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## CHOICE NEIGHBORHOODS PLANNING GRANT BUDGET GUIDANCE

### I. GENERAL BUDGET GUIDANCE

#### A. Introduction

This document provides detailed information for Choice Neighborhoods Planning Grantees to use when developing and revising their program budgets. Included are examples of costs and where they should be placed in the budget; however, none of the lists of activities are meant to be exhaustive. If a particular activity cost is not listed, if an expense is unclear, or there is a question whether the cost is allowable, Grantees should request assistance from their Choice Neighborhoods Team Coordinator.

#### B. Budget Form

Choice Neighborhoods program budgets must be submitted on the Choice Neighborhoods Planning Grant Budget Form (Form HUD-53421), Parts I, II, and III. The blank form (an Excel workbook) can be obtained at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/ph/cn/planninggrants](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/cn/planninggrants).

#### C. Allowable Expenditures from Award Notice

Funds may be requested for eligible costs incurred after the notification of grant award (this includes activities carried out before the Grant Agreement is executed). The grant award date is the date of HUD's notification letter to the Grantee that it has received an award. The date is also stated in the Grant Agreement. However, grantees will not be able to draw funds for reimbursement of these costs until after (1) the Grant Agreement is executed and (2) HUD has approved the program schedule and budget.

#### D. Drawdown Limit per Budget Line Item

Once HUD has approved the budget and spread funds in LOCCS, the Lead Grantee may draw down Choice Neighborhoods Grant funds for a Budget Line Item (BLI) in an amount up to 100 percent of the amount of that BLI that HUD has approved and made available for drawdown. LOCCS will automatically reject payment requests that exceed the amount approved for each BLI. Any request for funds in excess of 10 percent of the entire grant amount in any month must be approved by HUD. In such instances, the Grantee must submit copies of the invoices supporting the LOCCS draw to their HUD Team Coordinator for manual review and approval. Upon approval, an OPHI LOCCS Administrator will release the draw in LOCCS. Please refer the Choice Neighborhoods Planning Grantee Financial Instructions (posted to the Choice Neighborhoods website) for additional information on LOCCS program edits.

## II. SPECIFIC BUDGET LINE ITEM GUIDANCE

### BLI 1408 –CAPACITY BUILDING (MANAGEMENT IMPROVEMENTS)\*

Costs applicable to BLI 1408 are those related to activities that build enduring capacity of the Grantee’s organization and of other stakeholders to plan and undertake comprehensive neighborhood revitalization.

Capacity building is costs that assist the Grantee’s organization and other stakeholders, including but not limited to residents, to work more efficiently and effectively. Activities include identifying and securing the training and technical assistance needed for you and your partners to create a comprehensive and feasible Transformation Plan, and strengthening the capacity of your partners to participate in decision-making and planning processes and coordinate on cross-programmatic, place-based approaches in order to develop and implement an effective Transformation Plan.

**The costs in this BLI are for activities not directly related to the activities related to creating the Transformation Plan.** This BLI does not include the costs of your general resident and community engagement activities, surveys or meetings with residents to solicit opinions, or anything else not specifically arranged for capacity building of the Grantee, stakeholders, or residents. Those costs should be included in BLI 1410 or 1430. As such, HUD expects this BLI to contain a much smaller portion of your budget than the other two BLIs.

Regardless of whether costs for capacity building activities are incurred by Grantee staff or contractors, all such costs (except for staff time) should be included in BLI 1408. Staff time should be included in BLI 1410 and contractor time in BLI 1430, as discussed below.

#### Specific Eligible Costs

- Hiring expert presenters for capacity-building trainings
- Renting meeting space for such trainings
- Transportation for residents to/from training/capacity building meetings (e.g. running a van shuttle from the target housing site to the meeting location) and/or childcare of residents’ children during such meetings.

\* Note: BLI 1408 is also called “Management Improvements” in other HUD documents/systems including the Choice Neighborhoods Planning Grant Budget Form (HUD Form 53421) and the LOCCS system. For the purposes of the Choice Neighborhoods Planning Grant, all 1408 costs should be associated with Capacity Building.

### BLI 1410 – ADMINISTRATION

This BLI 1410 is intended for organizational costs attributable to the administration of the Choice Neighborhoods Planning Grant by the Grantee (and Co-Grantee, if applicable). Any administrative expenses on the part of the Grantee that are charged to the Choice Neighborhoods budget must be prorated in accordance with the time spent on Choice Neighborhoods grant-related activities. The Grantee may itemize the pro-rata cost of personnel that will be working on the planning grant. Note that all staff costs,

including costs associated with preplanning and resident capacity building must be included in BLI 1410. For FY2011 and FY2012 Grantees, no more than 20 percent of the total grant award may be used for Administration. While there is not a specific limit for Grantees in other years, costs must be reasonable and limited only to activities directly related to the planning process. It is not sufficient to just allocate some percentage of the grant to this BLI.

Specific Eligible Costs (when incurred specifically for the Planning Grant)

- Staff salaries and benefits, including resident employment when directly hired by the Grantee (and Co-Grantee, if applicable)
- Staff attorney costs related to planning
- Staff training and related travel
- Printing and postage for materials
- Expendable equipment
- Advertisements to support solicitations for bids (planning-related)
- Publications
- Office space
- Utilities for office
- Rental of office equipment
- Accounting and auditing expenses
- Grantee's insurance, including worker's compensation, vehicle, fire, and public liability

**BLI 1430 – FEES AND COSTS**

Fees and Costs are expenditures made to entities that are contracted by the Grantee to perform specific services related to the planning process. They do not include the salaries of employees of the Grantee. The only exception to this is that fees and costs associated with preplanning and resident capacity building should be charged to BLI 1408. As noted in the sections above, Grantee (and Co-Grantee, if applicable) staff costs are charged to BLI 1410.

Specific Eligible Costs

- Consultant fees
  - Municipal planning fees associated with processing planning applications
  - Financial
  - Legal
  - Planning Coordinator
  - A&E Fees paid to architectural or engineering firms for planning and design service.
- Housing surveys, market surveys, needs assessments outside of those done for preplanning and resident capacity building

**III. INELIGIBLE COSTS**

The following costs are some of the specifically **ineligible** uses of Choice Neighborhoods Planning Grant funds. These costs may not be in your budget or charged to any BLI in LOCCS.

- Costs related to implementing the Transformation Plan, such as:

- Acquisition, demolition, construction or rehabilitation costs.
- Site improvements and infrastructure.
- Cost of providing case management and supportive services for residents, including but not limited to services for families that will be displaced, such as mobility and relocation counseling, moving costs, and security deposits.
- Administration of any programs to create jobs and job training opportunities.
- Relocation assistance, including tenant-based rental assistance under Section 8 of the United States Housing Act of 1937.
- Implementation of any community improvements.
- Costs associated with writing and submitting a Choice Neighborhoods Implementation Grant Application.
- Administrative costs (under BLI 1410) of the Grantee not directly related to developing the Choice Neighborhoods Transformation Plan.