



# **EMERGENCY SOLUTIONS GRANT SHELTER AWARD MANUAL**

# ESG SHELTER AWARD MANUAL

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## **Chapter 1**

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### **EMERGENCY SOLUTIONS GRANT OVERVIEW AND PROGRAM OBJECTIVES**

On May 20, 2009, the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 was passed into law, which amended and reauthorized the McKinney-Vento Homeless Assistance Act. The Emergency Solutions Grant (ESG) program is one of the primary McKinney-Vento Act programs affected by the HEARTH Act. HUD released interim regulations for ESG in December 2011 for fiscal year 2012 and the 2<sup>nd</sup> round of fiscal year 2011 ESG funding.

The primary changes include:

- A change of name to Emergency Solutions Grant (formerly Emergency Shelter Grant)
- Greater focus on program performance
- Expansion of the definition of homelessness and chronic homelessness
- Increased emphasis on prevention/rapid re-housing

The ESG Program is a formula grant allocated according to population and other demographic factors to eligible jurisdictions nationwide. IHCD is the designated recipient for ESG funds on behalf of the State of Indiana.

As a result of HEARTH Act changes, IHCD has created three separate ESG programs, the ESG Shelter Program, the ESG Rapid Re-housing/Homeless Prevention program, and the ESG Outreach Program.

The objectives of the ESG Shelter program are:

- to increase the number and quality of emergency shelter facilities for people experiencing homelessness;
- to support operations of these facilities and provide essential social services

ESG funds assist in providing shelter and services for people experiencing homelessness as well as supporting household's transition to permanent housing. Supplemental rapid re-housing funds (financial assistance and services) aid in this transition.

The ESG program is designed as the first step in the continuum of assistance to prevent homelessness and to support people experiencing homelessness moving steadily toward independent living.

The Continuum of Care model is based on the understanding that homelessness is not caused by simply a lack of shelter, but involves a variety of underlying needs. The fundamental components of a Continuum of Care system are:

- Outreach and assessment to identify homeless person's needs;
- Immediate shelter as a safe, decent alternative to the streets;
- Rapidly re-housing homeless persons into permanent housing or permanent supportive housing for the disabled homeless, following a "housing first" mentality.

## Chapter 2

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### PROGRAM REQUIREMENTS

This section describes the basic program requirements and responsibilities under the ESG program. Sub-recipients of ESG funding are responsible for demonstrating compliance with all of the program requirements and the ESG and HEARTH Regulations at 24 CFR Parts 91 and 576.

Program requirements include:

#### 1) Creating and maintaining a Program Operations Manual

Sub-recipients are required to create and maintain an operations manual that details program and contract expectations for staff and volunteers. The operations manual should include ESG program specific rules and expectations as outlined in this manual.

#### 2) Keeping Accurate Financial and Service Delivery Records

Maintaining accurate records is an important aspect of management of ESG projects. Measurement of project performance relies on the tracking of information about services and activities. Sufficient records must be established and maintained to enable the sub-recipient to show that ESG requirements are being met. Therefore, it is important that accurate information and documentation regarding program activities and services provided with ESG funds is gathered and maintained. IHCD requires consistent reporting on expenditure of funds, program activities and measurable outcomes. In order to report fully on program outcomes and activities, sub-recipients should consistently gather demographic information on the population being served by the ESG program and consistently report the types of activities being provided to participants.

Sub-recipients that utilize ESG funds under the Essential Service category for Case Management activities are required to enter all relevant client-level data including case notes into HMIS or DV Client Track (if it is a victim services provider) on a consistent basis.

ESG regulations require that records be maintained for a period of at least five years after the end of the grant term.

#### 2) Documentation of Homelessness

Maintaining documentation of each participants' homeless status is an extremely important aspect of ESG project management. ESG sub-recipients are required to obtain and maintain adequate documentation of the evidence used by the sub-recipient to establish and verify the homeless status of persons being served. Written, dated and signed documentation of homeless status must be maintained in each participant's file.

The order of preference for documentation to demonstrate homelessness status is as follows:

1. Third-party documentation (obtained from another service provider or Third-party who is aware of the households living situation.)
2. Intake worker observations
3. Self-declaration

When third-party or intake worker observation documentation is not obtainable sub-recipient must provide a record of due-diligence and the steps that were taken in attempting to obtain that level of verification. Maintain the record of due-diligence with the self-declaration form in the participant file.

Lack of third-party documentation must not prevent the household from being immediately admitted to an emergency shelter, receiving street outreach services or receiving services provided by a victim service provider.

If the Head of Household is unable to provide a written self-declaration the sub-recipient staff member is encouraged to write down the Head of Household's personal account and document it on the form.

The Participant Eligibility Worksheet (HUD Homeless Documentation form) was created for use as a guide for proper documentation of homelessness. It is not required that this specific form be used, however the form that the sub-recipient uses must document from where the participant was referred, what third-party verification was obtained, when possible, and must include a space for client and sub-recipient staff signatures. The Participant Eligibility Worksheet (HUD homeless documentation form) can be found on IHCDA's ESG Web site: <http://www.in.gov/myihcda/2450.htm>.

**HUD has clarified the definition of homeless and the ESG program recognizes the following characteristics as being eligible for participation in the ESG program:**

- A. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - 1. Has a primary nighttime residence that is a public or private place not meant for human habitation;
  - 2. Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government program); or
  - 3. Is exiting an institution where (s) he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
  
- B. An individual or family who will imminently lose their primary nighttime residence, provided that:
  - 1. Residence will be lost within 14 days of the date of application for homeless assistance;
  - 2. No subsequent residence has been identified; and
  - 3. The individual or family lacks the resources or support networks needed to obtain other permanent housing.
  
- C. Any individual or family who:
  - 1. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that related to violence against the individual or family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
  - 2. Has no other residence; and
  - 3. Lacks the resources or support networks e.g., family, friends, faith-based or other social networks, to obtain other permanent housing

### **3) Termination of Participation and Grievance Procedure**

It is important that sub-recipients effectively communicate termination and grievance procedures to participants and ensure that the procedures are fully understood. IHCDA recommends that each sub-recipient requires each participant to sign a form that states the participant has been explained the termination and grievance policy. Posting the policy on a bulletin board in a common area within the facility is an effective way to ensure that the termination and grievance procedures are available for participants to access at any time.

- A. If a participant violates ESG program requirements, the sub-recipient may terminate assistance in accordance with a formal process established by the sub-recipient that recognizes the rights of individuals affected. The sub-recipient must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.
- B. To terminate rental assistance or housing relocation and stabilization services to a program participant, the required formal process, at a minimum, must consist of:
  1. Written notice to the program participant containing a clear statement of the reasons for termination;
  2. A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
  3. Prompt written notice of the final decision to the program participant.
- C. Termination under this section does not bar the recipient or sub-recipient from providing further assistance at a later date to the same family or individual.

### **4) Participation of Homeless Persons**

- A. Sub recipient must provide for the participation of not less than one homeless individual or formerly homeless individual on the board of directors or other equivalent policy-making entity of the sub-recipient, to the extent that the entity considers and makes policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG).
- B. If the sub-recipient is unable to meet requirement under paragraph (a), it must instead develop and implement a plan to consult with homeless or formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under Emergency Solutions Grant (ESG). The plan must be included in the annual action plan required under 24 CFR 91.220.
- C. To the maximum extent practicable, the Sub-recipient must involve homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under ESG, in providing services assisted under ESG, and in providing services for occupants of facilities assisted under ESG. This involvement may include employment or volunteer services.

### **5) Ensuring Confidentiality**

- A. The sub-recipient must develop and implement written procedures to ensure:
  1. All records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any

- individual or family who applies for and/or receives ESG assistance will be kept secure and confidential;
2. The address or location of any domestic violence, dating violence, sexual assault, or stalking shelter project assisted under the ESG will not be made public, except with written authorization of the person responsible for the operation of the shelter; and
  3. The address or location of any housing of a program participant will not be made public, except as provided under a preexisting privacy policy of the recipient or sub-recipient and consistent with state and local laws regarding privacy and obligations of confidentiality.
- B. The confidentiality procedures of the recipient and its sub-recipient must be in writing and must be maintained in accordance with this section.
- C. In addition, sub-recipient should keep written records or files pertaining to families secured and only allow authorized personnel access to these files.

## 6) Building & Habitability Standards

The following habitability standards are required for shelters that receive ESG-funded operating assistance:

- **Inspections.** Current fire and health inspections must be in place during the contract period.
- **Structure and Materials.** The shelter building should be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents.
- **Access.** The shelter must be accessible, and there should be a second means of exiting the facility in the case of emergency or fire.
- **Space and Security.** Each resident should have adequate space and security for themselves and their belongings. Each resident must have an acceptable place to sleep.
- **Interior Air Quality.** Each room or space within the shelter/facility must have a natural or mechanical means of ventilation. The interior air should be free of pollutants at a level that might threaten or harm the health of residents.
- **Water Supply.** The shelter's water supply should be free of contamination.
- **Sanitary Facilities.** Each resident should have access to sanitary facilities that are in proper operating condition. These facilities should be able to be used in privacy, and be adequate for personal cleanliness and the disposal of human waste.
- **Thermal Environment.** The shelter/facility must have any necessary heating/cooling facilities in proper operating condition.
- **Illumination and Electricity.** The shelter/facility should have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There should be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
- **Food Preparation.** Food preparation areas, if any, should contain suitable space and equipment to store, prepare and serve food in a safe and sanitary manner.
- **Sanitary Conditions.** The shelter should be maintained in a sanitary condition.
- **Fire Safety-Sleeping Areas.** There should be at least one working smoke detector in each occupied unit of the shelter facility. In addition, smoke detectors should be located near sleeping areas where possible. The fire alarm system should be designed for a hearing-impaired resident.
- **Fire Safety-Common Areas.** All public areas of the shelter must have at least one working smoke detector.

## 7) Sanctions for Noncompliance

If it is determined that a sub-recipient is not complying with the requirements of the ESG regulations or other applicable Federal laws, IHCDA may apply one or more of a variety of sanctions against the sub-recipient. These include but are not limited to requiring that previously committed ESG funds are returned or the determination to not provide future grant funding to the sub-recipient.

## 8) Regional Planning Council Participation

### A. HUD recognizes 2 Continuums of Care (CoC) in State of Indiana:

1. Balance Of State
2. Indianapolis

### B. Balance of State CoC

1. Governed by **CoC Board** (bi-monthly at IHCDA)
2. Semi-Annual General Membership Meetings (at IHCDA)

### C. Regional Planning Councils (RPC) (16 total).

RPC structures reflects local planning priorities and is a regionally-based homeless assistance programs planning group

### D. Goals: Coordinate efforts of identifying needs of local homeless populations (rental assistance, education and services, permanent supportive housing, affordable housing; gaps in services, and identify the resources needed to fill gaps and strategies to obtain them.)

All sub-recipients must attend a minimum of 75% of local regional planning council meetings annually (formerly known as local continuum of care meetings) to remain eligible to receive ESG funds.

Regional Planning Council information can be found on ESG Website: <http://www.in.gov/myihcda/2450.htm>.

## New IHCDA Re-Allocation Policy

There is no guarantee of the availability of re-allocated Emergency Solutions Grant (ESG) funds. However, HUD allows for unspent ESG funds to be reallocated as needed wherever necessary.

- The re-allocated funds will be given to the top spender(s) from the first half of the grant cycle (July 1 – December 31).
- All organizations wishing to receive funds must also be able to match the additional ESG funds at 100%.

Eligibility to receive additional funds from unspent money at the end of the award year will be determined as follows:

- Organizations who run out of funds early (not enough funds to file 12 claims per year) will be offered the funds first based on the percentage of award available (20% for Shelter and Outreach, 25% for RRH/HP).
- The process will continue to the next organization spending prior to the end of the award until all funds are re-allocated.
- Additional funds will be awarded based on the ability to match 100% of funds and spend within 1 to 3 months of receipt of funds. \*Time frames could change.



## Chapter 3

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### ELIGIBLE ACTIVITIES

There are three eligible activities under the ESG Shelter program:

1. **Homeless Assistance: Essential Services**
2. **Homeless Assistance: Operational Costs**
3. **Housing Relocation and Stabilization Services** (for those that qualify for the limited version of Rental Assistance)

1) Homeless Assistance: Essential Services

ESG funds may be used to provide essential services to individuals and families who are in an emergency shelter as follows:

- A. **Case Management-** the cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant, including component services and activities consisting of using the I-HOPE tool, Arizona Self Sufficiency Matrix, working with local Rapid Re-housing program, conducting the initial evaluation, verifying and documenting eligibility, counseling, developing, securing, and coordinating services and obtaining Federal, State and local benefits; Monitoring and evaluating program participant progress; Providing information and referrals to other providers; Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking.
- B. **Child Care-** The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. The children must be under the age of 13, unless they are disabled. Disabled children must be under the age of 18. The child care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.
- C. **Education Services-** When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED). Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.
- D. **Employment Assistance and Job Training.** The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates. Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.

- E. **Outpatient Health Services.** Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate health services are unavailable within the community. Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services; providing medication and follow-up services; and providing preventive and non-cosmetic dental care.
- F. **Legal Services.** (A) Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community. (C) Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and the resolution of outstanding criminal warrants. (D) Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling. (E) Fees based on the actual service performed (*i.e.*, fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the sub-recipient is a legal services provider and performs the services itself, the eligible costs are the sub-recipient's employees' salaries and other costs necessary to perform the services. (F) Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.
- G. **Life Skills Training.** The costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.
- H. **Mental Health Services.** (A) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions. (B) ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community. (C) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. (D) Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.
- I. **Substance Abuse Treatment Services.** (A) Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive

behaviors and are provided by licensed or certified professionals. (B) ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community. (C) Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

J. **Transportation.** Eligible costs consist of the transportation costs of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities. These costs include the following: (A) The cost of a program participant's travel on public transportation; (B) If service workers use their own vehicles, mileage allowance for service workers to visit program participants; (C) The cost of purchasing or leasing a vehicle for the recipient or sub-recipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and (D) The travel costs of recipient or sub-recipient staff to accompany or assist program participants to use public transportation.

K. **Services for Special Populations.** ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1)(i) through (a)(1)(x) of this section. The term *victim services* means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

**L. Ineligible Essential Services Activities:**

- Salary of case management supervisor when not working directly on participant issues/clients
- Staff bonuses that do not reflect actual hours worked
- Advocacy, planning, and organizational capacity building
- Staff recruitment or training, including conferences
- Transportation costs not directly associated with service delivery

**2) Homeless Assistance: Operational Costs**

Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel (natural gas for the building itself; not vehicle fuel), equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. In the event that an appropriate emergency shelter is not available eligible costs may also include a hotel or motel voucher for eligible households.

**Limitations on Funding Operational Costs**

Staff salaries (including fringe benefits) paid under the operating costs category is limited to 10 percent of the grant. For example, a sub-recipient receiving a \$25,000 ESG grant would be able to pay only \$2,500 (or 10 percent of that amount) for operational staff costs. Maintenance and security salary costs are not subject to the 10 percent cap.

***Ineligible Operational Costs:***

- Recruitment or on-going training of staff
- Depreciation

- Costs associated with the organization rather than the shelter program (advertisements, pamphlets about organization, survey, etc.)
- Staff training, entertainment, conferences, or retreats
- Public relations or fund raising
- Bad debts/late fees
- Mortgage payments
- Moving costs for the agency/shelter

3) **Rental Assistance (One-time Assistance):** Funds awarded through the ESG-Shelter Application may be used to provide housing relocation and stabilization services, short-term financial assistance, and to pay for rental arrears as necessary to assist in rapidly re-housing homeless individuals or families into permanent housing. This activity is *only* available to shelters in regions that do not have an ESG funded Rapid Re-housing program. Rapid re-housing assistance, may be provided to program participants who meet the criteria of the “homeless” definition listed in Section B, 1 (category 1 & 4 only). The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in 24 CFR 576.105, and area-wide systems coordination requirements and procedures established under 24 CFR 576.400.

**A. HOUSING RELOCATION & STABILIZATION – FINANCIAL ASSISTANCE:**

1. **Rental Application Fees-** ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.
2. **Security Deposits-** ESG funds may pay for a security deposit that is equal to no more than 2 months’ rent.
3. **Last Month’s Rent-** If necessary to obtain housing for a program participant, the last month’s rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month’s rent. This assistance must not exceed one month’s rent and must be included in calculating the program participant's total rental assistance.
4. **Utility Deposits-** ESG funds may pay for a standard utility deposit required by the utility company for all customers for the following utilities: gas, electric, water, and sewage.
5. **Utility Payments-** ESG funds may pay for up to 2 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage.
6. **Moving Costs-** ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.

**B. RENTAL ASSISTANCE:**

1. **Rental Arrears-** Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.
2. **First Month’s rent-** Payment of first month’s rent only. Assistance cannot exceed one month of rental payment.

**C. HOUSING RELOCATION & STABILIZATION - SERVICES:**

1. **Housing Search and Placement.** Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:
  - i. Assessment of housing barriers, needs, and preferences;
  - ii. Development of an action plan for locating housing;
  - iii. Housing search; Outreach to and negotiation with owners;
  - iv. Assistance with submitting rental applications and understanding leases;
  - v. Assistance with obtaining utilities and making moving arrangements; and
  - vi. Tenant counseling.
  
2. **Housing Stability Case Management.** ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 12 months during the period the program participant is living in permanent housing. Component services and activities consist of:
  - i. Using the centralized or coordinated assessment system as required under 24 CFR 576.400(d), to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance;
  - ii. Counseling;
  - iii. Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
  - iv. Monitoring and evaluating program participant progress;
  - v. Providing information and referrals to other providers;
  - vi. Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
  - vii. Conducting re-evaluations required under 24 CFR 576.401(b).
  
3. **Mediation.** ESG funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program participant from losing permanent housing in which the program participant currently resides.
  
4. **Credit repair.** ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment for modification of a debt.

## Chapter 4

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### REPORTS & HMIS

#### **Reports**

ESG sub-recipients are required to submit a semi-annual and annual Match/Spending report to the ESG Program Analyst. Please *e-mail* these reports to the ESG Program Analyst.

Any forms and requirements will be e-mailed to your organization by the ESG Program Analyst prior to the due date. These dates are subject to change *with* notification from the ESG Program Analyst.

- **Semi-Annual Match/Spending Report is due January 31<sup>st</sup>**
- **Annual Spending/Match Report is due July 31<sup>st</sup>**
- **ESG CAPER is due to be run in HMIS/DV Client Track or comparable database & uploaded to SAGE by July 31<sup>st</sup>. ESG Analyst will email a link from SAGE 2 weeks prior to due date. Use that link to upload report to Sage**
- **Last Claim for the fiscal year is due July 31<sup>st</sup>**

All reports are due by the close of business (5pm EST) on the date noted. ***Agencies will lose points during the next application period for filing late reports.***

#### **Homeless Management Information System**

The Homeless Management Information System (“HMIS”) is a secure, confidential electronic data collection system used to determine the nature and extent of homelessness. **The Sub-recipient is required to enter data into HMIS on a regular and consistent basis, which is defined as data entry within five (5) days from the time of intake.\***

IHCDA will regularly monitor HMIS usage to verify consistent data entry for applicable shelters. Data must be entered for the ESG funded shelter program and all other residential programs serving homeless individuals and families. The HMIS data elements to be collected are determined by HUD. The HMIS system is used to report to HUD on an annual basis and to aid in local and statewide policy and planning. For HMIS assistance please contact the HMIS Help Desk at: [hmishelpdesk@ihcda.in.gov](mailto:hmishelpdesk@ihcda.in.gov).

Sub-recipients that utilize Essential Service funds for Case Management activities are required to enter all relevant client level data including case notes into HMIS or DV ClientTrack (if the sub-recipient is a victim services provider) on a consistent basis.

Victim services providers are not allowed to enter data into the HMIS but must enter data into a comparable database as described below.

Victim service providers must enter client-level data on ESG beneficiaries/clients into a comparable database, which collects all of the HMIS universal data elements listed in this paragraph and generates unduplicated aggregate reports. Victim service providers are encouraged to use DV ClientTrack database. The data required for entry into DV ClientTrack database or the victim service provider’s comparable database must include the following data elements: Name, Social Security Number, Date of Birth, Ethnicity, Race, Gender, Veteran Status, Disabling Condition, Residence Prior to Program Entry, Zip Code, Length of Stay at Previous Residence and Homeless Cause. To sign up for DV ClientTrack, please contact the Helpdesk at: [dvhelpdesk@ihcda.in.gov](mailto:dvhelpdesk@ihcda.in.gov) . Victim service providers within the Balance of State Continuum of Care can choose to opt into DV ClientTrack. Access to the data entered into the system will be

restricted to the organization that entered it and therefore the system will be compliant with the Violence Against Women's Act (VAWA). The system will collect client-level data over time including, but not limited to all of HMIS's universal data elements, and generate unduplicated aggregate reports based on the data. Information entered into this comparable database will not be entered directly into or provided to an HMIS.

**Client-level data including personally identifying information should never be stored in unsecured platforms including but not limited to Google Docs.**

**\*Failure to enter data on a regular and consistent basis may result in the termination of the ESG agreement. \***

### **Statewide Point-in-Time Homeless Count**

The sub-recipient is required to participate in the annual Statewide Point-in-Time count in collaboration with its regional Continuum of Care by submitting appropriate data upon request by deadlines established by the ESG Program Analyst or the HMIS/Client Track Manager.

All sub-recipients will be required to meet the following minimum standards for HMIS/ESG data collection and reporting.

- Sub-recipients must enter into a HMIS/ESG Agency Participation Agreement and attend User training if they have not already attended.
- All sub-recipient staff that participates in ESG eligible activities must have regular and convenient access to a computer with a high-speed Internet connection.
- All sub-recipient staff that participates in ESG eligible activities must have a unique assigned username and password that they can access regularly during work hours. Each such user must sign a Code of Ethics statement prior to receipt of their log in and password.



# HUD Exchange HMIS Data Standards

HUD ESG

## U.S. Department of Housing and Urban Development (HUD): Emergency Solutions Grant (ESG)

### Data Collection Requirements & HMIS Project Type

Components:		ESG: Emergency Shelter	ESG: Emergency Shelter CoC: Safe Haven (Legacy)	ESG: Homelessness Prevention	ESG: Rapid Rehousing	ESG: Street Outreach
#	Name	Emergency Shelter (HMIS Project Type 1) - entry/exit tracking method	Emergency Shelter (HMIS Project Type 1) - night-by-night tracking method	Homelessness Prevention (HMIS Project Type 12)	PH - Rapid Rehousing (HMIS Project Type)	Street Outreach (HMIS Project Type 4)
3.01-3.917	Universal Data Elements (All)	X	X	X	X	X
4.02	Income and Sources	X	X	X	X	X
4.03	Non-Cash Benefits	X	X	X	X	X
4.04	Health Insurance	X	X	X	X	X
4.05	Physical Disability	X	X	X	X	X
4.06	Developmental Disability	X	X	X	X	X
4.07	Chronic Health Condition	X	X	X	X	X
4.08	HIV/AIDS	X	X	X	X	X
4.09	Mental Health Problem	X	X	X	X	X
4.10	Substance Abuse	X	X	X	X	X
4.11	Domestic Violence	X	X	X	X	X
4.12	Current Living Situation		X			X
4.13	Date of Engagement		X			X
4.14	Bed-Night Date		X			
4.19	Coordinated Entry Assessment	Depends on CoC's CE System	Depends on CoC's CE System	Depends on CoC's CE System	Depends on CoC's CE System	Depends on CoC's CE System
4.20	Coordinated Entry Event	Depends on CoC's CE System	Depends on CoC's CE System	Depends on CoC's CE System	Depends on CoC's CE System	Depends on CoC's CE System
W5	Housing Assessment at Exit			X		



## **Chapter 5**

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### **AWARD MONITORING**

The ESG Program Analyst will monitor a minimum of 25% of the total ESG Sub-recipients every year. New sub-recipients will be monitored within the first year of their grant agreement with Indiana Housing and Community Development Authority.

Sub-recipients are expected to make available all participant level, financial and program records for periodic review on a schedule to be established by IHCDA. In addition, sub-recipients will maintain participant files in compliance with the standard set by IHCDA. Significant deficiencies in file content or quality will result in required Plans of Corrective Action, with possible loss of allocated funds upon discovery of continuing deficiencies.

Program compliance and HMIS usage and data integrity will also be subject to regular and random monitoring by IHCDA staff. Monitoring of sub-recipients may be conducted by the IHCDA, local HUD Office of Community Planning and Development, HUD's Office of Special Needs Assistance Programs, HUD's Office of Inspector General, HUD's Office of Fair Housing and Equal Opportunity, or another federal agency to determine whether the sub-recipient complied with the requirements of this program.

All shelters who will be subject to on-site monitoring will receive at least two weeks notification prior to the visit confirming the date and time of the monitoring and a monitoring checklist. The checklist contains a list of areas that will be reviewed and documents that will need to be made available at the time of monitoring.

Upon completion of the review, IHCDA will send a letter detailing all concerns and findings discovered during the monitoring visit. The letter will be sent within 30 days of the monitoring visit unless an investigation of findings requires more time. If there are findings or concerns discovered, the letter will request the agency to submit a specific resolution or correction within a certain period of time.

Additionally, IHCDA staff may be available throughout the program year to conduct interim monitoring to help new sub-recipients or agencies with new staff ensure their continued compliance with the ESG program. Please contact the ESG Analyst to schedule an interim monitoring.

## Chapter 6

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### FINANCIAL MANAGEMENT

Before a sub-recipient may first request reimbursement for ESG funds expended on specific activities/budget line items, the following items must be received by IHCDA:

- Signed/executed award agreement;
- Completed budget page;
- Authorized signature form; and
- Requested documentation in response to conditional funding (if applicable)

#### **Match**

Each sub-recipient must match dollar-for-dollar the ESG funding provided by HUD with funds from other public or private sources. A sub-recipient may comply with this requirement through matching funds or voluntary efforts provided by any recipient or project sponsor.

Matching funds must be provided after the date of the grant award to the sub-recipient. Funds used to match a previous ESG grant may not be used to match a subsequent grant award. No federal funds can be used for match, with the exception of Community Development Block Grant (CDBG) and Community Service Block Grant (CSBG) funds.

All ESG Sub-recipients are required to contribute 100% match to their ESG program. For example, if the ESG award is \$10,000, the sub-recipient must demonstrate \$10,000 as match.

Below are some examples of match that could be used as ESG match. Please note that in order for the match to be counted, it the source must be eligible and its use must be an eligible ESG activity. Match can be provided by the sub-recipient itself OR any other community agency, but must directly benefit the ESG participants and be provided during the award term in order to be counted. This list is not exhaustive.

In-Kind	Cash
211 Helpline: Time conducting I-HOPE assessments or other eligible expenses.	CDBG, CSBG
AIDS/HIV-related services provided to ESG participants	City or County funds
Alcohol and substance abuse services	Community Action Agencies
Bookkeeping/Administrative services for ESG program (but not billed to ESG)	Donations received as a result of the Neighborhood Assistance Program
Budgeting, credit repair service provided to participants in the community (but not billed to ESG)	ICJI grants, as eligible
Case management (not billed to ESG)	Local Foundations
Child care	Private donations
Clothing, Household, Hygiene items donated	Program income
Community Center - educational meetings related to housing, transportation vouchers, other eligible financial assistance	United Way
Donation Inventory Management	Township Trustees(s) assistance provided to ESG participants
Education, GED, classes (parenting)	
Employment assistance & Job Training	
Emergency Shelter/ Transitional Housing - services provided in program, not billed to ESG	
Faith Based Community; Ecumenical/Ministerial associations	
Food donated to participants by local churches (food stamps <i>cannot</i> be counted)	
Furniture donated	
Health care provided by	
Housing Food kit, Move-in kit preparation	
Housing placement	
Hygiene Kit preparation	
Legal Services	
Life skills Training not billed to ESG	
Mental health services (CMHC's)	
Minority Health Coalitions	
Motel Stays	
Move in Kits donated	
Office space donated	
Street Outreach: Engagement, case management, emergency mental health services, transportation, services to special populations	
Outpatient Health services - Community Health Centers, other medical centers	
Rent, not paid with ESG	
Renovation of shelter facility, benefiting ESG participants	
School Corporations- eligible services provided to ESG participants	
Transportation	
Utilities, not paid with ESG	
Utility Companies- any amount that is waived from arrears or deposits off of amount due	

Volunteer - professional - local, customary rate	

**Required Match Reporting and Documentation**

Cash/Grant (United Way, private monetary donations, local foundations, etc.)

- Must have a signed MOU/ Award Letter from the organization providing the cash donation documenting the following:
- Specific date the cash will be made available (noted on MOU if grant is a monthly claims process/ Time period during which funding will be available)
- The actual grant and fiscal year to which the cash match will be contributed

In-Kind Services

- Must have a signed MOU from the organization providing the in-kind services documenting the following:
- Who will provide the services, value per hour of the services provided and how that rate was determined.
- Commitment of the agency providing the services to supply the sub-recipient with the documentation to support the value of the services/ match provided. It is the responsibility of the sub-recipient to obtain the documentation and provide to IHCD with the match report.

**Semi-Annual Match/Spending Reports are due by January 31st and should include all supporting documentation from 1<sup>st</sup> and 2<sup>nd</sup> quarter of the award year (July-December).**

**Annual match/Spending Reports are due by July 31<sup>st</sup> and should include everything from the 3<sup>rd</sup> and 4<sup>th</sup> quarters (Jan.-July).**

ESG Match Reporting and Documentation Form must be used to report match to IHCD. This should include the following documentation:

- Internal tracking to show match was received and used for eligible activities.
- Copy of general ledger with match funds received clearly noted as ESG match and ties out to the amount on the match report. The general ledger should also show the match funds were spent on ESG eligible activities.
- Copy of bank statement showing cash donations (other grants, private donations, etc) showing funds deposited into account. If the funds are received through a claims process, a copy of each month’s statement showing that monthly deposit should be provided.
- Documentation of case management used as match but not claimed for reimbursement must should include tracking of time spent with ESG participants (case management provided by agency is considered cash match, not in-kind, case management provided by a third party would be in-kind).
- Documentation for any salary paid to staff to carry out the ESG program (that is not reimbursed by the ESG grant). Must include timesheets showing staff salary and time spent on ESG funded program.

## **Budget Modifications**

At some point during the program year, the sub-recipient may need to reallocate funds budgeted among their approved activities.

Budget modification requests are reviewed by the ESG Program Analyst to determine whether the sub-recipient has administered the grant in a timely and responsible manner, or whether the proposed modification presents new problems in meeting federal or state regulatory or policy requirements, or if the request in any way changes the factors involved in the initial evaluation of the proposal for funds.

### **There are two types of budget modifications permitted with the Emergency Solutions Grant.**

- 1) **Line-item modification**: Sub-recipients can modify the amounts *among* line items within Essential Services and Operations as they deem necessary. A Budget Modification request to IHCD is required for line-item modifications.
- 2) **Budget modification/Budget Amendment**: Sub-recipients are limited to *one* budget modification each program year. This modification includes all changes made to the totals of Essential Services and Operations. Rapid Rehousing funds awarded via the shelter agreement may not be moved to Essential Service activities or shelter Operations and vice versa. The request to IHCD must be in letter format and submitted with an original signature of the Sub-recipient's Chief Executive Officer or Executive Director. This letter may be emailed to the ESG Program Analyst. The letter must explain the circumstances and rationale for the requested budget change. The request must also contain a Budget Modification form completed online. Once submitted, the ESG Program Analyst will review the request and notify the sub-recipient of approval or denial in letter format via email. If approved, the letter will be accompanied with an amended award agreement, which must then be printed, signed and returned to IHCD by mail. Once this is received, IHCD will sign the form as well and send the executed copy back by e-mail.

To submit a budget modification, request an updated form found from the ESG Analyst and:

1. Submit your Budget Modification form to ESG Analyst via email or upload the signed modification form on IHCD Online under Award Claims Management.
2. Select Award Info from the left column.
3. Choose award from the dropdown menu.
4. Select supporting documentation tab
5. Choose the browse button to select the document from your computer.
6. Choose the Document Type Amendment/Budget Modification from the drop-down menu.
7. Choose ***Submit Document***- the document will now appear in the list shown above where it can be viewed by users with access to this screen.
8. A notification will be automatically sent to the appropriate staff member notifying that the document has been uploaded for review.
9. You will receive an email notification from Program Staff once the modification has been completed.

## **Claims**

Claims for reimbursement will be submitted through IHCD Online via <https://online.ihcda.in.gov>. Supporting documentation must be submitted electronically through IHCD Online. The fiscal year is July 1 - June 30. Sub-recipients may submit claims monthly, for up to 12 months.

If you have questions regarding a specific claim, contact the online claims system at [claims@ihcda.in.gov](mailto:claims@ihcda.in.gov). The subject line of your email should contain your agency name, the award number, and the claim number, as well as any appropriate additional information (i.e. Shelter, ES-029-085, Claim 1, documentation clarifications).

Detailed instructions on claim access, submission, and claims policy information can be found via <https://online.ihcda.in.gov>.

### **Claim Process**

All claims are paid on a reimbursement basis. Sub-recipients incur eligible costs and then request reimbursement by IHCD. There will be up to 12 claims per fiscal year. Each claim represents one month of bills that were *paid* during that month. Example: Claim #1 (July) will contain all eligible ESG expenses for July. All of the expenses listed must have either been incurred at some time in July or paid in July. Sub-recipients cannot claim more or less than one month's expenses in one claim. After one month is claimed, the Sub-recipient cannot reclaim expenses for that same month later in the fiscal year. Similarly, if a Sub-recipient skips one month, and claims the month following the skipped month, the skipped month cannot be claimed at a later time. It is allowable to claim your award in less than 12 months (12 claims). Reimbursements for eligible ESG expenses as provided and approved on ESG claim voucher will be directly deposited into the sub-recipient bank account within 10 business days from IHCD approval.

**Sub-recipients must submit request for reimbursement for no less than seventy-five percent (75%) of total award no later than March 1 of the year following the start of the grant.**

*The sub-recipient must submit a claim for eligible expenses within thirty (30) days after the calendar month in which the expenses are paid by the Sub-recipient.*

**The last claim must be submitted no later than July 31<sup>st</sup> after the close of the grant.**

### **Claim components:**

**Financial Narrative-** The Financial Narrative is an excel form that is separate from the online claim system. The narrative details the expenses being claimed. The Sub-recipient must list the vendor's name and the amount of the expense that is being claimed to ESG under the appropriate eligible category.

**Supporting Documentation-** This documentation includes copies of the actual receipt or bills that are being claimed for reimbursement or a copy of the check sent to the vendor. If a bill/invoice is submitted, the check number and date paid must be written/stamped on it. The organization will be contacted if there is any issue with the claim. Upload copy of email from ESG Analyst approving late submission if applicable.

**Claiming Salaries** - Salaries can be budgeted in Essential Services and/or Operations. All salaries in Essential Services can be for staff time spent providing *direct services* to homeless clients, such as case management. All salaries claimed in Operations, can be for staff time spent operating the

building and/or shelter program. Salaries can be claimed only to the amount budgeted for in the Award Agreement. On the claim financial narrative, list the employee’s name in the corresponding activity column, and the amount claimed to ESG in the amount column.

Please include the type of eligible activity that the staff was doing for ESG. IHCDA also requires pay stubs to be submitted with each claim that includes payment for staff. The pay stubs may have personal information redacted but should have the date paid, hours worked, and pay rate easily identifiable.

**Closeout of ESG Funds:**

All ESG Sub-recipients will be required to complete and submit a grant Semi-Annual & Annual spending/match Report due January 31<sup>st</sup> and July 31<sup>st</sup>. This form will be distributed to sub-recipients by the ESG Analyst and a reminder will be sent out close to the end of the grant cycle. All outstanding claims must be submitted by July 31<sup>st</sup>. All unclaimed funds remaining after this date will be closed out and no longer available to the sub-recipient. Any sub-recipient who does not claim all funds by the end of the program year will negatively affect the award amount the following program year.

**OMB Audit and Financial Statements:**

Each year IHCDA collects Year-End Financial Statements and OMB audits from its sub-recipients. To provide better customer service we have changed the submission process.

Organizations that are required to submit an OMB Audit formerly A133 must send their financials to IHCDA at [A133@ihcda.in.gov](mailto:A133@ihcda.in.gov).

Organizations that are not required to submit an OMB audit must submit their financials to [A133@ihcda.in.gov](mailto:A133@ihcda.in.gov).

**OMB Audit Required:**

Sub-recipients that expend \$750,000 or more in federal funds (as a collective whole from all of their federal awards) in a fiscal year must be audited in accordance with the requirements of 2 CFR 200.501, and provide a copy of such audit to IHCDA and to the Federal Audit Clearinghouse. If this applies to your organization, please submit an electronic copy of your financial statements and OMB Audit to IHCDA at [A133@ihcda.in.gov](mailto:A133@ihcda.in.gov). Hard copies will not be accepted. Questions regarding your OMB audit should be directed to [A133@ihcda.in.gov](mailto:A133@ihcda.in.gov).

Also, please ensure that your OMB audit is performed by an approved auditor. You will find a list of approved auditors on IHCDA’s website.

**OMB Audit Not Required:**

Sub-recipients that do not spend over \$750,000 in federal funds (as a collective whole from all of their grants) will only need to submit their year-end financial statement or Form 990. If this applies to your agency, please send an electronic copy of year-end financial statement or Form 990 to [A133@ihcda.in.gov](mailto:A133@ihcda.in.gov). Hard copies will not be accepted.

**Financials are due to IHCDA according to the following schedule:**

<b>Year End Date:</b>	<b>Due Date:</b>
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June 30 <sup>th</sup>	March 31 or 30 days after receipt of the auditor's report (whichever is earlier)
Dec 31 <sup>st</sup>	Sept 30 or 30 days after receipt of the auditor's report (whichever is earlier)

**Internal Controls.**

The sub-recipient must:

1. Establish and maintain effective internal control over federal funds that provides reasonable assurance that the sub-recipient is managing federal funds in compliance with Federal statutes, regulations, and the terms and conditions of the federal funding. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
2. Comply with Federal statutes, regulations, and the terms and conditions of federal funds.
3. Evaluate and monitor the sub-recipient’s compliance with statutes, regulations and the terms and conditions of the federal funds.
4. Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
5. Take reasonable measures to safeguard protected personally identifiable information and other information that IHCDA or HUD designates as sensitive or the sub-recipient considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

**Mandatory Disclosure.**

The sub-recipient must disclose, in a timely manner, in writing to IHCDA all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the ESG funds. The sub-recipient’s failure to make these disclosures may subject to the sub-recipient to remedies of non-compliance set forth in 2 CFR 200.338.

If the total value of the sub-recipient’s currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then the sub-recipient must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.



## Chapter 7

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### CIVIL RIGHTS /ACCESSIBILITY

As a recipient of federal funds, you are required to maintain compliance with civil rights and fair housing laws. The information in this chapter is provided to educate you on your requirements and as a resource tool to assist you in facilitating access to housing for your clients. If you have specific questions about any of the laws, please contact IHEDA for clarification.

The Fair Housing Act states that it is illegal to discriminate against any person because of race, color, religion, sex, handicap, familial status, or national origin in:

- the sale or rental of housing or residential lots;
- advertising the sale or rental of housing;
- the financing of housing;
- the provision of real estate brokerage services; and
- the appraisal of housing.

The Fair Housing Amendments Act of 1988 Final Committee Report to the House of Representatives (100-711) dated June 17, 1988 provides the background information to the Fair Housing Law and Committee intentions when submitted to Congress. The Fair Housing Amendments became Public Law 100-430 on September 13, 1988 to amend Title VIII, commonly called The Civil Rights Act of 1968. This legislation revised certain procedures and implemented new protections and enforcement. On Monday, January 23, 1989, the Federal Register contained the Final Rule for implementation of the Fair Housing Amendments Act of 1988. The effective date of this legislation was March 12, 1989 with the specific provisions for new construction effective March 13, 1991.

Fair Housing legislation is clear in regard to discriminatory practices and penalties. The law does not intend to prohibit property owners, managers, and administrators from valid inquiries into an applicant's ability to meet lease requirements and/or program eligibility requirements as set forth in Federal or State programs or in a Tenant Selection Criteria. However, there are certain areas that owners, managers, and administrators must clearly understand in regard to legitimate questions and disallowed inquiries. These are discussed below:

1. Independent Living - An owner, manager, or administrator should not attempt to assess whether an applicant is capable of independent living but only whether the applicant meets essential eligibility requirements. If an applicant requires supportive services but does not ask that they be provided, the need for supportive services should not be considered a factor in determining eligibility. If the provision of supportive services is part of the housing program, then these services should be provided in a non-discriminatory manner. However, no provider is required to take any action which would fundamentally alter the nature of the program in order to accommodate the disability of an applicant or tenant. Restriction of Children/Handicapped in Housing: Evacuation Safely - There can be no restriction as to where persons may reside in housing with the exception of Federal or management priorities for certain adapted or

accessible units. Accepting or rejecting applicants on the basis of the ability to evacuate safely is not allowed.

2. **Legal and Illegal Questions** - The Fair Housing Law clearly defines legal and illegal questions for all applicants of all housing in the United States. It is unlawful to make an inquiry to determine whether an applicant for a dwelling, a person intending to reside in that dwelling after it is sold, rented or made available, or any person associated with that person, has a handicap or to make inquiry as to the nature or severity of a handicap of such a person.

However, the following inquiries can be made, **provided these inquiries are made to all applicants, whether or not they have handicaps:**

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy;
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with handicaps or to persons with a particular type of handicap;
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with handicaps or to persons with a particular type of handicap;
- Inquiry to determine whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance;
- Inquiry to determine whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance.

A manager or owner is never required to make available a dwelling to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals, or whose tenancy would result in substantial physical damage to the property of others.

### **Sub-recipient Required Actions**

Sub-recipients are required to make ESG funded facilities and services available to all on a nondiscriminatory basis, and publicize this fact. The procedures that a sub-recipient uses to convey the availability of such facilities and services should reach persons with handicaps, or persons of any particular race, color, religion, sex, age, familial status or national origin within their service area who may qualify for them.

If not, the sub-recipient must establish additional procedures that will ensure that these persons are made aware of the facilities and services. Sub-recipients must adopt procedures to disseminate information to anyone who is interested regarding the existence and location of handicap accessible services or facilities.

**Sub-recipients are required to post Fair Housing Opportunity poster and Handicap accessibility poster if applicable.** If a shelter cannot provide handicap accessibility services, then they must provide a procedure to refer individuals to accessible services or facilities.

**Sub-recipients** operating Emergency Shelter and Transitional Housing are required to post Fair Housing Logos on materials given to participants.



## Civil Rights Laws

### *Introduction*

The civil rights laws, regulations, and executive orders are designed to protect individuals from discrimination on the basis of race, national origin, religion, color, sex, age and handicap status. These laws, regulations, and executive orders, as they apply to the ESG program, protect individuals from discrimination in housing, the use of public facilities and services, benefits created by ESG projects, and employment and business opportunities.

The following is a summary of the regulations.

### *Title VI - Civil Rights Act of 1964*

Title VI provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. It directs each federal department or agency that extends financial assistance to any program or activity through grants, loans, or contracts, except contracts of insurance or guaranty, to issue rules or regulations to be approved by the President to carry out the purposes of the Title. Title VI authorizes the termination or the refusal to grant or continue federal assistance under any program or activity involving a recipient receiving an express finding of a failure to comply, but only after due notice, an opportunity for a hearing, and a determination that compliance cannot be secured by voluntary means.

In accordance with Title VI of the Civil Rights Act of 1964 (Title VI) and its implementing regulations, sub-recipient agrees to take reasonable steps to ensure meaningful access to activities for LEP persons. Any of the following actions could constitute “reasonable steps”, depending on the circumstances: acquiring translators to translate vital documents, advertisements, or notices, acquiring interpreters for face to face interviews with LEP persons, placing advertisements and notices in newspapers that serve LEP persons, partnering with other organizations that serve LEP populations to provide interpretation, translation, or dissemination of information regarding the project, hiring bilingual employees or volunteers for outreach and intake activities, contracting with a telephone line interpreter service, etc.

### *Title VII – Civil Rights Act of 1964 (as amended)*

This provision prohibits discrimination in employment on the basis of sex.

### *Title VIII – Civil Rights Act of 1968*

Title VIII prohibits blockbusting, or discrimination in the sale or rental of dwellings, the financing of housing, or advertising. Title VIII makes it unlawful to deny any person access to, membership, or participation in any multiple listing service or real estate brokers’ organization for discriminatory reasons. The law is applicable in stages and ultimately applies to all dwellings except those which are specifically exempt. Title VIII generally does not apply to the sale or rental of a single family house by a private individual owner who does not own more than three such single-family houses at any one time. After December 31, 1969, the sale or rental of any such single-family home is

exempted from the application of Title VIII only if it is sold or rented without the use of a broker and without discriminatory advertising. The act does not apply to rooms or units in dwellings containing living quarters occupied by not more than four families living independently of each other and the owner occupies one of such quarters as his or her residence.

Also exempted is the sale or rental of dwellings owned or operated by religious organizations, for other than a commercial purpose, to persons of the same religion unless membership in such religion is restricted on account of race, color or national origin. Neither does Title VIII prohibit a private club, not open to the public and providing lodging which it owns or operates for other than commercial purposes, from limiting rental or occupancy to its members.

*Section 3: Housing and Urban Development Act of 1968*

Section 3 provides that to the greatest extent feasible, training and employment opportunities shall be made available to low-income residents of project areas and that contracts be awarded to small businesses located within the project area or owned in substantial part by project area residents.

*Section 109: Housing and Urban Development Act of 1974*

Section 109 provides that no person in the United States shall on the ground of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part under this title.

*Section 504: Rehabilitation Act of 1974*

Section 504 provides that no otherwise qualified handicapped individual in the United States, as defined in Section 7(6), shall, solely by reason of this handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

*Age Discrimination Act of 1975*

The Act provides that no person in the United States on the basis of age shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

*Executive Order 11063*

Executive Order 11063 provides that no person on the basis of race, color, religion, sex or national origin, shall be discriminated against in:

- Housing (and related facilities) provided with federal assistance.
- Lending practices, with respect to residential property, when such practices are connected with loans insured or guaranteed by the federal government.

*Executive Order 11246, as amended by Executive Order 11375*

Executive Order 11246, as amended by Executive Order 11375, provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in any phase of employment during the performance of federal or federally assisted construction contracts in excess of \$25,000.

### *Executive Order 12138: Women Business Enterprise Policy*

For purposes of this Order, affirmative action may include, but is not limited to, creating or supporting new programs responsive to the special needs of women business enterprises, establishing incentives to promote business or business-related opportunities for women business enterprises, collecting and disseminating information in the support of women business enterprises and ensuring to women business enterprises knowledge of any ready access to business-related services and resources. In implementing this Order an agency undertakes to use or to require compliance with numerical set-asides or similar measures. It shall state the purpose of such measure and the measure shall be designed on the basis of pertinent factual findings of discrimination against women's business enterprise and the need for such measure.

### *Minority and Women Business Participation*

Minority-owned and women-owned business enterprises (MBE/WBE's) shall have the maximum feasible opportunity to participate in the performance of contracts under federal grant programs. Award recipients shall exercise their "best efforts" to ensure that MBE/WBE's are given the opportunity to participate in ESG-funded contracts, including contracts for services, supplies and construction activities. Indiana has adopted a goal of 11.47% participation by minority owned business enterprises and 5.93 for women-owned business enterprises in federally funded activities.

A minority- or women-owned business enterprise is defined for this program as a business which has been established for at least one year and is 51% owned, operated and controlled by minorities or women. Corporation or partnerships formed merely to qualify as an MBE or WBE for purposes of this program will not be considered minority or women-owned business enterprises.

Award recipients are required to maintain documentation supporting their "best efforts" to achieve the state goal of 11.47% minority owned business enterprise participation and/or 5.93% women-owned business enterprise participation on all ESG-funded procurement and contract solicitation. To document "best efforts" and attain the goals, the following steps should be taken to solicit bids from and encourage participation by minority- or women-owned business enterprises:

1. Where legal notice is required by law, include language notifying bidders of the 11.47% and 5.93% MBE/WBE participation goal on the project.
2. Contact IHCDA or the Indiana Department of Administration Minority Business Development Division for a referral list of firms in the categories of work needed for the development including professional services, supply, and construction services.
3. Contact at least two (2) MBE/WBE firms from the referral list, notifying them of the impending bidding opportunity and how to participate.
4. If award recipients anticipate the use of subcontractors or additional purchasing contracts for supplies, then the referral list of qualified minority- and women-owned businesses should be disbursed to all prime contractors at this conference. Award recipients should supply a copy of the plans and specifications as well as a list of the organizations that will have plans and specification on file.
5. Award recipients must maintain documentation supporting their "best efforts" for monitoring and auditing purposes. **Award recipients must document solicitation of**

**MBE/WBE firms through Certified Mail receipts, Certificates of Mailing, or receipts from hand-delivery of notices.**

## **Chapter 8**

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### **CONFLICT OF INTEREST**

#### **Requirements**

- A. The provision of any type or amount of ESG assistance may not be conditioned on an individual's or family's acceptance or occupancy of emergency shelter or housing owned by the sub-recipient, or a parent or subsidiary of the sub-recipient. No sub-recipient may, with respect to individuals or families occupying housing owned by the sub-recipient, or any parent or subsidiary of the sub-recipient, carry out the initial evaluation required under 24CFR 576.401 or administer homelessness prevention assistance under 24 CFR 576.103.
- B. The sub-recipient must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the sub-recipient may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the sub-recipient may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the sub-recipient.
- C. If the sub-recipient has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the sub-recipient must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the sub-recipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

#### **HUD Procedure for Individual Conflicts of Interest**

##### **Conflicts Prohibited**

No persons (as described in persons covered) who exercise or have exercised any functions or responsibilities with respect to ESG activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

**Persons Covered**

The conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, sub-recipients which are receiving ESG funds.

**Exceptions**

A request for an exception to this conflict-of-interest prohibition will be considered by IHCDA only after the sub-recipient has provided the following:

1. A copy of the minutes from a public meeting denoting that the affected person has publicly disclosed the conflict of interest and has stated that he/she has withdrawn from functions or responsibilities with respect to the assisted activity in question.
2. An opinion from the sub-recipient's attorney that the interest for which the exception is sought would not violate State or local law.

Once IHCDA receives minutes of the public meeting and an opinion from the sub-recipient's attorney, IHCDA will respond in writing as to whether or not an exception to the conflict-of-interest prohibition has been granted.

Should IHCDA approve the sub-recipient's request, a completed Uniform Conflict of Interest Disclosure Statement must be provided to IHCDA as well as filed with the State Board of Accounts and the Clerk of the Circuit Court of the county in which the governmental entity executed the contract or purchase within 15 days after the final action toward awarding ESG funds to the person in question. A copy of this form can be found at <http://www.in.gov/sboa/files/Form236.pdf>.

IHCDA will approve an exception to this conflict-of-interest prohibition only after it has been determined that such an exception will serve to further the purpose of the Act and the effective and efficient administration of the ESG program.

## Chapter 9

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### LEAD BASED PAINT REQUIREMENTS

#### *Background*

The primary cause of childhood lead poisoning is deteriorating lead-based paint and lead-contaminated dust and soil in older housing units. Although lead was banned from residential house paint in 1978 by the Consumer Product Safety Commission (CPSC), an estimated 57 million older homes still contain some lead-based paint. Of these, some 3.8 million dwellings are thought to have both lead-based paint hazards and young children as residents.

The amount of lead-based paint in housing is significant. Tens of millions of housing units contain at least some lead-based paint. Children living in homes with lead-based paint become exposed to lead by directly eating chips of lead-based paint or chewing on protruding surfaces painted with lead-based paint. The more common route of exposure, however, is the ingestion of lead-bearing dust that is generated by the paint when it deteriorates, chinks, or is disturbed through renovation or even abrasion from the opening and closing of windows. Even in this less direct way, lead-based paint can be a source of lead poisoning.

The most common route of exposure for children is through ingestion of lead-contaminated dust. This dust sticks to moist hands as a child plays or crawls across the floor, and is then ingested via finger sucking or other normal hand-to-mouth activity. A child can also be poisoned by eating lead-based paint chips and lead-contaminated soil, and by being exposed to other environmental sources of lead from inside and outside the home. Additionally, repair and renovation activities, such as repainting, that disturb lead-based paint can generate significant levels of leaded dust to which children can be easily exposed.

“Lead-based paint hazards” have been defined in the Residential Lead-Based Paint Hazard Reduction Act of 1992, commonly referred to as “Title X,” as any of six conditions which can present lead exposures sufficient to cause adverse health effects. These include:

1. lead-contaminated dust;
2. deteriorated lead-based paint;
3. intact lead-based paint on friction surfaces;
4. intact lead-based paint on impact surfaces;
5. intact lead-based paint on chewable surfaces accessible to young children; and
6. lead contaminated bare soil.

#### *ESG Lead Requirements*

Since the ESG program deals primarily with the operation of short-term emergency shelters and the delivery of essential services to homeless persons, ESG is governed by Subpart K of the Lead-



Based Paint regulations. According to the regulations, most emergency shelters are exempt from the lead-based paint regulations. Thus emergency housing using efficiencies, studio apartments, dormitories, single room occupancy units, barracks, group homes, or room rentals in residential dwellings are all excluded from the lead based requirements. The only ESG-assisted housing covered under the lead based paint requirements is longer-term transitional housing in an apartment with one or more bedrooms AND which has family residents who are part of a program requiring continual residence of more than 100 days.

The majority of ESG projects, with their relatively short stays in HUD-assisted housing, are exempt from the lead-based paint requirements. However, any ESG housing or services sites regularly frequented by children less than 6 years of age are encouraged to test for lead.

For long-term transitional housing, IHCD requires all sub-recipients to participate in educating the public on the hazards of lead poisoning. The EPA Lead brochures must be distributed to all households receiving long-term rental assistance. Documentation of this brochure must be maintained in each client file.

#### *Essential (Support) Services and Operations*

For eligible ESG Housing properties that receive federal assistance for essential supportive services or operations, a number of lead-based paint requirements apply. The sub-recipient / should conduct the following activities:

1. Visual assessment of all painted surfaces to identify deteriorated surfaces;
2. Complete paint stabilization of all deteriorated surfaces.
3. Incorporate ongoing lead-based paint maintenance activities into the regular building maintenance operations; and
4. Notification as described above.

#### *Exemptions to the New Lead Based Paint Requirements*

- Residential structures built after January 1, 1978.
- Emergency action activities.
- Existence of Lead-Based Paint Unlikely.
- Areas where state and local governments banned lead-based paint prior to January 1, 1978.
- Properties found not to have lead-based paint during earlier testing that meets the requirements of prior evaluations;
- Properties where all lead-based paint has been identified and removed using approved methods.
- Human Threat Unlikely.
- Unoccupied units that will be demolished.
- Property not suitable for human residential habitation
- Rehabilitation that does not disturb paint.
- Child Occupancy Unlikely.
- Zero-room dwelling units.
- Elderly and disabled housing; and
- Emergency housing assistance (such as for the homeless) unless the assistance is for long-term assistance that lasts more than 100 days. In the case where longer-term housing assistance lasts for more than 100 days, then rule does apply.

### *Long-term Rental Assistance*

If there will be a child under the age of 6 residing in the unit receiving ESG long-term housing, the award sub-recipient must conduct a visual assessment for the presence of lead-based paint. Award Sub-recipient s cannot provide long-term rental assistance to any unit with lead-based paint present.

### *Lead Hazard Evaluation*

The interior and exterior surfaces and common areas of the rental property must be visually assessed to identify deteriorated paints. Note: A visual assessment is not considered an evaluation that requires a notification of lead hazard evaluation, since the assessment does not evaluate lead-based paint and/or lead hazards.

If the visual assessment reveals deteriorated paint, the award sub-recipient should notify the owner of the unit with inspection results. The owner is required to have the deteriorated paint tested for lead-based paint or to assume the presence of lead based paint is its stabilization activities.

Award sub-recipient staff should instruct the owner to conduct paint stabilization before the unit is occupied to control possible lead-based paint hazards.

Owners must correct the deteriorated paint identified during the visual assessment process using safe work practices in order to participate in the long-term rental assistance program.

### *Lead Hazards Reduction*

At the completion of any paint stabilization, the owner must sign the Lead Certification 8.11 of the HQS inspection form or a form with equivalent language. This section instructs the owner to provide certification to the administering agency if any correction of defective paint occurs at the unit.

- Training/Supervision. Workers performing paint stabilization must be trained in accordance with OSHA regulations at 29 CFR 1926.59. In addition, they must meet one of the following:
  - (a) Supervision by a certified abatement supervisor.
  - (b) Successful completion of an accredited abatement supervisor course in accordance with 40 CFR 745.225.
  - (c) Successful completion of an accredited lead-based paint abatement worker course in accordance with 40 CFR 745.225.
  - (d) Successful completion of the Lead-Based Paint Maintenance Training Program developed by the National Environmental Training Association for EPA and HUD.
  - (e) Successful completion of the Remodeler's and Renovator's Lead-Based Paint Training Program developed by HUD and the National Association of the Remodeling Industry; or
  - (f) Successful completion of an equivalent course approved by HUD.
- Safe Work Practices. The owner must use safe work practices when conducting paint stabilization. Safe work practices include safe work methods, occupant protection, worksite preparation, and cleanup.
  - (a) Occupant Protection. Work should be performed in a vacant unit if possible. If residents must remain inside the dwelling during work, a barrier to the room where stabilization is

- taking place should be erected and residents should not be allowed to enter the work area until clearance has been completed.
- (b) **Worksite Preparation.** The worksite should be contained using plastic sheeting extending five feet beyond the perimeter of the treated area in all directions on the floor. Ventilation systems should be turned off until work is complete.
  - (c) **Cleanup.** After paint stabilization is complete, the worksite should be cleaned to remove all lead-based paint dust. Cleanup must be accomplished by wet washing surfaces with a lead specific detergent or its equivalent. Other cleaning devices, such as vacuum cleaners with HEPA filters, can be used during cleanup. Waste and debris must be disposed of in sealed containers in accordance with Federal and state waste disposal requirements. Use of a HEPA vacuum is recommended.
- **Exemptions to Safe Work Practices.** Safe work practices are not required when treated areas are tested and found to be free of lead-based paint, or if the surface area being treated is smaller than a total of 2 square feet per room or 10 percent of the total surface area of interior components, such as windowsills.
  - **Occupant Protection.** Property owners should protect residents and their personal belongings from exposure to lead-contaminated dust and debris during paint stabilization.
    - (a) Personal belongings should be relocated to an area outside the treatment area or covered with an impermeable covering with all seams and edges taped shut.
    - (b) Residents may need to be temporarily relocated during treatment if they are exposed to lead-based paint hazards.
    - (c) **Worksite Preparation.** The award sub-recipient should instruct the owner to control the spread of dust and debris at the worksite. This preparation should ensure that leaded dust, lead-based paint chips and other debris are contained within the worksite until they can be safely removed. Protective measures include sealing off vents and doorways with poly sheeting, covering floors and furniture with poly sheeting and wrapping debris in poly before disposal.
  - **Cleanup.** After paint stabilization is complete, the worksite should be cleaned to remove lead-based paint dust. Cleanup must be accomplished by wet washing surfaces a lead-specific detergent or its equivalent. Vacuum cleaners with HEPA filters should be used during cleanup. Waste and debris must be disposed in sealed containers in accordance with Federal and state disposal requirements.

### *Clearance*

- Clearance must take place following paint stabilization. Clearance helps to ensure that lead-based paint hazards are controlled, and the unit is safe for habitation.
- Paint stabilization and other lead hazard reduction efforts are considered complete when clearance is conducted. Clearance must be performed to ensure that lead-based paint hazards have been controlled.
  - (a) Clearance consists of a visual examination, collection of dust samples, and laboratory analysis of the samples for lead.
  - (b) Clearance is performed after lead hazard reduction and clean-up are complete.
  - (c) Dwellings must meet the following clearance standards.

	Floors ( $\mu\text{g}/\text{ft}^2$ )	Interior Window Sills ( $\mu\text{g}/\text{ft}^2$ )	Window Troughs ( $\mu\text{g}/\text{ft}^2$ )
Lead in Dust (as measured by a dust wipe sample)	40	250	800

- Clearance Examiner. The administering agency is responsible for hiring a certified professional to conduct the clearance. This professional may be a certified risk assessor, lead-based paint inspector, or clearance technician. The clearance examiner must be independent from the individual or entity who conducted the paint stabilization or other lead hazard reduction, unless they are employees of the administering agency. Note: If agency employees are used, the same individual who conducted paint stabilization is not permitted to conduct clearance.
- Clearance Report. Prior to closing, and within 15 calendar days of the completion of the lead hazard reduction activities, the tenant must be notified of the clearance examination. The administering agency should ensure that the report is prepared and sent to the tenant. This report should include:
  - (a) Beginning and ending dates of the lead hazard reduction activities.
  - (b) Name and address of the firm conducting lead hazard reduction activities and the name of the supervisor assigned to the lead hazard reduction activities.
  - (c) The name, address and signature of each person conducting clearance sampling, the date of the clearance testing, and the certification number for each certified risk assessor or inspector who conducted sampling.
  - (d) The results of clearance testing and the name of each laboratory that conducted the analyses and the identification number of the laboratory.
  - (e) A detailed written description of the lead hazard reduction activities including methods used, location of rooms where activity occurred, and any suggested monitoring.
- Notify Tenants. The owner must provide a notice to tenants describing the results of the clearance examination. The award sub-recipient should instruct the owner to notify tenants of clearance results.
- Staff Training. As a result of the new cleanup and clearance requirements, the administering agency will need to evaluate their program design and incorporate these new requirements.
  - (a) All program staff should have a basic understanding of the proper clearance procedures;
  - (b) Staff conducting the clearance examination must complete one of the acceptable training courses listed under paint stabilization; and
  - (c) Program staff should understand the components of the clearance report and understand the procedures for notifying the buyer of the results.

The Lead Disclosure Rule can be found here:

[https://www.hud.gov/program\\_offices/healthy\\_homes/enforcement/disclosure](https://www.hud.gov/program_offices/healthy_homes/enforcement/disclosure)

## **Chapter 10**

### **PROCUREMENT PROCEDURES**

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards set forth in 2 CFR 200 establishes standards and guidelines for the procurement of supplies, equipment, construction, and services to ensure that they are obtained as economically as possible through an open and competitive process, and that contracts are managed with good administrative practices and sound business judgment. The regulations include:

- Standards that prohibit conflicts of interest;
- Procedures for open competition with consistent technical solicitations;
- Affirmative efforts to hire minority- and women-owned enterprises;
- Maintenance of selection documentation; and
- Contract administration system that provides sufficient monitoring.

The guidelines on procurement are summarized as follows:

- Sub-recipients are allowed to use their own procurement procedures as long as those procedures conform to the provisions of the regulations;
- Sub-recipients must maintain a system to handle disputes, protests, and other matters arising out of its contracts; maintain a code of conduct to prevent conflicts of interest (personal, financial, and organizational); and use solicitations which are clear and accurately describe the materials, products, or services being procured
- Sub-recipients must use some form of cost or price analysis in connection with each of its procurements. They must be able to justify procurements awarded on a non-competitive basis and justify the awarding of procurements by bid on the basis of other than the lowest bid.
- Sub-recipients must initiate positive efforts to use small and minority-owned businesses to the maximum extent possible; include all applicable contract provisions in contracts; and not use the cost-plus-percentage of cost contracts.
- If the sub-recipient has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the sub-recipient must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the sub-recipient is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.
- The sub-recipient's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

## **Chapter 11**

### **FREQUENTLY ASKED QUESTIONS (FAQs)**

#### **1. Question:**

**Can ESG sub-recipients charge participants program fees?**

#### **Answer:**

Under ESG, sub-recipients may charge fees that are reasonable and appropriate as a condition of staying in a shelter. The policy of charging fees must be written in the sub-recipient's policies and procedures, and must be applied consistently (including allowing exceptions, if and when appropriate). If individuals or families are unable to stay in emergency shelter because the fee is too high, HUD recommends that the recipient consider whether or not the fee being imposed is reasonable and whether exceptions should be made.

In addition, if a recipient or sub-recipient charges clients fees for using ESG-funded shelter or services, the fees collected are considered program income and should be used as matching funds as specified under 24 CFR 576.201.

Program income is defined in 2 CFR 200.80 as gross income earned by the sub-recipient that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided in §200.307 paragraph (f). (See §200.77 Period of performance.) Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. Pursuant to 24 CFR 576.201, costs paid by program income shall count toward meeting the recipient's matching requirements, provided the costs are eligible ESG costs that supplement the recipient's ESG program.

#### **2. Question:**

**What is the value of volunteer time that can be used for match for ESG?**

#### **Answer:**

Under the Emergency Solutions Grants (ESG) program Interim Rule, there is not a fixed or standard hourly rate for volunteer services. Instead, under ESG, volunteer services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or sub-recipient's organization. If there are no employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market. Recipients/sub-recipients should also develop a standardized form that documents the time the individual spent and the value of the services he/she provided.

For additional guidance on the level of documentation required to show the use of matching funds please review the matching requirements at 24 CFR § 576.201, the record keeping and reporting requirements at 24 CFR § 576.500(o), and calculating the amount of noncash contributions at 24 CFR § 576.201(e) of the ESG interim rule. According to these sections of the ESG interim rule, recipients are required to keep records of the source and use of the contributions made to satisfy the matching requirement in 24 CFR § 576.201. The records must include the following:

- The particular fiscal year grant for which each matching contribution is counted. Requirements: The matching contribution must be provided after the date that HUD signs the grant agreement and must be expended within the expenditure deadline.
- How the value placed on third-party, noncash contributions was derived. Requirement: You must use a method reasonably calculated to establish the fair market value.
- Document that the matching funds were used in accordance with both the other federal program's requirements and the requirements that apply to ESG grant funds, except for the expenditure limits in 24 CFR § 576.100. This would include, but is not limited to, documenting a participant's eligibility and, when applicable, documenting compliance with shelter and housing standards.

## **Chapter 12**

### **REFERENCE MATERIALS & RESOURCES**

<a href="http://www.in.gov/ihcda/">http://www.in.gov/ihcda/</a>	Indiana Housing & Community Development Authority
<a href="https://www.in.gov/ihcda/indiana-balance-of-state-continuum-of-care/">https://www.in.gov/ihcda/indiana-balance-of-state-continuum-of-care/</a>	Indiana Balance of State Website
<a href="http://www.in.gov/myihcda/2357.htm#H">http://www.in.gov/myihcda/2357.htm#H</a>	IHCDA-Partner website-ESG specific
<a href="https://www.hudexchange.info/programs/esg/">https://www.hudexchange.info/programs/esg/</a>	Emergency Solutions Grant (ESG) Program Interim Regulations
<a href="http://www.hud.gov">http://www.hud.gov</a>	Official HUD site
<a href="http://www.hudhre.info/esg/">http://www.hudhre.info/esg/</a>	Homeless Resource Exchange
<a href="http://www.endhomelessness.org">http://www.endhomelessness.org</a>	National Alliance to End Homelessness
<a href="http://www.hud.gov/offices/fheo/index.cfm">http://www.hud.gov/offices/fheo/index.cfm</a>	HUD Fair Housing Equal Opportunity Link
<a href="http://www.indianahousingnow.org">http://www.indianahousingnow.org</a>	Indiana Housing Now Search Engine
<a href="http://www.hud.gov/offices/fheo/promotingfh/928-1.pdf">http://www.hud.gov/offices/fheo/promotingfh/928-1.pdf</a>	Equal Housing Opportunity/ Fair Housing Poster