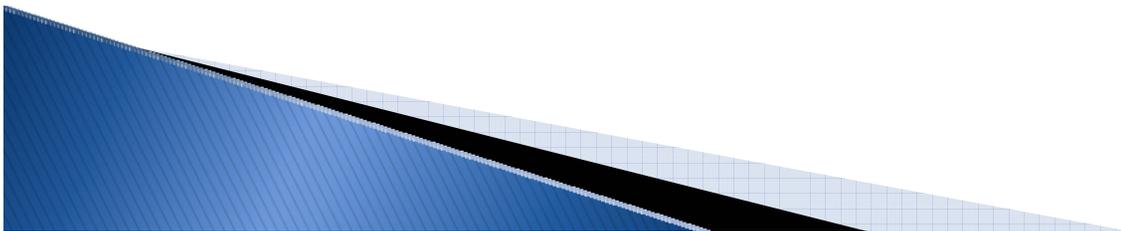


NON-PROFIT CAPACITY BUILDING WORKSHOPS

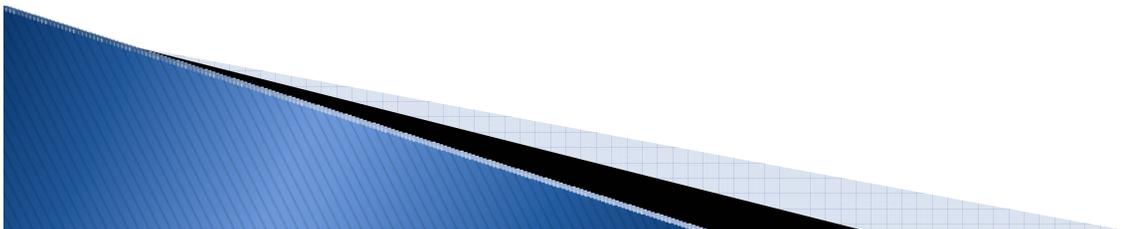
Identifying Measurable Outcomes and Per Unit Costs

City of St. Louis
Community Development Administration
June 10th, 2015



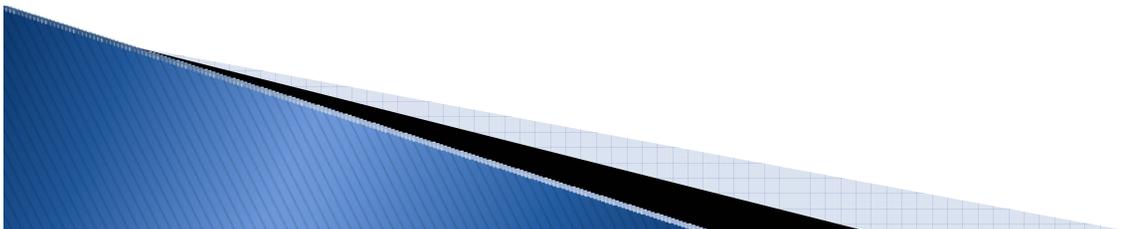
Outline

- ▶ Review of National Objectives / Eligible Activities
- ▶ Objectives & Criteria
- ▶ Outcome Measurements
- ▶ Program Reasonableness
- ▶ Per-unit Costs

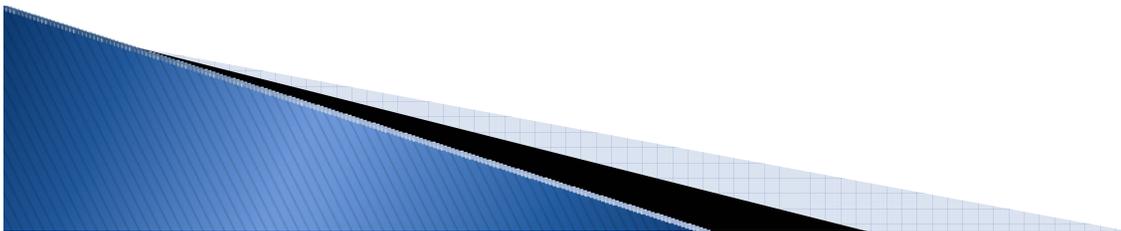


Designing a CDBG-Eligible Program: Steps

1. **Identify** an idea or concept
2. **Determine** whether a CDBG National Objective can be met
3. **Determine** whether a CDBG Eligible Activity can be met
4. **Determine** reasonableness of program costs

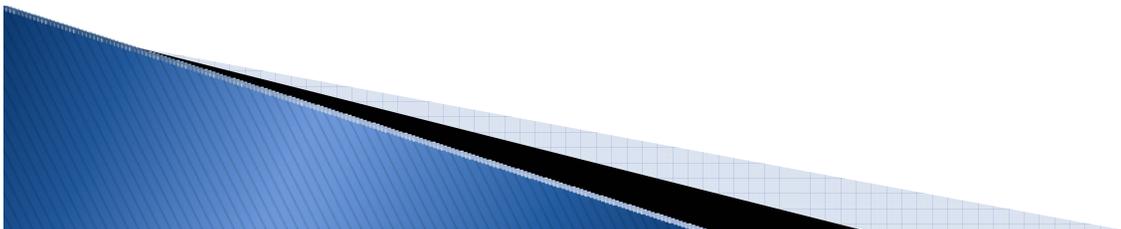


How do I develop descriptive objectives?



IMPORTANT !!!

**HUD REQUIRES THAT PAYMENTS
ARE TIED TO MEASUREABLE
OUTCOMES!!**



Objectives

- ▶ *Who, What, Where, When, Why*
- ▶ Describe the results, impact and/or change expected
- ▶ Must be measurable
- ▶ Must be reasonable

For Example:

- ▶ *To reduce childhood obesity by providing 25 youth access to monthly personal training and dietician sessions at XYZ Community Center*

Criteria

- ▶ *How*

- ▶ Outline the steps necessary to achieve the outcome
- ▶ Should be specific and detailed

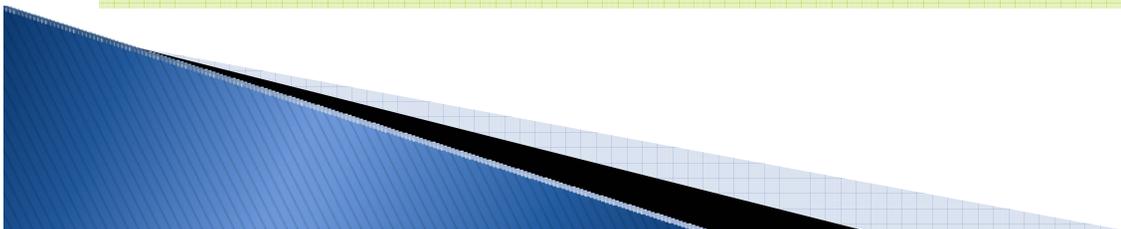
For Example:

- ▶ *Partner with local schools to recruit youth at risk for poor health and nutrition*
- ▶ *Conduct an initial physical and nutritional assessment*

Example:

Capital Hill Community Services

Capital Hill Community Services wants to implement a neighborhood beautification program. The program will target vacant lots and complete 3 distinct beautification projects in the Jefferson and Lincoln neighborhoods. CHCS will recruit and organize volunteers for each project who will clean up vacant lots and install landscaping and other improvements. CHCS will partner with local businesses, churches, block groups, and other organizations to donate supplies and maintain improvements after completion.



Example:

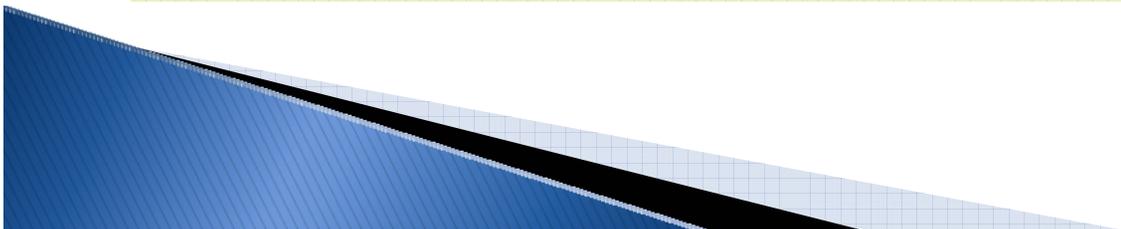
Capital Hill Community Services

Proposed Outcome (Objective)

- Complete 3 beautification projects targeting vacant lots in the Jefferson and Lincoln neighborhoods to promote community revitalization.

Steps (Criteria)

- Recruit and organize volunteers
- Clean-up vacant lots and install landscaping and other improvements on each lot
- Partner with local businesses, churches, block groups, and other organizations to donate supplies and maintain improvements after completion.



Example: Senior Services

Senior Services wants to expand their “Meals on Wheels” program, which provides home-delivered meals to 150 elderly and disabled residents. With increased funding, Senior Services could serve an additional 100 clients. Clients receive two meals per week for 50 weeks out of the year.

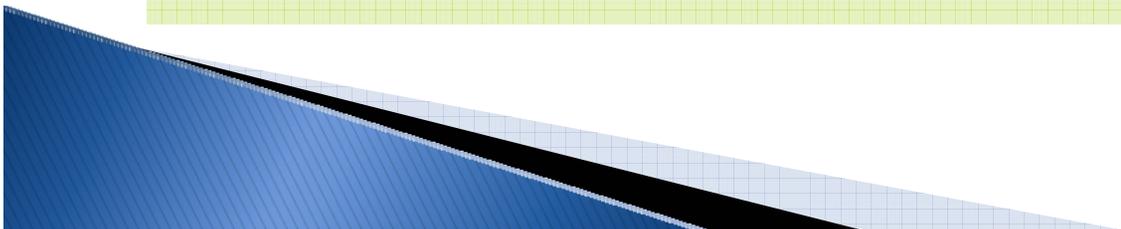
Example: Senior Services

Proposed Outcome (Objective)

- Provide approximately 25,000 meals to 250 elderly and disabled clients to allow them to live independently in their homes.

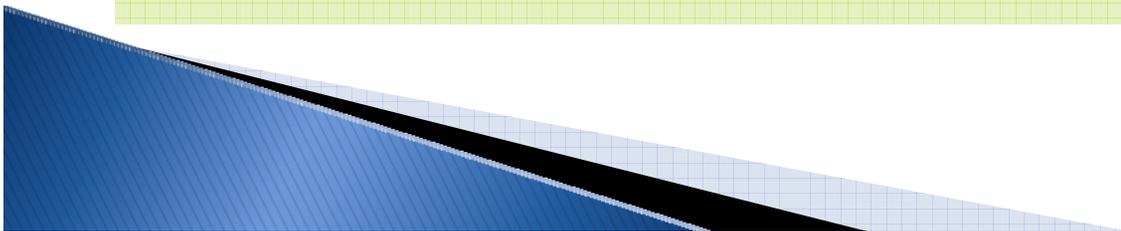
Steps (Criteria)

- Identify eligible elderly and disabled households
- Contract with caterer to provide meals
- Distribute meals to clients



Example: Family Support Center

Family Support Center operates a shelter for victims of domestic violence. They want to construct a new 10,000 sq. foot children's play area to increase the capacity of their facility and the services they can provide to families with children.

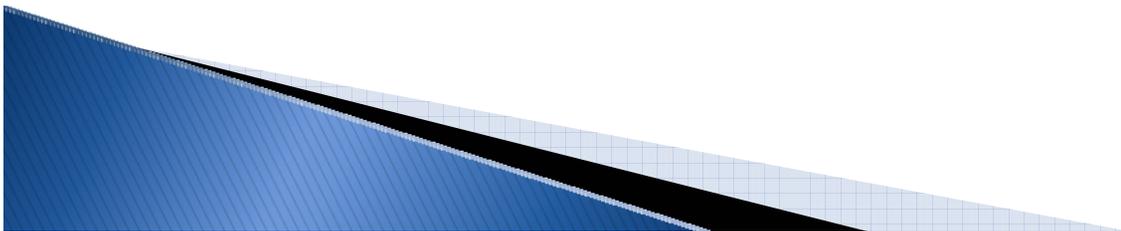


Example:

Family Support Center

- ▶ **Proposed Outcome (Objective)**
 - Completion of a 10,000 sq. foot children's play area that will serve families and children who are victims of domestic violence.
- ▶ **Steps (Criteria)**
 - Advertise and solicit for bids for the construction
 - Maintain project oversight to ensure that work is completed according to established construction codes and guidelines
 - Upon completion ensure that all necessary permits and licensing requirements are met

How do I make my
objectives
measurable?

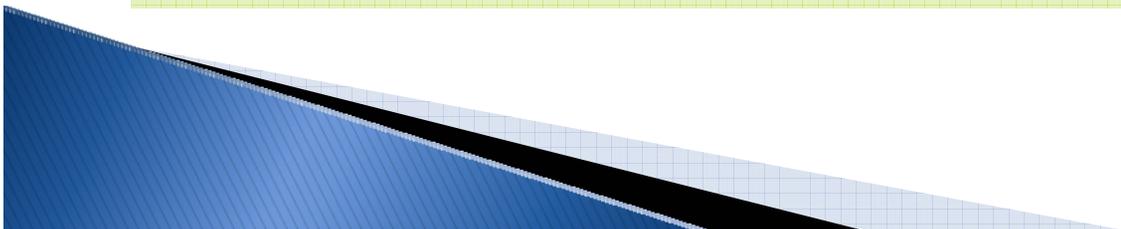


Measurable Objectives

- ▶ Identify Outputs
- ▶ Allowable Outputs include:
 - Persons
 - Households
 - Units of Housing
 - Jobs Created

Outcome Measurements

- ▶ Should be Specific, Measurable, and related to your program
- ▶ How CDA will track/monitor your progress towards accomplishing your objectives
- ▶ Examples:
 - Daily attendance at an after school program
 - Number of Meals served
- ▶ Beautification projects completed
 - Number of energy conservation workshops completed
 - Number of participants in energy conservation workshops



Measurable

- ▶ Depending on the type of program, national objective, and eligible activity, different outcomes will be tracked and different types of information is required

EXAMPLE #1

A local youth organization plans to expand their after school program that targets 100 at-risk youth in the City of St. Louis. The program includes a large mentoring component and pairs students with volunteers from the community. CDBG funds will directly support costs associated with 25 participants.

National Objective : Low/Mod Income Clientele

Eligible Activity : Public Services

Measurable Outcomes

- Number of youth served (unduplicated number)
- Daily attendance
- Number of volunteers trained as mentors

National Objective

- Document family size and income for participants
- Document Race and Ethnicity
- 25 CDBG directly assisted participants must be Low-Mod
- Must also document that 51% of all program participants are low-mod

EXAMPLE #2

Capital Hill Community Services plans to implement a beautification program targeting vacant lots in the Jefferson and Lincoln neighborhoods. CHCS will recruit and organize volunteers for each project who will clean-up vacant lots and install landscaping and other improvements. CHCS will partner with local businesses, churches, block groups, and other organizations to donate supplies and maintain improvements after completion.

National Objective : Low/Mod Area Benefit

Eligible Activity : Public Services

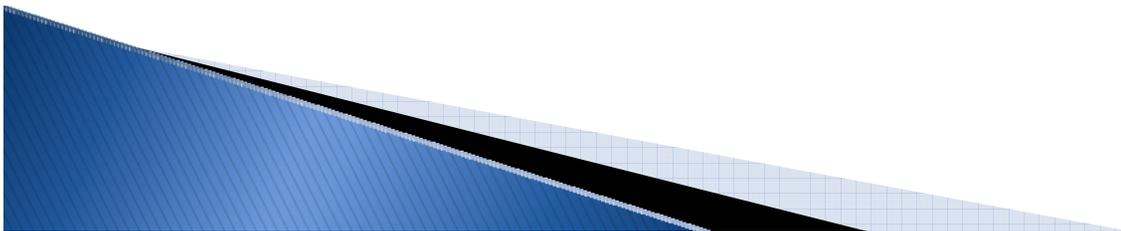
Measurable Outcomes

- Number of beautification projects
- Number of volunteers
- Number of volunteer hours

National Objective

- Document boundaries of neighborhoods and low-mod status
- Document vacant lots are located in eligible neighborhoods

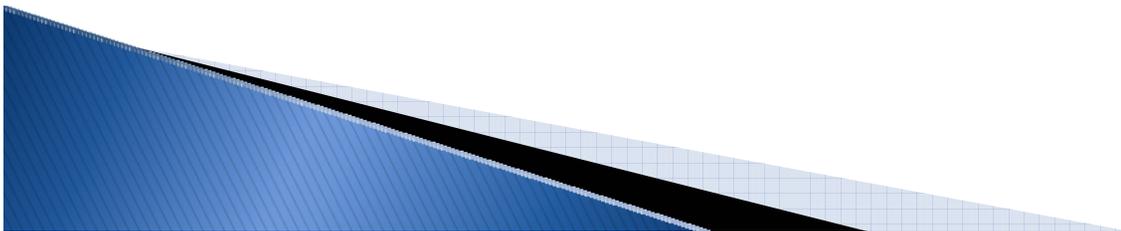
How do I know my
proposal is reasonable?



Evaluating Reasonableness

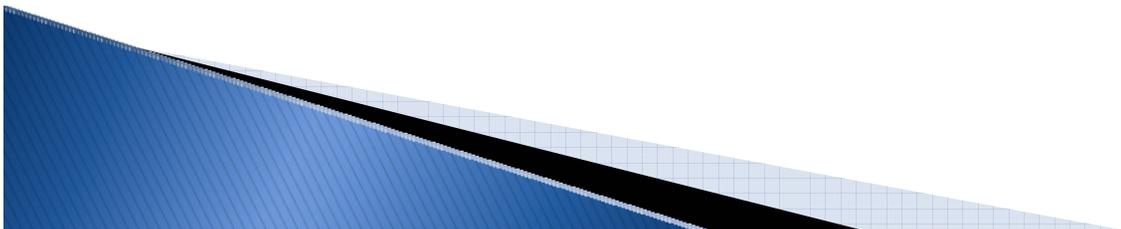
Some things to consider:

- ▶ The scope of the activity
- ▶ Funding requested
- ▶ History, Mission, Experience of your agency
- ▶ Can the activity start and finish in a year?
- ▶ Analysis of in-house vs. using a contractor

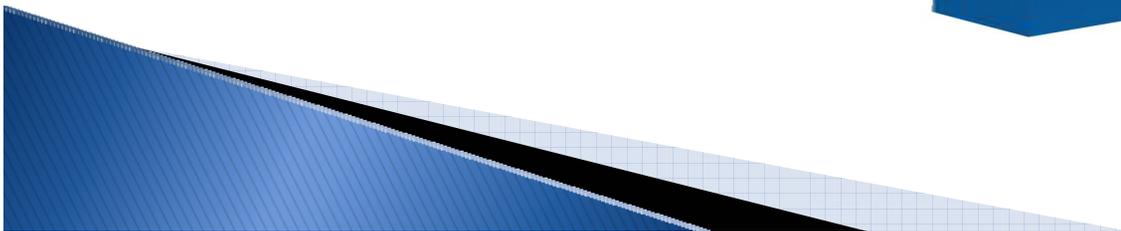


Evaluating Reasonableness

- ▶ Organization with a minor home repair program is now requesting \$6 million in CBDG to construct a new health care clinic
 - *Mission, Scope, Experience, Funding*
- ▶ After school program is proposing to increase the number of children served from 25 to 250.
 - *Hire new staff, space, licensing, time of implementation?*
- ▶ Proposing to partner with a non-profit provider and construct an early childhood center
 - *Have not identified a non profit partner, or*
 - *Acquisition of several parcels has not been completed*

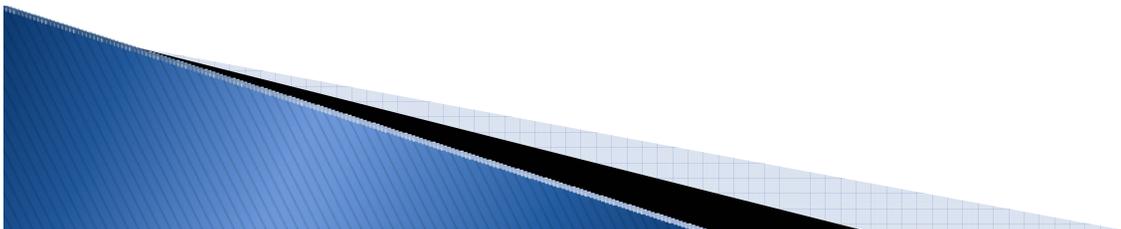


HOW DO I GET PAID FROM MY CDBG GRANT?



PER UNIT COSTS

- ▶ FOR THE MAJORITY OF OUR CDBG PUBLIC SERVICE GRANTEES
- ▶ CDA USES A PERFORMANCE-BASED PAYMENT METHOD



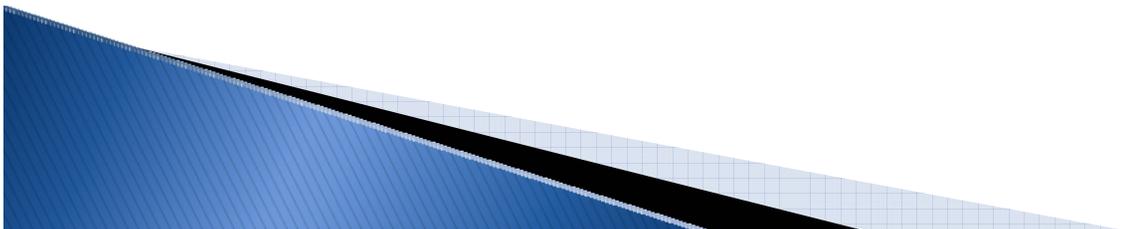
PER UNIT COSTS

- ▶ MOST GRANTEES PROVIDING PUBLIC SERVICES WILL BE PAID

- A FIXED PRICE FOR A UNIT OF SERVICE COMPLETED

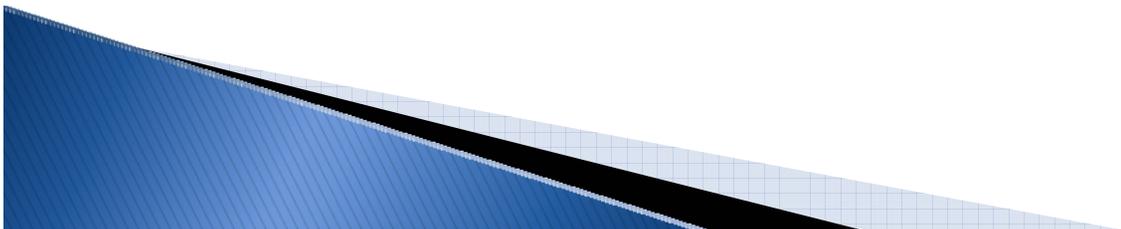
OR

- A PER UNIT COST



DETERMINING UNITS OF SERVICE

- ▶ The measurable outcome of your contract objective will provide the basis for your unit of service
- ▶ You will have a unit of service included in most contract objectives
- ▶ You must determine your unit of service



DETERMINING UNITS OF SERVICE

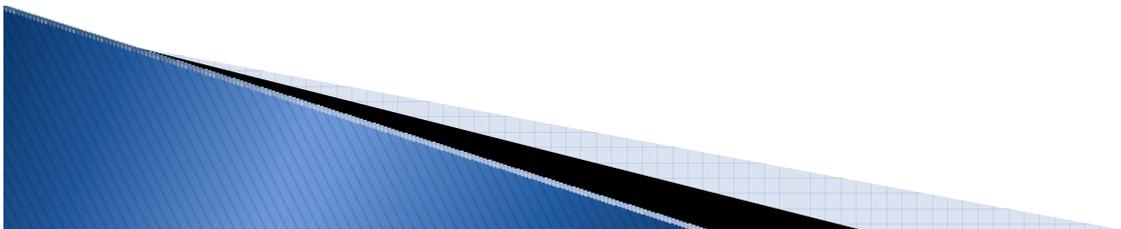
▶ UNITS OF SERVICE EXAMPLES

- NUMBER OF MEALS DELIVERED TO SENIORS
- NUMBER OF COMPLETED WORKSHOPS FOR FIRST TIME HOMEBUYERS
- NUMBER OF COMPLETED JOB RESOURCE FAIRS
- NUMBER OF DAYS CHILDREN ATTENDED AFTERSCHOOL PROGRAM
- NUMBER OF GARDENS PLANTED



DETERMINING UNITS OF SERVICE

- ▶ Per unit factors (“PU FACTORS”) to be considered when arriving at per unit cost
 - Measure of Outcome – Persons/Household/Units of Housing
 - Service Units – Meals/Days of Attendance/Days Receiving Transport/Events
 - Life Span of Contract
 - Frequency of Reimbursements
 - Amount of Request/Award
 - Cost Allocation Support



DETERMINING PER UNIT COST

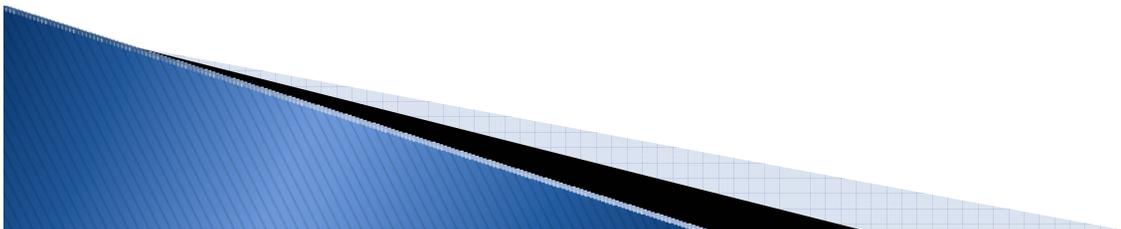
THE PER UNIT FORMULA

REQUEST/AWARD \div PU FACTOR = PER UNIT COST

REQUEST/AWARD \div (PUF1 \times PUF2) = PER UNIT COST

REQUEST/AWARD \div (PUF1 \times PUF2) \times PUF3 = PER UNIT COST

MULTIPLY ALL APPLICABLE VARIABLES TO GET A PUF TOTAL.
DIVIDE THE AMOUNT OF THE REQUEST/GRANT BY THE TOTAL.



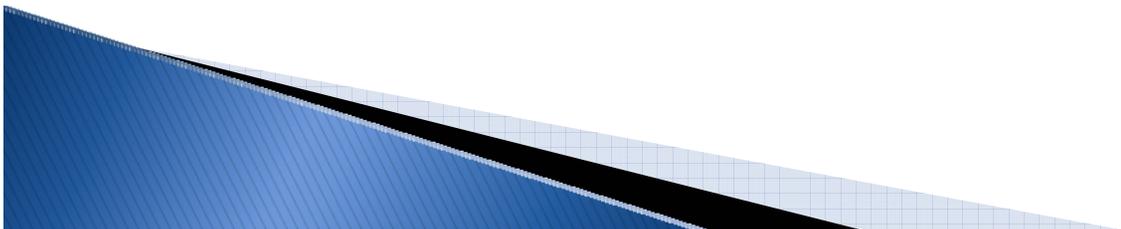
DETERMINING PER UNIT COST

EXAMPLE:

- Senior Services requesting funding to expand their “Meals on Wheels” Program
- With increased funding they can serve an additional **100** clients
- Clients receive **two** meals per week for **50** weeks
- Amount of Request/Award – **\$25,000**

$$100 \times (2 \times 50) = 10,000 \text{ Meals}$$

$$25,000 \div 10,000 = \$2.50 \text{ Per Meal or Per Unit Cost}$$



DETERMINING PER UNIT COST

EXAMPLE:

- Capital Hill Community Services is requesting \$75,000 to implement a neighborhood beautification program.
- Capital Hill will create an outreach plan to include neighborhood residents and community organizations.
- The program will target vacant lots and complete 3 distinct beautification projects.

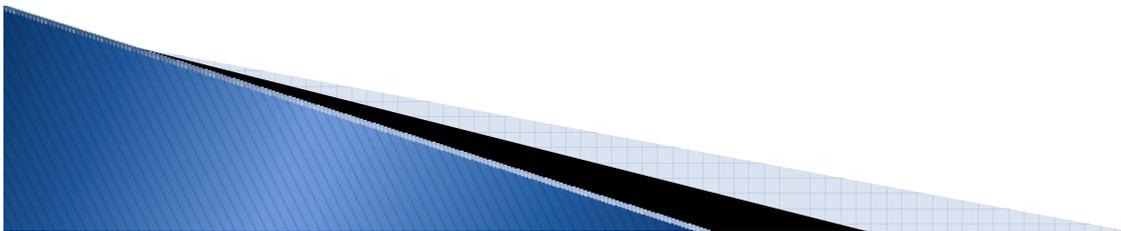
$\$75,000 \div 3 = \$25,000$ One Per Unit Cost for each completed Beautification Project

$\$60,000 \div 3 = \$20,000$
Per Unit Cost for each completed Beautification Project

$\$15,000 \div 12 = \$1,250$
Per Unit Cost for each month of Community Outreach

Questions/Review

Group Exercise



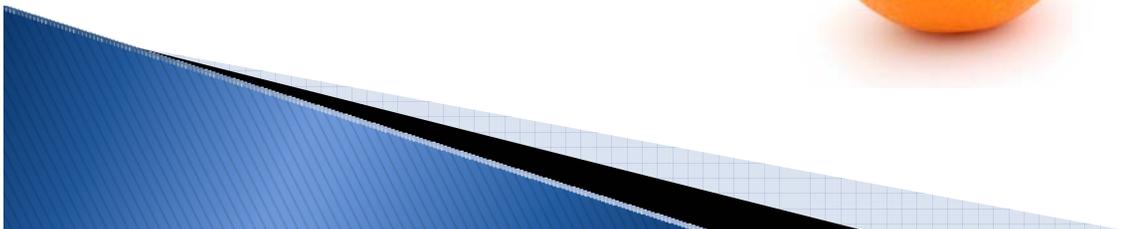
DOCUMENTATION

- ▶ PERFORMANCE-BASED PAYMENT METHOD

VS.

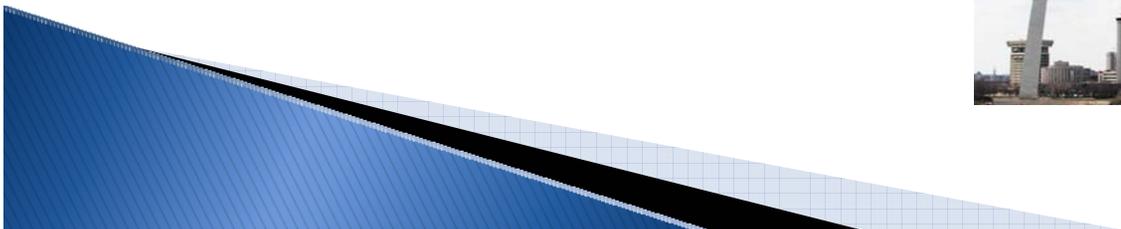


- ▶ REQUIRED FINANCIAL RECORDKEEPING SUPPORT



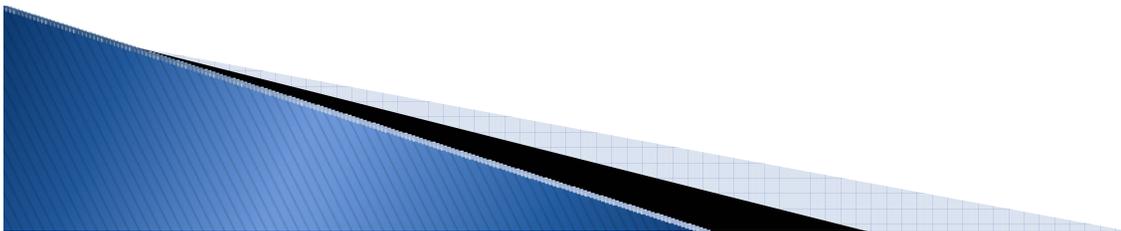
FINANCIAL RECORDKEEPING

FINANCIAL RECORDKEEPING SUPPORT FOR YOUR CDBG-FUNDED ACTIVITY



FINANCIAL RECORDKEEPING SUPPORT FOR CDBG ACTIVITIES

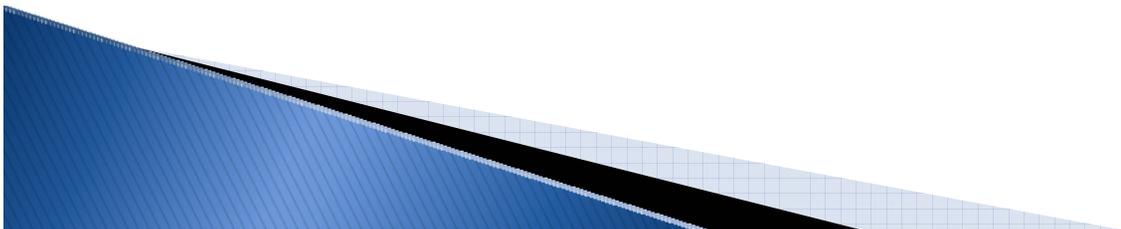
- ▶ All funding sources must be reported
- ▶ All expenses should be considered
- ▶ Must be supported with approved cost allocation budget
- ▶ Expenses charged to the CDBG must be CDBG-eligible



FINANCIAL RECORDKEEPING SUPPORT FOR CDBG ACTIVITIES

ALL FUNDING SOURCES MUST BE REPORTED

- Operating budget should contain both private and grant funding
- If grant funding (two or more grants) is covering 100% of any line item, the total charged to all grants cannot exceed 100% of the expenditures.
- If double-dipping occurs, the CDBG funding amount must be repaid to CDA



FINANCIAL RECORDKEEPING SUPPORT FOR CDBG ACTIVITIES

ALL ACTIVITY COSTS SHOULD BE CONSIDERED, INCLUDING:

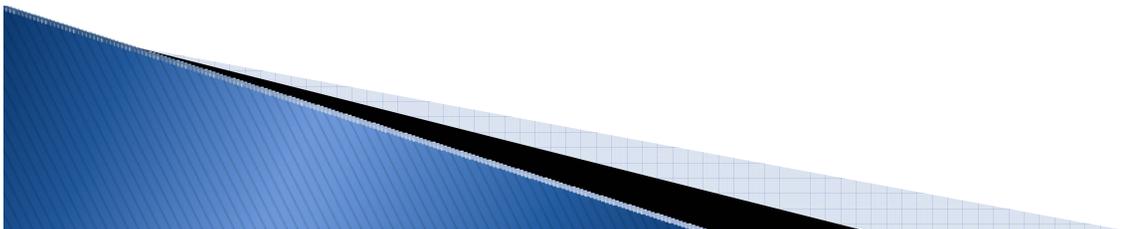
- PERSONNEL
- LOCAL TRAVEL
- CONTRACT/PROFESSIONAL SERVICES
- SUPPLIES
- EQUIPMENT
- PRINTING
- INSURANCE
- TELEPHONE/COMMUNICATIONS
- FACILITIES
- OTHER-PROGRAM SPECIFIC



FINANCIAL RECORDKEEPING SUPPORT FOR CDBG ACTIVITIES

COST ALLOCATION PLAN

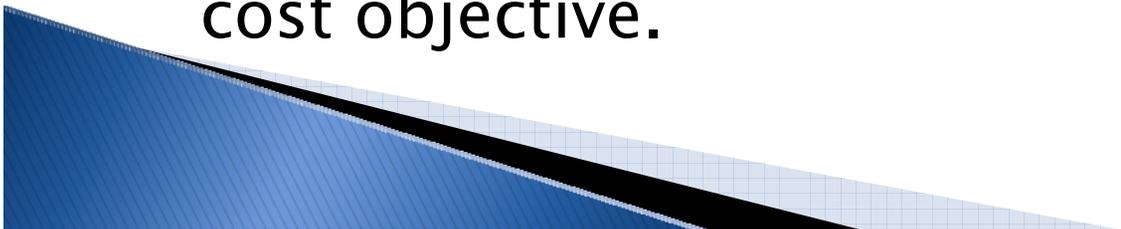
- Grantees must complete and submit a cost allocation plan to CDA for each CDBG activity award.
- CDA must approve the cost allocation plan prior to the disbursement of any grant funds.



FINANCIAL RECORDKEEPING SUPPORT FOR CDBG ACTIVITIES

COST ALLOCATION PLAN

- The TOTAL COST OF AN AWARD is the sum of the allowable direct and allocable indirect costs, less any applicable credits.
- DIRECT COSTS are those that can be identified specifically with a particular final cost objective.
- INDIRECT COSTS are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.



FINANCIAL RECORDKEEPING SUPPORT FOR CDBG ACTIVITIES COST ALLOCATION PLAN

- ▶ An electronic copy of the cost allocation plan narrative, including personnel schedules and budget pages with formulas to assist in your calculations, may be found on the City of St. Louis website by following the path below:
 - CITY OF ST. LOUIS
 - DEPARTMENTS AND AGENCIES
 - COMMUNITY DEVELOPMENT ADMINISTRATION
 - INFORMATION AND RESOURCES FOR SUBRECIPIENTS
 - FISCAL SECTION FORMS
 - COST ALLOCATION PLAN PROGRAM YEAR 2015

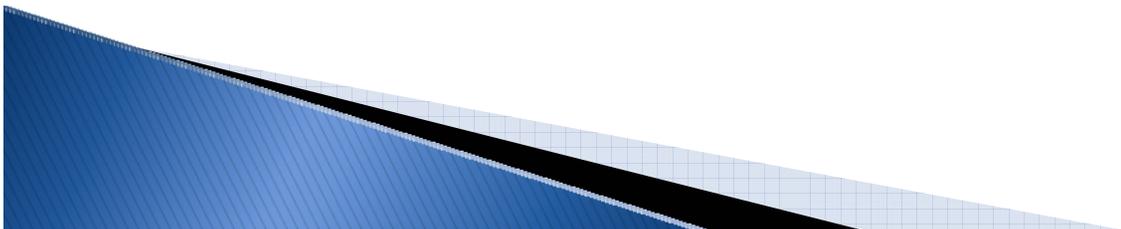


FINANCIAL RECORDKEEPING SUPPORT FOR CDBG ACTIVITIES

**EXPENSES MUST BE CDBG ELIGIBLE –
(ALLOWABLE AND ALLOCABLE)**

2 CFR PART 230 COST PRINCIPLES FOR NON-PROFIT ORGANIZATIONS (RECENTLY REPLACING OMB CIRCULAR A-122) IS ONLINE AND AVAILABLE FOR DOWNLOAD.

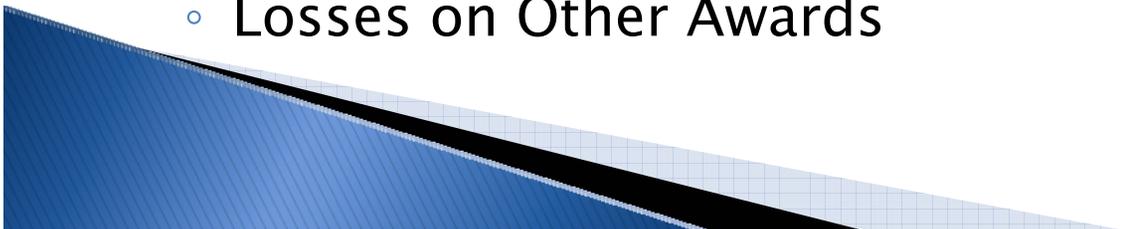
PLEASE REFER TO THESE COST PRINCIPLES WHEN IN DOUBT REGARDING THE ELIGIBILITY OF EXPENSES TO BE CHARGED TO THE CDBG.



FINANCIAL RECORDKEEPING SUPPORT FOR CDBG ACTIVITIES

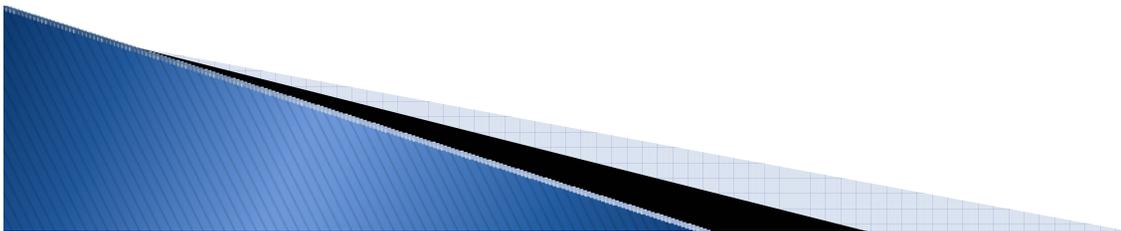
EXAMPLES OF UNALLOWABLE COSTS

- Alcoholic Beverages
- Bad Debts
- Contributions
- Legal Expenses for Prosecution of Claims Against the Federal Government
- Entertainment Costs
- Fines and Penalties
- Goods and Services for Personal Use
- Fundraising
- Lobbying
- Losses on Other Awards



FINANCIAL RECORDKEEPING SUPPORT FOR CDBG ACTIVITIES

- ▶ HUD requires Pass-Through Entities (CDA) to ensure non-profits have adequate records to support eligible CDBG costs when a fixed price for a unit of service is used as the method of payment of CDBG funds

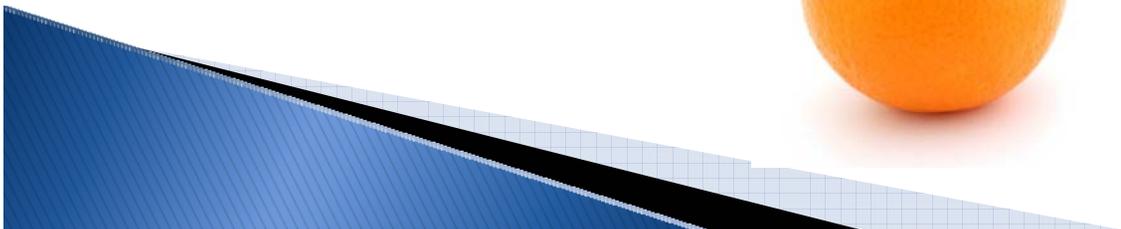


FINANCIAL RECORDKEEPING SUPPORT FOR CDBG ACTIVITIES

- ▶ PER UNIT COST BASIS – CDBG ACTIVITY BASED METHOD OF PAYMENT



- ▶ COST ALLOCATION PLAN – ACTUAL COSTS TO BE CHARGED TO YOUR CDBG ACTIVITY



Questions/Review

Group Exercise

