

SCHEDULE "E"

ELIGIBLE COST GUIDELINES v2.72

The following are the Calgary Homeless Foundation (CHF) guidelines that set out which types of expenses are eligible for use in Program Funding. Please note that these guidelines may be revised periodically. Please refer to <http://calgaryhomeless.com/agencies/funding/> to ensure you are using the most current guidelines.

Section 1 – Specifically Ineligible Costs

Due to specific donor restrictions CHF is unable to provide funding for the following:

- a. Fines or penalties of any kind
- b. Alcoholic beverages
- c. Regular cleaning and general maintenance
- d. Performance incentives for staff or contractors
- e. Depreciation of assets
- f. Losses from other programs or contracts
- g. Federal or provincial taxes except for EI/ CPP and GST
- h. The portion of any expense incurred by a program for which it could claim a tax credit/deduction
- i. Reaching Home (i.e. federal) funds: general health and medical services, mental health services, and/or addictions support services

Section 2 – Cost Guidelines

A. Start-Up Costs

Please note that the start-up cost category is only intended to augment the administrative expenses of programs that are new or expanding substantially. Consequently:

1. Programs that are not new or expanding are expected to budget these expenses from the administrative portion of their funding.
2. As an optional section this category does not “expand” the 10% administrative allocation. This means it is to the Recipient’s benefit to identify and budget all program staff and client costs to their usual lines.

Line Item	Additional Information
<i>Moving Costs</i>	Costs incurred for moving staff, furniture, or supplies between locations to accommodate some major change in programming.
<i>Computers and Telephones</i>	Expenses associated with the initial acquisition of computers, telephones, and/or other IT infrastructure that will be used for programming.
<i>Furniture and Appliances</i>	Costs incurred in the initial acquisition of furniture or appliances either for program staff or for shared common areas.

B. Program Staff Costs

Costs for staff directly involved in programming.

Line Item	Additional Information
<i>Salaries and Wages</i>	<p>Gross salaries and wages for program staff including allowances for vacation, sick leave, compassionate leave, overtime pay, and severance. Expenses will only be funded to the extent that they are reasonably in alignment with sector averages for the credentials and experience of the staff. Severance paid from CHF funding is to be capped at the equivalent of 12 weeks' salary for all positions.</p> <ul style="list-style-type: none"> • Direct client services provided by staff – regardless of their role or title – may be allocated to the Program Staff section for A. the amount of time that is spent providing client services at B. a rate appropriate for that work. <ul style="list-style-type: none"> ○ Staff whose roles are exclusively client-oriented (e.g. case managers, support workers, clinicians, housing locators, etc.) are fully eligible. ○ For direct/indirect hybrid roles (e.g. Team Leads): only client-facing work should be included in this section. For example a full-time Team Lead that carries half a caseload would only be expected to allocate 0.5FTE (full-time equivalent) to this direct client services section. ○ For roles that only provide occasional client-facing support (e.g. a program manager who steps in for case managers, or a part-time accountant who provides financial skills training) only the portion of their time dedicated to those client services is eligible here. • <u>In addition to the above</u> an additional 20% of the dollar value of all direct client staff salary/wage expenses may be added within this same section for indirect activities in consideration of frontline supervision and administrative support; <ul style="list-style-type: none"> ○ This supervision and support component can be shown as a separate line or built into existing roles (such as topping up Team Lead FTEs); whichever makes more sense for the Recipient. ○ This supervision and support component is fully eligible for the same adjustments as any direct service staff (MERCs/benefits, etc.).
<i>Mandatory Employment Related Costs (MERCs)</i>	<p>MERCs are limited to the following rates as of January 1st, 2020:</p> <ul style="list-style-type: none"> • Canada Pension Plan (CPP): up to 5.10% • Employment Insurance (EI): up to 2.27% • Workers Compensation premiums (WCB): up to 1.60%
<i>Program Staff Benefits (incl. Development)</i>	<p>Benefits for program staff not already covered in the Salaries/Wages or MERCs line item; primarily intended for medical/dental benefits and staff development. Organization-wide health policies are only eligible if they are paid directly to employees (i.e. direct payments to third parties are not eligible).</p>

C. Client Costs

Client costs are incurred by directly supporting clients. Programs should demonstrate reasonable effort to leverage public resources and donations (such as Alberta Works, food banks, thrift shops, etc.) before using program funds.

Line Item	Additional Information
<i>Damage Deposits</i>	Damage deposits are eligible to a maximum of one month's rent (as per the Residential Tenancies Act). It is expected that all damage deposits are collected by the program from the relevant landlords as they are retrievable, and that all funds collected are ultimately committed to the maintenance and repair of client units.
<i>Move-In and Setup</i>	Eligible items include but are not limited to beds and bedding (linens, blankets, pillows, etc.), toiletries, cookware, dishes, utensils, and phones (landline or cell). The Recipient is encouraged to purchase these goods lightly used when possible.
<i>Rent and Utility Subsidies</i>	<p>This includes subsidies paid by the program directly to landlords and utility providers on a client's behalf. Any rent or utility contribution collected from clients by the program must be included in the Rent and Utilities Collected line.</p> <p>Eligible rent subsidies are to be calculated based on the difference between 30% of a household's income and the average market rent for the unit type.</p> <p>CHF requires that all housing placements meet both Alberta Health's Minimum Housing and Health Standards and the Government of Alberta's Modesty Assurance Guidelines.</p> <p>Heat, water, electricity, and basic phone coverage are all eligible as utility subsidies.</p>
<i>Property Maintenance and Repairs</i>	Intended to cover both deductions made against the damage deposit line and any additional costs associated with restoring a market unit to the condition in which it was first acquired (less regular wear and tear which shouldn't be deducted from damage deposits in the first place).
<i>Rent and Utility Subsidies - Fixed</i>	<p>Intended to capture fixed rent subsidy expenses where the subsidy doesn't vary with the number of clients housed (such as place-based environments for rent or heating costs for utilities).</p> <p>For budgeting purposes: please capture any expected rental revenue collected from clients in the expected rental revenue line (earlier in this section) as only the net cost (i.e. subsidies paid less rental revenue) is eligible.</p>
<i>Programming Space</i>	<p>For any space to be used for client-oriented activities not already included in rent (e.g. setting aside a unit in a place-based building as a common area).</p> <p>All space associated with the agency office space is to be allocated to the administrative category.</p>
<i>Staff Communications for Client Purposes</i>	Cell phones are eligible for program staff if the position requires them to be out of the office or on-call. Phone costs are ineligible where the device is not used for program purposes at least 80% of the time.

<p><i>Staff Travel for Client Purposes</i></p>	<p>This includes staff travel costs for the direct delivery of client service or for activities directly related to the program such as:</p> <ul style="list-style-type: none"> • Servicing and maintaining a company vehicle used solely for client service delivery. This includes lease expenses, insurance, maintenance, and gas. • Use of a staff member's personal vehicle for program-related uses. <p>Travel costs are only eligible up to the levels set out in the National Joint Council of Canada's (NJCC) Travel Directive.</p>
<p><i>Other Programming Expenses</i></p>	<p>Small allowances that fall outside of other line items may be eligible here if they are clearly aligned with better client outcomes. Some examples include:</p> <ul style="list-style-type: none"> • Bus tickets and other transportation costs provided directly to clients, • Food items, groceries, and/or gift cards purchased solely for client benefit, • Basic first aid and other health-related items. <p>All costs associated with staffing should be captured in either Program Staff (if for direct client services) or Organizational Infrastructure.</p> <p>The Recipient is asked to show strong judgment in allocating to this line and to maintain detailed records for all expenses captured here.</p>

D. Administrative Costs

All of the activities below can be spent from the organizational infrastructure line so long as the total expense doesn't exceed 10% of staff and client costs.

Line Item	Additional Information
<p><i>Organizational Infrastructure</i></p>	<ul style="list-style-type: none"> • Administrative Staff Salaries/Wages, MERCs, and Benefits <ul style="list-style-type: none"> ○ Any costs attributed to an employee not both eligible for and assigned to the program staff section should be included here. • Rent/Mortgage and Utilities (i.e. for office space) • IT, Internet, and Communications • Insurance <ul style="list-style-type: none"> ○ It is recommended to capture costs related to insurance for program staff (e.g. disability) in the program staff benefits line, and to capture costs related to insurance for vehicles that are used for programming in the Staff Travel for Client Purposes line. • Licenses, Permits, and Fees <ul style="list-style-type: none"> ○ Please note that due to funder restrictions CHF is unable to provide funding for expenses that are generally avoidable or punitive in nature even when they are incurred in the course of ordinary programming (e.g. parking tickets, credit card interest, etc.) • Office Supplies, Equipment, and Furniture • Contractors <ul style="list-style-type: none"> ○ Note that retainer fees are considered ineligible unless supported by evidence of bona fide services rendered.

Section 3 – General Requirements of CHF Funding

Guiding Principles: All funded expenditures must, in the opinion of CHF, be reasonable.

Capital Expenditures: Non-consumable items that exceed \$2,000 are considered capital assets and must receive written approval from CHF before purchasing to be considered eligible for CHF funding. Requesting such approval will require: A. evidence that at least three quotes have been received with written rationale for the intended selection, and B. that agencies agree to preserve capital assets acquired with CHF funds until either the disposal of that asset is authorized by CHF or the funding relationship with CHF for that program ends (including but not limited to the closure of the program). CHF reserves the right to instruct funded agencies to dispose of capital assets at fair market value to offset funding obligations at any time.

Proof of Expense: The Recipient is responsible for ensuring collection of all relevant documentation to support any eligible costs funded by CHF, and may be called upon to produce evidence supporting those costs during the course of CHF's usual financial monitoring procedures. Such documentation needs to be externally verifiable such as an invoice, bank statement, itemized receipt, or active legal agreement.

Allocated Expenses: The Recipient may be asked to explain the allocation method and provide supporting documentation for any shared expenses attributed to CHF funding (e.g. square footage for rent).

Interest Earned: The Recipient is asked to report on any interest earned on CHF funds when it exceeds \$100 over a 12-month period. This interest will be treated as revenue for the year in which it is earned, and can be spent within the same year on any relevant programming expenses, but will also be used when determining surplus deductions in subsequent years if unspent.

Priority of Spending: For purposes of calculating year-end program surplus CHF assumes that when a program utilizes restricted donations within a CHF-funded program (e.g. funds donated to pay for a specific client expense or staff position) that those donated dollars are spent *before* CHF funding.