Allowable Expenses in GRH Supportive Housing

The following guidance applies only to Group Residential Housing (GRH) settings that serve people who have experienced long-term homelessness (sometimes called Housing First or GRH supportive housing), where the GRH recipient lives in their own housing with a lease. This guidance does NOT apply in any licensed or registered GRH setting such as adult foster care or board & lodge where residents do not live in their own housing with a lease.

Guiding Principles:
1. GRH housing funds may be used to assist GRH recipients to access and maintain housing.
2. GRH housing funds must be used to meet basic needs in this order: shelter, food, utilities/fuel, household supplies, and other costs necessary to provide room and board.
3. Housing expenses are allowable if necessary to eat, sleep, or maintain hygiene – not including special accommodations available through other programs.

Agencies can set limits on the amount/type of allowable expenses that can be paid for using GRH housing funds. Agencies are not obligated to provide clients with every item on this list, but any of these items could be purchased using GRH housing fund.

Allowable expenses

The following expenses are allowable if necessary for a GRH recipient to access/maintain housing:

- Rent — regular monthly rent payments are an allowable expense. See note below on use of pooled funds.
- Application Fee
- Damage Deposits: Agencies can pay damage deposits, or clients can save money that is left after rent and utilities are paid, and use that for a future damage deposit (or to repay a damage deposit that was paid for them by their provider)
- Moving Costs
- Short-term storage of client belongings, furnishings, etc.
- Furniture/Bridging fees
- Appliances: Payments to rent-to-own stores are allowable
- Cleaning and household supplies: items that are necessary for the normal maintenance of a safe and clean home such as garbage bags, dishwashing items, paper towels, etc.
- Utilities not included in rent, including essential utilities (gas, electric, water, trash, telephone) and non-essential utilities (internet and cable). Clients may select cable service
that meets their needs as long as it fits within their budget – they are not limited to “basic cable.” Phone service can be either landline or cell but not both for the same client.

- **Food**
- **Transportation assistance**, including bus cards. Providers can issue gasoline-only gift cards and/or pay for auto insurance for clients who own their own vehicles. Gas cards can be provided to clients who rely exclusively on transportation from someone else who does own a car. This needs to be carefully documented. Agencies can limit the amount and type of transportation assistance they will provide.
- **Staff mileage incurred in delivering services to LTH clients**
- **Laundry supplies/costs**. Preloaded laundry cards should be used whenever possible. If not, providers can issue a limited amount of quarters to do laundry. The amount can depend upon household size and other conditions. Programs should obtain signed receipts when quarters are issued, with the client acknowledging that quarters are intended for laundry use only.
- **Hygiene supplies that are necessary to maintain normal personal hygiene**: toothbrush/paste, soap, shampoo, lotion, shaving supplies, toilet paper and Kleenex, deodorant, nail clippers/files, feminine hygiene supplies, and multicultural hair/skin products are allowable. Clients must use personal needs funds to purchase items that aren’t necessary for normal personal hygiene, such as makeup, hair coloring, etc.
- **Administration fee**, up to 5 percent per month, for accounting and general operations.
- **Renter’s insurance**
- **Damage costs to rental unit**, when in excess of the damage deposit
- **Back Rent**, if preventing a client from accessing/maintaining housing
- **Key replacement**
- **Back utility bills**, if preventing a client from accessing/maintaining housing.
- **Companion animal supplies**: food and hygiene items (such as cat litter) for documented companion animals are allowable expenses. Veterinary expenses are not allowable. However, if a landlord requires that a companion animal must be spayed/neutered, that is an allowable expense.

Tax-exempt agencies should use their exemption to make purchases without paying tax whenever possible. When taxes are paid on allowable purchases, they may be recouped from GRH housing funds.
The following expenses are not allowable using GRH housing funds:

- Rental space for provider storage of supplies.
- Emergencies, including travel expenses to attend funerals, weddings, family reunions, etc.
- Educational expenses
- Personal hygiene services such as haircuts/styling, manicures, pedicures.
- Medical expenses including prescription co-pays, over-the-counter medications, vitamins, etc.
- Clothing items (including socks and underwear). In statute, the GRH personal needs allowance is called the “clothing and personal needs allowance” so it is clear that clothing must always be purchased using personal needs funds.
- Health club memberships
- Books, CD/DVDs, arts and crafts supplies, stamps.
- Alcohol and tobacco products
- Expenses, including veterinary expenses, for pets or animals that are not documented companion animals.
- Any other expense that is not expressly identified as an allowable expense.

**Pooled funds**

Agencies may choose to “pool” some or all GRH housing funds remaining after client rent and utilities have been paid. Here are some things to know about the use of pooled funds:

- **Excess funds may be pooled only AFTER allowable expenses have been deducted from a client budget.** If a client requests that their provider cover an allowable expense and their budget allows for it – after rent and essential utilities are paid – then that request should be granted. For example, if a client wants telephone service and a bus card, and sufficient funds remain in their budget, the provider should provide items before placing any remaining amount into an agency account. The provider should not prioritize pooling funds when the client requests payment for other allowable expenses.
- **Agencies can use pooled funds for any allowable expense related to their LTH GRH clients.** For example, you could use pooled funds to pay for damages to a LTH GRH client’s apartment, but not for repairs to your office, or damages to an apartment of a non-GRH client.
- **The benefit of the pooled funds can be to one particular client or to all clients in the program.** For example, pooled funds could be used to buy cleaning supplies whether they will be used by one client or all clients in your program.
- **Pooled funds can be used to make up a loss incurred by your program.** For example, if your agency paid a client’s entire rent, but the client left the program a few days later and the GRH payment is minimal, pooled funds can be used to make up your agency’s loss.

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• **Pooled funds CANNOT be used to make up an unpaid client obligation, if the client continues in the program.** For example, if a client fails to pay part of their income toward the cost of their GRH housing, pooled funds CANNOT be used to cover that shortfall unless the client exits the program. If the client stays in the program, they need to work out a repayment plan with the landlord or agency, or address the natural consequences of not paying their rent.

• **Pooled funds do not have to be spent within a certain time period, or by the end of a fiscal year,** although your agency may determine that would be necessary for accounting or budgetary reasons.