

New HOPWA Frequently Asked Questions (FAQs) Posted

July 22, 2011

Audience: HOPWA grantees and project sponsors, HUD/ HOPWA FO staff and TA providers

Purpose: HUD has posted 19 new HOPWA Frequently Asked Questions (FAQs) on the Homelessness Resource Exchange (HRE). The Frequently Asked Questions (FAQs) provide uniform guidance to HOPWA grantees and project sponsors on administrative costs and related issues. The FAQs address the definition and allocation of administrative costs; administrative cost limits for grantees and sponsors; minimum administrative allowances for sponsors; the inclusion of staff costs in program activity costs; the potential use of program funds for HMIS-related costs and comprehensive planning purposes; and other relevant questions raised by HOPWA grantees.

These FAQs are in response to numerous questions received from HOPWA grantees and HUD sponsors seeking further clarification. The FAQs that represent key policy guidance are highlighted below. The **full text of all FAQs is available at:**

<http://www.hudhre.info/index.cfm?do=search&refererType=advancedFaqSrc&searchtype=2&cv=t4&faqTopicID=208%5EHOPWA&faqSubTopicID=0&keywords=&faqID=&datefrom=&dateto=&Submit=Search>

Key HOPWA Policy Updates:

- FAQ 2 establishes a new HUD expectation that grantees should allow project sponsors to use at least four percent (and not more than seven percent) of their grant award for administrative expenses. HUD considers this a minimal level of administrative support to ensure that project sponsors can carry out activities in compliance with all applicable Federal laws and requirements. Grantees may utilize leveraged funds for such purposes in lieu of HOPWA grant funds.
- FAQs 4-6 address permissible grantee practices for project sponsor reimbursement of documented administrative costs
- FAQs 9-11 establish that HMIS-related costs and costs of other data systems that meet HMIS standards for HOPWA reporting and confidentiality, may be eligible Housing Information Services costs, provided that the systems are being used to enhance service coordination and client access to community assistance programs. This may include costs to integrate with Ryan White CARE Act data systems, if such systems meet HMIS program specific data elements/standards and protect client confidentiality. However, when the systems are developed or are being used by staff for data reporting, the costs are considered administrative costs and are subject to the applicable administrative cost limit.
- FAQ 12 establishes that HUD would allow up to three percent of a HOPWA grant to be used for HMIS or HMIS-compliant systems to track client access and service. Such costs may be billed under Housing Information Services, provided that the systems protect client confidentiality and are being used for housing assistance or coordination. (Refer to FAQs 9-11).
- FAQ 17 establishes that HOPWA funds may be used for comprehensive planning and for coordination and integration of services with other local planning bodies and community resources. HUD may allow up to 10 percent of the grant to be budgeted to the Resource Identification activity and used for such purposes.

**FAQs REGARDING HOPWA ADMINSTRATIVE COSTS
AND RELATED ISSUES – 07/20/2011
I. BACKGROUND**

The AIDS Housing Opportunity Act, 42 U.S.C.12901 – 12912, authorizes the Housing Opportunities for Persons With AIDS (HOPWA) program to provide housing assistance and supportive services to low-income persons living with HIV and AIDS (PLWHA). Implementing regulations are codified at Title 24 of the Code of Federal Regulations (C.F.R), Part 574

(24 C.F.R. part 574). HOPWA funding is awarded annually through formula awards based on population and AIDS surveillance data, and through competitive grant awards, including the renewal of expiring eligible permanent supportive housing projects. Grantees may enter into written agreements with project sponsors to carry out approved program activities related to the provision of housing assistance and supportive services to eligible HOPWA clients. Grantees and project sponsors may utilize a portion of their grant funds for administrative expenses related to general management, oversight, coordination, evaluation and reporting on eligible activities.

The HOPWA regulation at 24 C.F.R. § 574.3 defines administrative costs as “costs for general management, oversight, coordination, evaluation and reporting on eligible activities.” Costs “directly related to carrying out eligible activities” are specifically excluded. The Frequently Asked Questions (FAQs) that follow provide uniform guidance to HOPWA grantees and project sponsors on administrative costs. FAQs address the definition and allocation of administrative costs; administrative cost limits for grantees and sponsors; minimum administrative allowances for sponsors; the inclusion of staff costs in program activity costs; the potential use of program funds for HMIS-related costs; and other relevant questions raised by HOPWA grantees.