



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Sustainable Housing and Communities
WASHINGTON, DC 20410-0050

Program Policy Guidance OSHC 2012-06
Date: April 5, 2012
Subject: Use of Capacity Building Grant Funds to Purchase Food and Beverages
Status: Current
Applicability: All OSHC Capacity Building Grant Program Grantees
Related Guidance: None
Comments:

Dear Capacity Building Grantee:

In consultation with the HUD Office of the General Counsel, OSHC has established its policy regarding the use of grant funds to purchase food and beverages. Beginning immediately, grantees may use grant or leveraged funds to purchase food and beverages if the following conditions are met:

- The food and beverages purchased with grant funds will be provided at a meeting where the primary purpose is to disseminate technical information to grantees of the Sustainable Communities Regional Planning Grant and Community Challenge Planning Grant program or to beneficiaries of those programs as approved by the grantee's Government Technical Representative (GTR).
- Prior to the meeting, the Grantee's GTR has approved the purchase of the food and beverages. A grantee can secure approval for a recurring series of meetings in a single request.

OSHC may approve the use of grant funds to purchase food and beverages so long as:

- The grantee has provided documentation, including a meeting agenda, showing that the first two conditions listed above will be met, and any other information requested by the GTR; and
- The cumulative amount of funds used to purchase food and beverages will not exceed 4 percent of the grantee's total project budget. GTR can review special circumstances that may have a grantee consider exceeding this maximum.

Grantee Responsibilities:

- In general, grantees should always be aware of the appearance of undertaking any activities that could be considered wasteful or an abuse of your status as a HUD grantee. While OSHC will not specify what types of food and beverages may be provided at public meetings, grantees should use discretion in making such purchases and should avoid expenses that could be considered lavish, excessive, wasteful, or unnecessary. Grantees may not purchase alcoholic beverages with grant or leveraged funds. Failure to comply with this condition will result in future requests to consider food expenditures being denied.
- Grantees should document the number of persons who attend the meetings where food and beverages are provided.