



Guidance on Making Budget Transfers within CoC Grants

Guidance and Implications for
Transferring Funds between CoC Program
Budget Categories

August 14, 2026

Office of Housing and Community Development

OVERVIEW

Under the HUD Continuum of Care (CoC) Program statute specific to grant and project changes for CoCs having more than one recipient (24 CFR 578.105(b)), a formal grant amendment signed by HUD and the recipient is required if a “significant change” is made to a project¹.

One such significant change occurs when there is a request to shift funding of more than 10% from one approved budget category to another.

Significant Change: Key Points about the 10% Transfer Rule

- ❑ The 10% Transfer Rule is relevant when more than 10% of the amount budgeted for a single approved eligible activity or “budget category” is shifted to another approved budget category during the grant term. The 10% threshold is calculated using the originating budget category meaning, the category from which funds are moved.
- ❑ "Cumulative" Rule: The 10% threshold is cumulative over the life of the grant year, meaning multiple small transfers that total more than 10% over the year also require a formal amendment.
- ❑ When Formal Amendments are needed (requests meet or exceed the 10% rule), the subrecipient (if applicable) must submit a written request to the recipient, (the City of New Bedford’s Office of Housing & Community Development–OHCD). Once approved at this level, the OHCD will then forward the transfer request to the HUD Field Office for its final approval.
- ❑ Examples of eligible activity budget categories are Leasing, Rental Assistance, Supportive Services, Operating Costs, HMIS, and Administration².

Informal Shift / Minor Change: When a Formal Amendment is Not Required

- ❑ Shifts from one approved eligible activity to another that are less than 10% of the originating BLI total do not require a formal grant amendment.
- ❑ These “Informal Shifts” must, however, be presented to the recipient (OHCD) and approved.
- ❑ Both the recipient and subrecipient must document any changes made and the recipient (OHCD) must inform the HUD Field Office.

Important Reminders

¹ Significant changes can also include: a change of recipient, a change of project site, additions or deletions in the types of eligible activities approved for a project, a reduction in the number of units, and a change in the subpopulation served.

² CoC project administrative costs are capped at up to 10% of the total grant, excluding planning or UFA costs.

- ❑ Budget Line Items (BLIs): The 10% rule specifically applies to shifting funds out of a budget category into another budget category (shifting funds *between* approved budget categories such as transferring funds from Operations to Supportive Services).
- ❑ VAWA Flexibility: Special rules allow shifting up to 10% of funds from other eligible activity categories into the VAWA (Violence Against Women Act) budget line item without a formal amendment.
- ❑ System Access: OHCD must ensure that all final budget changes are reflected in [eLOCCS](#).

Questions relative to this guidance can be directed to the OHCD at 508.979.1500 or via email to staff: Jennifer.Clarke@newbedford-ma.gov or Jose.Maia@newbedford-ma.gov.

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