

Homeless Prevention Clark County Social Services Funding Guidance: Defining Allowable and Unallowable Costs

Effective: July 1, 2025

1. Introduction

Purpose: This document provides clear guidance on allowable and unallowable costs, ensuring compliance with Clark County Social Services funding requirements.

Methodology: These guidelines were created by a Joint Workgroup of Fiscal and Social Services members: Alisha Barrett, Kimyatta Divinity, Mary Cannizzaro, Mary Duff, Mylene Harris, Natasha Nickles, Ashley Peterson, and LaCretia Shumate.

2. Overview of Allowable Costs

Allowable costs are expenses that can be charged to a project and are permissible according to the Human Services and Education Sales Tax, Clark County Homeless Initiative Program, and County regulations. These costs are typically necessary for the successful completion of the project and must meet certain criteria (such as reasonableness, allocability, and consistency).

In alignment with Human Services and Education Sales Tax, the County has the following funding priorities:

1. Programs to reduce homelessness, and
2. The development or redevelopment of affordable housing or ensuring the availability or affordability of housing, including, without limitation, any infrastructure or services to support the development or redevelopment of affordable housing.

Key Criteria for Allowable Costs:

- **Necessary:** Costs must be essential to the project.
- **Reasonable:** Costs must be consistent with what a prudent person would pay under similar circumstances.
- **Allocable:** Costs must benefit the project in proportion to the amount charged.
- **Consistent:** The treatment of costs should be consistent throughout the project or funding period.

Allowable Costs by Program Funding Narrative Category:

Please note, all costs must align with the scope of work.

Personnel

Personnel costs include wages and salaries paid to employees for time spent directly working on the project, as well as fringe benefits. All personnel expenses must be reasonable, necessary, and allocable to the project in accordance with the agency's policies. Compensation should be based on documented payroll records and must reflect the actual time and effort employees devote to the project.

Acceptable fringe benefits must comply with 2 CFR 200.431; any variation from this regulation requires prior written authorization from the County.

Operating

Operating costs are the day-to-day expenses necessary for managing and supporting the scope of work. All costs must be reasonable, allocable, and consistently treated according to the agency's accounting practices by following their internal policies and procedures. Examples of costs include but are not limited to, office supplies, staff technology, staff training, software, Bitfocus HMIS licenses, marketing and promotional materials, printing, postage, rent, utilities, communications services, agency's leased vehicles, maintenance, and audit expenses.

The allocation methodology must be provided upon request.

Equipment

Equipment is not typically an allowable expense; prior written authorization must be provided. In alignment with but not limited to, 2 CFR 200.313 is defined as purchases over \$10,000. If equipment is approved, the use, management, and disposition must be followed in accordance 2 CFR 200.313. The equipment must be properly recorded, tracked through inventory systems, and maintained to ensure continued use throughout its useful life in accordance 2 CFR 200.313.

Contractual

Contractual costs are associated with hiring third-party vendors or independent contractors to perform specific, necessary services outlined in the contract's scope of work. These expenses may cover consulting fees, service agreements, technical assistance, or specialized work that cannot be effectively carried out by existing staff. To be considered allowable, the contractual services must be reasonable in cost, properly documented through contracts or agreements, and directly tied to the objectives of the contract.

All third-party vendors must have prior written authorization. The approved annual budget is one way to accomplish this approval.

Services and Goods

These costs are expenses that directly benefit the client such as supportive services and rental assistance. Example of these costs are listed below:

- **Housing Search:** Application fees, background check fees, administration fees, pet fees, and key fees.
- **Rental Assistance:** Deposits (up to two months' rent), utility deposits (monthly assistance and arrears), and rental assistance (must comply with Fair Market Rent / Rent Reasonableness). Late fees are typically not allowable without prior written authorization.
- **Utilities:** Electric/gas, water, sewer, trash, rental insurance, and internet. Internet should not exceed \$70 per month.
- **Moving Costs:** Truck rental and moving company expenses (if a formal contract is in place, these should be included in the contractual category).
- **Vital Documents:** Replacement or renewal of state-issued identification, birth certificates, social security cards, etc.
- **Employment:** Job training curriculum, tuition/stipends, testing fees, certification/license fees, drug testing costs, work supplies (uniforms, boots, tools, etc.), and phones with Wi-Fi. Phone with Wi-Fi should not exceed \$40 per month.
- **Education:** Tuition, enrollment fees, books, educational supplies, technology, testing fees (e.g., High School Equivalency), and tutoring costs. There must be a demonstrated effort to access available community-based and alternative resources before seeking County funding.
- **Legal Services:** Costs related to record sealing, landlord disputes, evictions, filing fees, alimony, and child support.
- **Medical Costs:** Eligible services may include substance use disorder treatment, outpatient counseling, mental health care, vision and dental services, and other medically necessary treatments. All costs must receive prior authorization on a case-by-case basis. There must be a demonstrated effort to access available community-based and alternative resources before seeking County funding. The County will serve as the payor of last resort.
- **Transportation:** Single and multi-day bus passes, rideshares, client vehicle registration, emission inspection fees, and client vehicle insurance.
- **Clothing:** Regular daily clothing, such as shoes, jackets, pants, shirts, undergarments, etc. Clothing costs should not exceed \$100 per client.
- **Childcare:** Must be provided by a licensed childcare facility. Childcare is allowable if it supports education and/or employment. There must be a demonstrated effort to access available community-based and alternative resources before seeking County funding.
- **Household Supplies:** Essential items for daily living and maintenance, including cleaning supplies (all-purpose cleaner, sponges, mop), paper towels, toilet paper, personal items (soap, toothpaste, shampoo), and toiletries (toilet bowl cleaner, tissues, trash bags). Household supplies has an annual cap of \$500.
- **Move-In Kits:** Dishes, silverware, bed linens, towels, basic tools, batteries, light bulbs, etc. Move-in kits should not exceed \$300 per household.

- **Furniture:** Bed frames, mattresses, tables, chairs, couches, futons, lamps, etc. Furniture should not exceed \$250 per household member.
- **Food:** Client meals and groceries, pre-paid store cards may be used. There must be a demonstrated effort to access available community-based and alternative resources before seeking County funding.
- **Housing Problem-Solving fund:** To support the housing problem-solving model and homelessness prevention, up to one percent of the total budget may be allocated for flexible funds. These expenses may vary, and prior authorization is required on a case-by-case basis.
- **Landlord Mitigation:** Agencies should reach out to the Clark County LEAPS Team for support with landlord mitigation costs. Any related expenses need to have prior approval.
- **Debt:** Client debt is typically an unallowable expense. On a case-by-case basis, prior authorization can be provided. An example of when debt may be approved is when debt related to a bench warrant is actively keeping the client from obtaining employment.
- **Burial and Cremation:** Disbursement of remains (e.g., cremation), burial fees, body bag and casket fees.

Travel

Travel costs are not typically an allowable cost. For special projects, statewide and out of state travel may be considered and prior approval is required.

Local mileage is allowable only when it is directly benefitting the client. All travel reimbursements must adhere to the U.S. General Services Administration (GSA) per diem rate.

Administrative

Ten percent of the total budget can be used for Administrative Costs. These should include all indirect costs associated with the project, including administrative/executive salaries. All indirect expenses must be allowable per the contract, items listed in Section 3 of this document, Overview of Unallowable Costs should not be billed to indirect. See Section 5, Cost Allocation Guidelines for further details.

The County does not accept federally negotiated indirect cost rates nor the de minimis of the modified total direct cost.

3. Overview of Unallowable Costs

Unallowable costs are those expenses that cannot be charged to the funding source under any circumstances. These expenses typically do not directly benefit the project or are deemed excessive or inappropriate by the funding body.

Prior approval is required for all costs not detailed in the County-approved budget. Prior approval can be obtained through written email correspondence with contract staff.

Examples of Unallowable Costs:

- **Entertainment and Leisure:** Costs related to entertainment, streaming services, social activities, costs associated with delivery applications, like Postmates, and leisure (e.g., parties, golf outings).
- **Alcohol, Tobacco and Marijuana:** Expenses for alcoholic, tobacco or marijuana products and paraphernalia including lighters.
- **Lobbying and Political Activities:** Costs associated with political lobbying and/or advocacy.
- **Fundraising Costs:** Costs or use of any advanced funds for activities aimed at raising additional funds.
- **Interest on Borrowed Capital:** Interest expenses related to loans or debts incurred to finance the project.
- **Real Estate Costs:** Costs for purchasing land or buildings (unless specified).
- **Unreasonable Travel Costs:** Travel costs that do not directly relate to the scope of work.
- **Transportation** – Client costs for vehicle leases, car loan payment and vehicle maintenance.

Human Services and Education Sales Tax-funded programs are not eligible to allocate funds toward staff development and training activities.

4. Cost Allocation Guidelines

The allocation of direct and indirect cost rates refers to the method by which an agency distributes its expenses across different programs, departments, or projects, ensuring that costs are fairly and accurately assigned. The goal is to reflect the actual resource consumption of each program or project, thereby providing an equitable basis for cost reimbursement or financial reporting.

Direct costs are those that can be clearly and specifically attributed to a particular project, program, or activity. These costs are easy to identify and directly benefit the project. Section 2 of this document, the Overview of Allowable Costs, including Personnel, Operating, Equipment, Contractual, Good and Services, and Travel all detail direct costs.

Indirect costs cannot be directly linked to any single project, program, or activity but are necessary for the overall functioning of the agency. They support multiple projects or operations and are not attributable to any one specific program or project. Section 2 of this document, the Overview of Allowable Costs, Administrative, details indirect costs, up to 10 percent of the total award.

2 CFR 200.412, 2 CFR 200.413 and 2 CFR 200.414.(a&b) establish regulation for direct and indirect costs. Any variation from these regulations needs prior authorization.

5. Advanced Funds

To help eliminate the financial burden associated with rental assistance, agencies who provide client rental assistance as part of their contract are permitted to request advances from the County.

All advances are subject to a minimum 1/12 percent of total advancement repayment each month. If an agency has a \$0 Request for Reimbursement (RFR), then 1/12 is due to the County in the following RFR. See sample payment schedule:

July – 1/12	January – 7/12
August – 2/12	February – 8/12
September 3/12	March – 9/12
October- 4/12	April – 10/12
November – 5/12	May – 11/12
December – 6/12	June 12/12

All advances must be paid by the end of the contract year. Access to advanced funding may be cancelled at any time due to the failure to pay previous advances.

Advances are made at the discretion of the Clark County Chief Financial Officer, Jessica Colvin.

The decision to approve such advancements depends on several factors, including the provider's history of timely fund repayment and the availability of County resources.

6. Compliance

Documentation

It is strongly recommended to use a financial management system, and to maintain clear records and receipts for all expenditures to ensure that only allowable costs are charged to the County funded project.

Request for Reimbursements (RFR) Requirements

The RFR must accurately reflect the services provided and include supporting documentation, with a clear breakdown of the cost allocation methodology to verify that expenses are reasonable. A Provider Training and written instructions will be provided and posted to guide proper RFR submission.

Administrative costs will not require back-up documentation during the RFR review.

Audit Requirements

The County requires an agency to complete a third-party financial audit each year for any projects over \$150,000. A single audit is accepted, but not required.

Annual Monitor Requirements

The County may conduct monitoring and oversight of an agency's financial, administrative, and programmatic activities. The purpose of these monitoring activities is to assess and ensure compliance with the regulations, terms, and conditions of the funding under review, examine programmatic progress, validate reported information, and provide technical assistance. Monitoring activities may include observation of program delivery, discussions about programmatic progress and financial management practices, and review of policies and procedures, expenditure documentation, performance measurement data collection and validation, and other relevant materials.

Administrative costs will be reviewed and back-up documentation will need to be provided.

Funding caps may be reviewed during annual monitoring to ensure continued compliance.

Budget Modifications

A Budget Modification Request can be used to move funds across the Purchase Orders line items. Any funds moved across line items need prior approval. If approved, the RFR will be adjusted by the County and distributed to the agency. All Budget Modification Requests need to be submitted no later than 90 days prior to the end of the annual contract year.

7. Best Practices for Building a Compliant Program Funding Narrative

County's Program Funding Narrative Template: It is the expectation that the County's Program Funding Narrative template will be utilized.

Justify Each Cost: Clearly explain how each cost supports the goals and activities of the project.

Include Indirect Costs: Consider allocating a small percentage (up to 10 percent) for unforeseen costs. Indirect costs must be allowable.

Monitor and Track Costs: Set up a robust system for tracking expenses throughout the project to ensure compliance and to facilitate reporting.

Alignment with program: Each month, review program reports to ensure service delivery aligns with all expended funds.

RFR period: Operate on a monthly billing cycle, 1st – 30th/31st, submitting RFRs to the County by the 15th of the following month.

Establish Points of Contact: As the County processes RFRs, be sure to include the appropriate individuals in communications to help ensure a quick turnaround. For example, there may be questions about program reports that the person submitting the invoice may not be able to answer.

8. Purchase Orders

A Purchase Order (PO) is the County's process to allocate funds to a specific program. Typically, a PO aligns with the fiscal year, July to June. If a program spans across two fiscal years, then two POs are required.

If a PO spans across two fiscal years, it will be pro-rated based on the number of months in each fiscal year. For example:

Program Year: October 2025 – September 2026

Total Budget: \$12 (100 percent)

Purchase Order #1: October 2025 – June 2026 (9 months)

Total Purchase Order: \$9 (75 percent)

Calculation: $\$12 / 12 \text{ months} = \1 per month ; $\$1 \times 9 \text{ months} = \9

Purchase Order #2: July 2026 – September 2026 (3 months)

Total Purchase Order: \$3 (25 percent)

9. Financial Reporting

Clark County expects agencies to follow Generally Accepted Accounting Principles (GAAP). GAAP works to standardize accounting practices to allow for consistent, transparent, and comparable financial reporting across agencies. Adhering to these principles ensures accountability.

Agencies are also expected to classify County funds by contract, which is essential to ensure that funds are utilized in an appropriate and allowable manner. Proper classification helps ensure that funds are used in accordance with their intended purpose and prevents misuse or mismanagement. Advanced funds must also be classified and reported.

10. Conclusion

By adhering to these funding guidelines, providers can ensure that resources are used effectively and in accordance with program expectations. A clear understanding of allowable costs, combined with a commitment to sound financial practices, supports transparency, accountability, and long-term success. For any specific questions or

additional details, providers should always refer to their County Agreement, which serves as the primary source of guidance.

11. Procedure to Review and Update Guidance

The Homeless Prevention Clark County Social Services Funding Guidance: Defining Allowable and Unallowable Costs will remain in effect through June 30, 2026.

To ensure the guidance remains relevant and effective, the Workgroup will convene quarterly to review and prepare for any potential revisions that may take effect in the upcoming fiscal year. Any proposed changes will be carefully evaluated to assess their impact on the clients served by Clark County Social Services as well as our funded providers, ensuring that adjustments support the best outcomes for all stakeholders.

Providers who wish to submit suggestions or requests for consideration are encouraged to do so in writing. Please send all submissions to SSRAD@ClarkCountyNV.gov and be sure to label the subject line as: “Considerations for FY26 CCSS Funding Guidance.”

We appreciate your ongoing partnership and input as we work together to continuously improve the support and services provided to our community.