

## **Program Rental Agreement and Lease Informational Sheet**

### **Purpose**

Program rent is an allowable cost to the extent that the cost is necessary to provide direct services and has received prior approval from MOVA. This informational sheet outlines MOVA's process for reviewing program rental costs, rent proration, and the eligibility of rental expenses for reimbursement.

### **MOVA's Process**

During contracting, grantees requesting rent on the budget are required to provide proof of this cost in the form of a lease or rental agreement. In cases where a month-to-month agreement exists without a formal lease, acceptable proof of rent may include copies of checks, receipt from an electronic tenant payment portal, or other forms of verified payment. MOVA will evaluate whether:

- The lease is active (not expired)
- Rent is appropriately prorated (see below for more details) and
- The address matches the location(s) where MOVA-funded services and activities occur

If rent is requested after the contracting period and during the fiscal year, a lease, contract, or other proof of rent will be required. The same evaluation process will be followed.

If a lease expires during the course of the fiscal year, grantees must provide a new or updated lease to their Program Coordinator.

### **Proration**

Unless all services performed at a program location are fully MOVA funded, proration is needed. One commonly used formula is:  $\% \text{ of FTE} \times \text{Sq. Ft.} \times \text{Rate per Sq. Ft.}$ , where FTE stands for Full-Time Employees.

To view the MOVA FTE calculation, navigate to the Salary budget category, and note the total FTE calculated by eGrants at the top of the Salary page. Calculate the percentage of MOVA funded FTE relative to agency wide FTE as follows:  $\text{MOVA FTE} \div \text{Agency FTE occupying the program location} \times 100$ .

### **Allowable and Unallowable Program Costs**

Allowable program rental costs include but are not limited to:

- Program rent (pro-rated)
- Renter's insurance (pro-rated)
- Transitional housing costs including program costs to support transitional housing units
- Building modifications that would improve a program's ability to provide services to victims<sup>i</sup>

Unallowable program rental costs include but are not limited to:

- Mortgage payments
- Building improvements or repairs
- Property purchase for program use
- Program relocation expenses
- Land acquisition and capital improvements
- Construction

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<sup>i</sup> If the terms of the lease cover certain expenses, like replacing a broke furnace or air conditioning system, then the rental company would cover those expenses. If the terms of the lease allow for modifications that are necessary to support victim services within the scope of the project, then MOVA funds may be used to make repairs under those circumstances.