additional sources that comprise '**Budget-Based**' funding:

- Residual Receipts
- Rental Assistance (Project-Based Section 8 and PRAC operating funds)
- Debt Service Savings



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.



And in '**Other Sources**' an applicant would include any funding that the agency will be contributing, either from its private fund raising, unsolicited gifts or philanthropy.

Careful documentation of all expenses and funding sources will assist HUD to better understand the true costs of operating SCMF programs nationwide.


The recently updated Excel version of HUD form 91186-A has a section that allows grantees to demonstrate which funding source(s) are being used to cover the various SCMF expense categories, line by line.

The result is a sort of 'mini-budget,' with columns for each of the five sources, which are matched to the expense categories.




4. Budget Summary: Total Revenue and Expenses

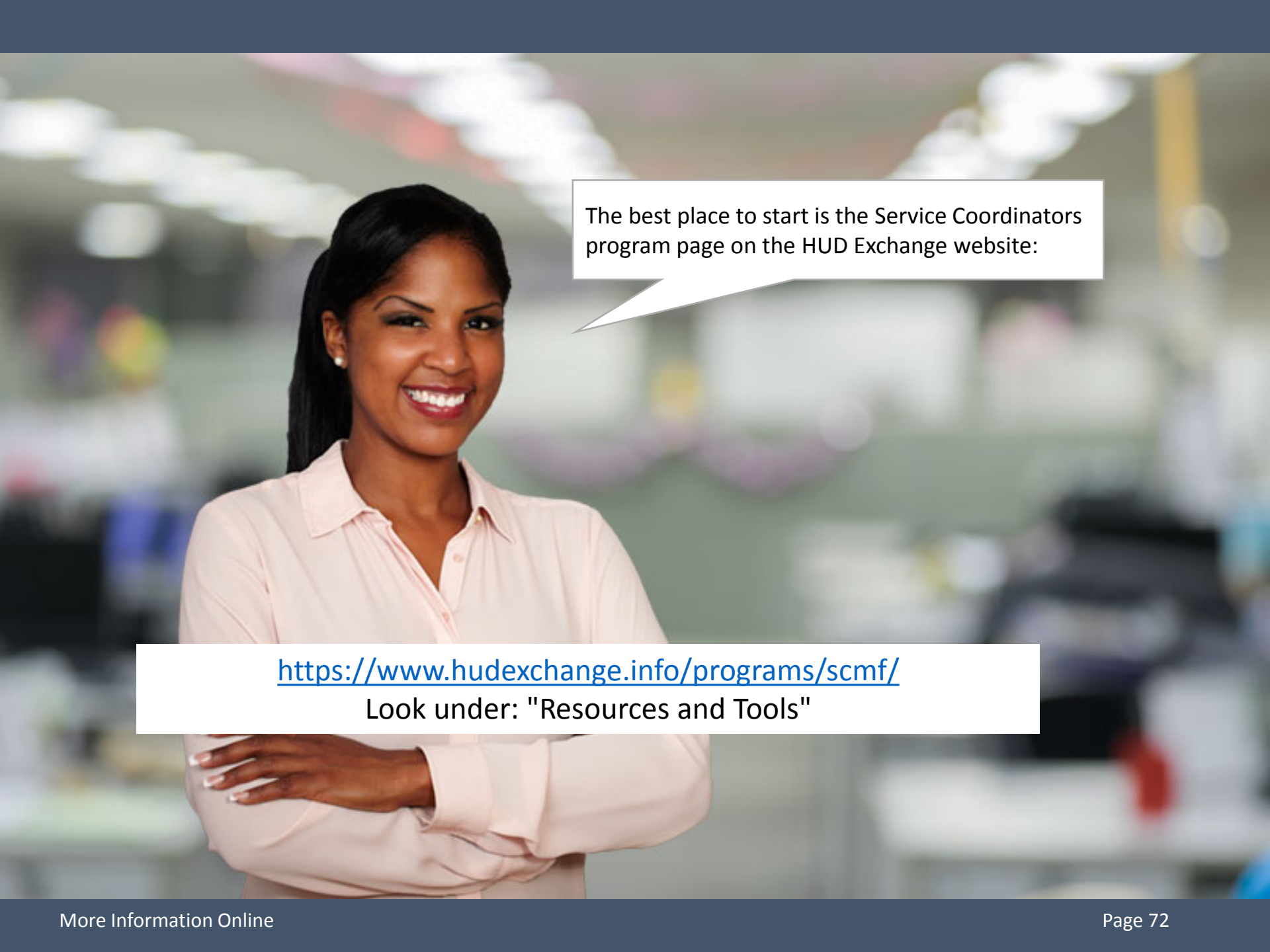
MFSC Budget Summary	Expense Totals	Fund Sources Total	MFSC Grant	Residual Receipts	Rental Assistance	Debt Service Savings	Other Sources
a. Salary/Direct Labor	33,280	33,280	30,280				3,000
b. Fringe Benefits	9,984	9,984	9,984				
c. Quality Assurance	3,240	3,240	3,240				
d. Training	600	600	600				
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	1,403	-	-	3,000

A photograph of two women standing side-by-side with their arms crossed, smiling at the camera. The woman on the left is Black and wearing a light pink button-down shirt. The woman on the right is White and wearing a white button-down shirt. They are in a brightly lit, out-of-focus indoor setting. A white speech bubble with a black border is positioned above the woman on the right, containing text.

So, by accurately completing that section of the form, we are able to include all aspects of our Service Coordinator program, showing costs that would be included in the HUD grant/contract, as well as other activities that we pay for with non-HUD-related funding sources. That's very helpful!

A photograph of two women standing side-by-side in a blurred office environment. The woman on the left is Black with dark hair in a ponytail, wearing a light pink button-down shirt. The woman on the right is White with long brown hair, wearing a white button-down shirt. Both have their arms crossed and are smiling. A white speech bubble with a black border points from the woman on the right towards the center of the image.

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/>



A background image of two women, one Black and one White, both smiling and standing with their arms crossed in a blurred office environment. A white speech bubble is positioned between them, containing text about upcoming webinars.

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

- **Accurately Completing HUD form 91186-A**
- **Using the Burn Rate Tool**

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