
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 exclusive. If a particular activity cost is not listed, if an expense is unclear, or there is a questions whether the cost is allowable, Grantees should request assistance from their Choice Neighborhoods Grant Manager.

- B. Choice Neighborhoods program budgets are submitted on the Choice Neighborhoods Planning Grant Budget Form (Form HUD-53421), Parts I, II, and III. The blank form can be obtained at http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housin/g/programs/ph/cn/planninggrants.

C. Allowable Expenditures from Award Notice

Funds may be requested for eligible costs incurred after the notification of grant award and before Grant Agreement execution. The grant award date is stated in HUD's notification 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 the Grant Agreement is executed and the Grantee has submitted, and HUD has approved, a detailed budget using the Choice Neighborhoods Planning Grant Budget Form (Form HUD-53421).

D. Drawdown Limit per Budget Line Item

Without HUD approval, 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. Any request for funds in excess of 10 percent of the entire grant amount in any month must be approved by HUD. LOCCS will automatically reject payment requests that exceed the amount approved for each BLI. See the Choice Neighborhoods Planning Grantee Financial Instructions for additional information on program edits.

E. Holdback

HUD will hold back 20 percent of total grant funding until the Grantee's Transformation Plan has been submitted to and accepted by HUD. The Grantee may determine how it would like the 20 percent holdback spread across the BLIs. This preference should be clearly communicated to the HUD Grant Manager. For information about the release of holdback funds, see the Choice Neighborhoods Planning Grant Agreement.

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. 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 planning process.

This BLI does not include the costs of meeting with residents to solicit opinions, or anything else not directly related to capacity building for the Grantee, stakeholders, or residents, as those 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 are incurred by Grantee staff or contractors, all such costs except for staff time must 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 to/from and childcare during training/capacity building 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

BLI 1410 is intended for organizational costs attributable to the administration of the Choice Neighborhoods Planning Grant by the Grantee. 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 2011 and 2012 Grantees, no more than 20 percent of the total grant award may be used for Administration.

Specific Eligible Costs

- Staff salaries and benefits, including resident employment when directly hired by the Grantee
- 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. 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 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 considered implementation costs and are **ineligible** uses of Choice Neighborhoods Planning Grant funds. These costs may not be in your budget or charged to any BLI in LOCCS.

- Construction, acquisition, demolition or rehabilitation costs.
- Site improvements and infrastructure.
- Cost of providing supportive services for residents, including but not limited to services for families that are 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.
- Administrative costs (under BLI 1410) of the applicant not related to planning for Choice Neighborhoods transformation.