

CoC Development Fee Policy

River Valleys Continuum of Care (MN-502)

Adopted: May 19, 2016

Purpose

The River Valleys Continuum of Care (CoC) establishes the following policy in regard to the payment of fees paid by recipients of HUD Continuum of Care funding. Fees paid by recipients of HUD Continuum of Care funding support Continuum-wide planning and coordination activities as conducted by the designated CoC Collaborative Applicant.

Policy

A fee, to be known hereafter as the “Continuum of Care Development Fee” or “CoC Development Fee”, is to be paid annually by grantees (recipients) of HUD Continuum of Care funding, as described below. Fees paid by recipients of HUD Continuum of Care funding support Continuum-wide planning and coordination activities as conducted by the designated Collaborative Applicant.

1. **Fee Calculation:** This fee owed shall be equal to a percentage of the total award granted by HUD to the grantee. When a multi-year award is granted, the fee will be calculated based on an annualized award level. The initial fee rate for calendar year 2017 will be 3.5%.

Formula:
$$\frac{\text{HUD CoC Grant Contract amount}}{\text{Grant term in years}} \times \text{Fee Rate} = \text{CoC Development Fee}$$

2. **Payment Schedule:** Fees will be due and payable according to the following schedule:
 - a. No later than November 1, the Collaborative Applicant will calculate and send an invoice to each grantee which details the amount of the fee owed and date due.
 - b. Payment of this fee shall be due no later than December 15, or no later than 30 days after receipt of an invoice from the Collaborative Applicant, whichever comes later.
 - c. Year 1 (2017) Exceptions: To minimize the impact of the change in billing cycles on grantees, CoC Development Fees in 2017 will be delayed by seventy-five (75) days.
 - i. No later than January 15, 2017 the Collaborative Applicant will send an invoice to each grantee which details the amount of the fee owed and date due.
 - ii. Payment of this fee shall be due no later than February 28, 2017, or no later than 30 days after receipt of an invoice from the Collaborative Applicant, whichever comes later.
3. **Payment Method:** Fees are to be paid by check or money order, and are to be made payable to “Three Rivers Community Action, Inc.”
4. **Payment Plans:** Grantees with an annual CoC Development Fee of \$2,000 or more may request the option of making two payments.
 - a. Requests must be submitted in writing to the Collaborative Applicant within 15 days of receipt of invoice. Email requests are acceptable.
 - b. Payment Schedule

- i. The first half payment shall be due no later than the initial due date for full payments as defined in section 2.
 - ii. The second half payment shall be due no later than a date agreed by the grantee and the Collaborative Applicant, but no later than June 30.
5. **Failure to Pay:** The failure of a grantee to pay a CoC Development Fee will make them ineligible from future competitions.
6. **Sub-Grantees:** In the event that an agency applies for and receives an award on behalf of one or more sub-grantees, that grantee is responsible for the fee covering the total amount awarded, and it is the grantee's responsibility to collect from the sub-grantees, if they so choose.
7. **Exempt Grants:** Grants for projects dedicated to CoC-wide systems development shall be exempt from the CoC Development Fee. Exempt grants will be identified annually by the Executive Committee as part of the annual fee rate review and adjustment process described in section 8.
8. **Fee Rate Review and Adjustments:** The CoC Executive Committee shall review the fee rate used to calculate the Continuum of Care Development Fee on an annual basis.
 - a. Any adjustments to this fee rate shall be made no later than October 1, and communicated to River Valleys CoC members no later than October 15, to be effective the following year.
 - b. Adjustments may be proposed by the Executive Committee or the Collaborative Applicant. Any adjustments shall be made in consultation with the Collaborative Applicant, with final approval by the Executive Committee.
 - c. Adjustments may take many factors into account, including but not limited to:
 - i. Current year expenses of Collaborative Applicant for CoC personnel, equipment, training, and administration.
 - ii. Anticipated changes in CoC personnel, equipment, training, and administration due to HUD and other funder requirements or to changes within the Collaborative Applicant.
 - iii. Balance of funds in CoC reserve account.
9. **Notifications:** The CoC Executive Committee shall notify HUD CoC award applicants and recipients of the Continuum of Care Development Fee.
 - a. Every applicant for HUD CoC funding shall be notified of the requirement to pay this fee, including a general explanation of the work done by the Collaborative Applicant that justifies the fee, the formula used to calculate the fee, and other payment rules, no later than 30 days prior to the date that such applications are due to the Collaborative Applicant.
 - b. Every new funded project grantee shall receive second notification of the requirement and a Memorandum of Understanding regarding grantee obligations to the CoC and to the Collaborative Applicant.
 - c. All CoC members shall receive notification of requirement and current fee rate annually at a regular meeting of the River Valleys CoC.
10. **Uses of Fees:** The Collaborative Applicant shall use CoC Development Fees received from grantees only for expenses of coordinating the River Valleys CoC. Expenses may be charged directly or allocated based on a standard accounting practice and reported at regular meetings of the CoC Executive Committee.
11. **Excess Fees:** Any excess fees collected by the Collaborative Applicant shall be held in a reserve account for future CoC coordination expenses. The reserve account balance will be reviewed at least annually by the Executive Committee in evaluating fee rate adjustments. The reserve account balance shall not be allowed to exceed the Collaborative Applicant's annual expenses for coordinating the River Valleys CoC.