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# **POLICY AND PROCEDURE MANUAL**

For

## **HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP)**

Revised 7/22/2011

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## **I. HPRP PURPOSE**

The Homelessness Prevention and Rapid Re-Housing Program (HPRP) was created by the American Recovery and Reinvestment Act, Title XII, to provide financial assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly re-housed and stabilized. HPRP is designed to provide one-time or temporary housing assistance and services to households who would be homeless but for the assistance and who have a likelihood of being stable in housing after HPRP assistance ends. See federal register authorizing HPRP at:

[http://www.hudhre.info/documents/HPRP\\_Notice\\_3-31-09.pdf](http://www.hudhre.info/documents/HPRP_Notice_3-31-09.pdf) and

[http://www.hudhre.info/documents/FederalRegisterNotice\\_HPRPInfoCollection.pdf](http://www.hudhre.info/documents/FederalRegisterNotice_HPRPInfoCollection.pdf) and HUD regulations at:

[http://www.hudhre.info/documents/HPRP\\_NoticeRedline\\_6\\_08\\_09.pdf](http://www.hudhre.info/documents/HPRP_NoticeRedline_6_08_09.pdf).

In Missouri, HPRP funds were awarded to the Missouri Department of Social Services (DSS), Family Support Division (FSD), Community Support Unit (CSU). Missouri was awarded approximately \$12 million in HPRP funding. With this funding, the MO DSS awarded grants to 61 units of local government (i.e. cities or counties), the majority of who sub-granted direct service provision to local non-profit agencies. The HPRP funding is intended only to provide temporary assistance to communities. The program must be completed by September 30, 2012. This program does not create long term rental or utility subsidies for the community. The HPRP regulations require that 60% of the funds must be expended by September 1, 2011 and 100% of funds expended by September 1, 2012.

Grantees should familiarize themselves with federal HUD issued HPRP guidance located at: <http://www.hudhre.info/HPRP/index.cfm?do=viewHPRPIssuances>, as anything required or interpreted by HUD, but not specifically spelled out in state policy applies.

### **TARGET POPULATION**

HPRP is intended to serve individuals or families who are currently homeless or who are at imminent risk of homelessness and have no appropriate subsequent housing options and lack the financial resources and support networks needed to remain in their existing housing or obtain immediate housing.

Homeless is defined by HUD as:

- sleeping in an emergency shelter;
- sleeping in a place not meant for human habitation;
- sleeping in a hospital or institution for up to 180 days but literally homeless immediately prior to entry;
- graduating from/timing out of transitional housing; or
- fleeing domestic violence.

Households must have income at or below 50% of Area Median Income (AMI) to be eligible for HPRP. Counties may set lower income limits if they so choose as research on

homelessness and homeless prevention has found that households with extremely low income are substantially more likely to become homeless.

## **HPRP RISK FACTORS**

Many households who lose their housing do not become homeless by the HUD definition. To be eligible for HPRP, households must be either:

- 1) at imminent risk of homelessness with no housing options and no financial resources or support networks; or
- 2) literally homeless.

MO HPRP allows individual grantees the flexibility to impose additional criteria used to screen applicants for program eligibility. This allows communities to utilize criteria based on research on homelessness prevention to try to identify household characteristics unique to their community that are more likely to predict homelessness.

To be eligible for HPRP assistance in MO and for grantees to prioritize services, applicants must have one, or more, risk factor from the following list and/or additional risk factors as determined by the grantee:

- Young head of household (under 25 with children or pregnant);
- Eviction within 2 weeks from a private dwelling (including housing provided by family or friends);
- Discharge within 2 weeks from an institution in which the person has been a resident for more than 180 days (including prisons, mental health institutions, hospitals);
- Residency in housing that has been condemned by housing officials and is no longer meant for human habitation;
- Sudden and significant loss of income;
- Sudden and significant increase in utility costs;
- Mental health and substance abuse issues;
- Physical disabilities and other chronic health issues, including HIV/AIDS;
- Severe housing cost burden (greater than 50 percent of income for housing costs);
- Homeless in last 12 months;
- Current or past involvement with child welfare, including foster care;
- Pending foreclosure of rental housing;
- Extremely low income (less than 30 percent of Area Median Income);
- High overcrowding (the number of persons exceeds health and/or safety standards for the housing unit size);
- Past institutional care (prison, treatment facility, hospital);
- Recent traumatic life event, such as death of a spouse or primary care provider, or recent health crisis that prevented the household from meeting its financial responsibilities;
- Credit problems that preclude obtainment of housing;
- Significant amount of medical debt; or

- Foster children timing out of care.

## **PROGRAM TYPES**

**HPRP Homelessness Prevention** assistance and services are targeted to people who have been determined to be at imminent risk of losing their housing, who have no appropriate subsequent housing options identified and who lack the financial resources and support networks to obtain alternate housing or remain in existing housing. HPRP financial assistance and services can be used to help eligible households stay in their current housing or move to another unit.

**HPRP Homeless Assistance (Rapid Re-Housing)** is targeted to house people who are literally homeless by the HUD definition and to provide the case management services and financial assistance needed to stabilize them in a permanent housing situation. Rapid Re-housing will help to reduce the length of stay in a shelter by quickly moving a homeless household from shelter to housing.

## **II. ELIGIBLE AND INELIGIBLE ACTIVITIES**

See federal guidance at:

[http://www.hudhre.info/documents/HPRP\\_EligibilityAndDocumentationGuidance.pdf](http://www.hudhre.info/documents/HPRP_EligibilityAndDocumentationGuidance.pdf)

Prior to developing the State's Plan for HPRP, the State met with individuals with expertise and involvement in homelessness and housing and drafted the following guiding principles for the effective use of HPRP resources to prevent and end homelessness:

1. Resources should be targeted to households with the highest likelihood of becoming homeless.
2. Programs should provide just enough assistance to prevent or end an episode of homelessness stretching resources as far as possible.
3. Distribution of funds should achieve maximum access for needy Missourians while minimizing administrative costs as much as possible.
4. Other federal, state and local funds, including other ARRA funds must be coordinated.
5. HPRP funds should supplement and compliment existing programs.
6. Subgrantees should have the infrastructure, capacity and experience to distribute funds rapidly to Missourians with housing needs that have been caused by the down turn in the economy.

HPRP assistance is not intended to provide long-term support for program participants, nor will it be able to address all of the financial and supportive services needs of households that affect housing stability. Rather, assistance should be focused on housing stabilization, linking program participants to community resources and mainstream benefits, and helping them develop a plan for preventing future housing instability. Grantees should therefore ensure there is a clear process for determining the type, level,

and duration of assistance for each program participant.

**There are four categories of eligible program activities and expenses, described in detail below:**

- A. Financial Assistance**
- B. Housing Relocation and Stabilization Services**
- C. Data Collection and Evaluation**
- D. Administrative costs**

These activities must be intentionally focused on housing. Examples of these activities would include financial assistance to help pay for housing, or services designed to keep people in housing or to find housing. Generally, the intent of HPRP assistance is to rapidly transition program participants to stability, either through their own means or through public assistance, as appropriate.

In order for individuals or households to receive HPRP support, financial assistance or housing relocation and stabilization services, participants must have at least an initial consultation with a case manager or other authorized representative who can determine the appropriate type of assistance to meet their needs.

**ELIGIBLE ACTIVITIES**

| <b>Eligible Activities</b>                           | <b>Homelessness Prevention</b> | <b>Homeless Assistance (Rapid Re-Housing)</b> |
|--|--------------------------------|---|
| <b>Financial Assistance (FA)</b>                     |                                |   |
| Rental Assistance                                    | X                              | X   |
| Security and Utility Deposits                        | X                              | X   |
| Utility Assistance                                   | X                              | X   |
| Moving Cost Assistance                               | X                              | X   |
| Hotel/Motel Vouchers                                 | X                              | X   |
| Staff Costs to Issue FA                              | X                              | X   |
| Inspection Costs                                     | X                              | X   |
| <b>Housing Relocation and Stabilization Services</b> |                                |   |
| Case Management                                      | X                              | X   |
| Outreach and Engagement                              | X                              | X   |
| Housing Search/Placement                             | X                              | X   |
| Legal Services                                       | X                              | X   |
| Credit Repair  | X                              | X   |
| Other costs approved by DSS*                         | X                              | X   |
| <b>Data Collection and Evaluation</b>                |                                | X   |
| <b>Administration</b>                                |                                | X   |

\*Related to providing one of the eligible services.

## **A. Financial Assistance**

### **1) Rental Assistance**

Tenant-based rental assistance can be for individuals and households to remain in their existing rental units (prevention) or to help them obtain and remain in rental units they select (rapid re-housing). In addition:

- A written lease must be in place and the program participant must be named on the lease. (An oral lease is sufficient for arrears.)
- Direct service providers must certify continued need for HPRP services and income eligibility at least once every three months or more frequently as determined by the grantee. A fourth month of services cannot be provided until the recertification process is completed.

The following rental assistance is available:

***Short-term rental assistance*** – Costs may not exceed rental costs accrued over a period of 1 to 3 months. After 3 months, if program participants receiving short-term rental assistance need additional financial assistance to remain housed, they must be evaluated for eligibility to receive up to 15 additional months of medium-term rental assistance, for a total of 18 months.

***Medium-term rental assistance*** – Costs may not exceed rental costs accrued over a period of 4 to 18 months. No program participant may receive more than 18 months of rental assistance inclusive of any rental arrears.

***Amount of rental assistance*** – Grantees/Subgrantees determine the amount of short-term and medium-term rental assistance provided, such as "shallow subsidies" (payment of a portion of the rent), payment of 100 percent of the rent charged, or graduated/declining subsidies. Grantees/Subgrantees may also set a maximum amount of assistance that a single individual or family may receive from HPRP funds, or may set a maximum number of times that an individual or family may receive assistance, as long as the total amount of assistance that any individual or family receives does not exceed an amount equal to 18 months of rental assistance.

***Rental Arrears*** – Rental assistance may also be used to pay for up to 6 months of rental arrears for eligible program participants. Supporting documentation must verify no more than 6 month arrears. An oral lease may be accepted for arrears. Rental arrears may be paid if the payment enables the program participant to remain in the housing unit for which the arrears are being paid or move to another unit. If HPRP funds are used to pay rental arrears, arrears must be included in determining the total period of the program participant's rental assistance, which may not exceed 18 months.

## **Tenant Rent Share**

Grantees/Subgrantees may require program participants to share in the costs of rent, utilities, security and utility deposits, moving, hotel or motel, and other expenses as a condition of receiving HPRP financial assistance. For example, a program may require a program participant to pay a portion of the rent expense for a unit. HPRP assistance should be "needs-based," meaning that direct service providers should determine the amount of assistance based on the minimum amount needed to prevent the program participant from becoming homeless or returning to homelessness in the near term. This will also help communities to utilize program resources efficiently to serve as many households as possible.

## **Rent Reasonableness Requirement**

The rental assistance paid cannot exceed the actual rental cost, which must be in compliance with HUD's standard of "rent reasonableness." See Section III "Eligible Housing Units"/General Requirements/Rent Reasonableness for additional information on rent reasonableness.

## **Coordination with Other Subsidy Programs**

Rental assistance payments cannot be made on behalf of eligible individuals or households for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program. However, rental arrears is considered a distinct and different type of assistance than current or ongoing rental assistance (e.g. Section 8). So participant in Section 8 can get HPRP assistance for rental arrears.

### **2) Security and Utility Deposits**

HPRP funds may be used to pay for security deposits, including utility deposits, for eligible program participants.

### **3) Utility Assistance**

Other funding sources should always be explored before paying utility expenses from HPRP funds. If no other funds are available, HPRP funds may be used for up to 18 months of utility payments, including up to 6 months of utility payments in arrears, for each program participant, provided that the program participant or a member of his/her household has an account in his/her name with a utility company or proof of responsibility to make utility payments, such as cancelled checks or receipts in his/her name from a utility company. Participants who need utility assistance **ONLY** can be paid from HPRP funds only if it can be documented that a family would specifically be homeless "but for" having the utility bill paid by HPRP. Simply having a utility shutoff notice does not mean a participant would become homeless unless, for example, city codes required that

tenants have current utilities or a landlord requires payment of utilities as part of the lease.

#### **4) Moving Cost Assistance & Storage Fees**

HPRP funds may be used for reasonable moving costs, such as truck rental, hiring a moving company, or short-term storage fees for a maximum of 3 months or until the program participant is in housing, whichever is shorter. Documentation must be maintained as to how reasonable costs were determined.

#### **5) Hotel and Motel Vouchers**

HPRP funds may be used for reasonable and appropriate motel and hotel vouchers for up to 30 days if no appropriate shelter beds are available **AND** subsequent rental housing **has been** identified but is not immediately available for move-in by the program participants. **Note this requirement differs from all other HPRP requirements that no subsequent housing options have been identified.** Documentation must be maintained as to how reasonable costs were determined, how unavailability of shelter was determined, and what subsequent housing has been identified and why it is currently unavailable.

#### **6) Staff Costs to Issue Financial Assistance**

Examples of costs would be costs for eligibility determination, assessment, cutting a check and other similar payment processes.

#### **7) Inspection Costs**

HPRP funds may be used for habitability or lead based paint inspections. (See Eligible Units for additional options and information on inspections.) Documentation is required.

### **B. Housing Relocation and Stabilization Services**

#### **1) Case Management**

HPRP case management funds may be used for activities for the arrangement, coordination, monitoring, and delivery of services related to meeting the housing needs of program participants and helping them obtain housing stability. Services and activities may include: counseling; developing, securing, and coordinating services; monitoring and evaluating program participant progress; assuring that program participants' rights are protected; and developing an individualized housing and service plan, including a path to permanent housing stability subsequent to HPRP financial assistance.

## **2) Outreach and Engagement**

HPRP funds may be used for services or assistance designed to publicize the availability of programs to make persons who are homeless or almost homeless aware of these and other available services and programs.

## **3) Housing Search and Placement**

HPRP housing search and placement funds may be used for services or activities designed to assist individuals or households in locating, obtaining, and retaining suitable housing. Services or activities may include: tenant counseling, assisting individuals and households to understand leases, securing utilities, making moving arrangements, representative payee services concerning rent and utilities, and mediation and outreach to property owners related to locating or retaining housing.

## **4) Legal Services**

HPRP funds may be used for legal services to help people stay in their homes, such as services or activities provided by a lawyer or other person(s) under the supervision of a lawyer to assist program participants with legal advice and representation in administrative or court proceedings related to tenant/landlord matters or housing issues. Legal services related to mortgages are not eligible.

## **5) Credit Repair**

HPRP funds may be used for services that are targeted to assist program participants with critical skills related to household budgeting, money management, accessing a free personal credit report, and resolving personal credit issues.

## **6) Other costs, as approved by DSS**

Consultation with Family Support Division staff prior to including "other" costs is required. Failure to receive prior approval for costs not specifically listed above may result in the grantee being responsible for those costs.

## **C. Data Collection and Evaluation**

### **1. General Guidelines**

Federal rules require each Grantee/Subgrantee to enter client data into a Homeless Management Information System (HMIS). If the Grantee/Subgrantee is not currently entering client data into an HMIS system, to receive funds Grantees/Subgrantees must have a specific implementation plan to begin entering client data into an HMIS (except for Domestic Violence Shelters - see 2). DSS

can help identify who is managing the local HMIS for your county(s).

Eligible costs include data collection, entry and analysis and staffing associated with the operation of the HMIS, including training costs directly associated with the HPRP.

Program participants receiving HPRP assistance must be identified in the HMIS so that a count of clients served by the program includes only clients receiving housing or services funded by HPRP.

Each Grantee/Subgrantee must follow all state and federal laws governing HMIS, including collecting informed written consent from clients, not denying service based solely on client refusal to provide data to an HMIS, protecting client confidentiality, not collecting personally identifying information from clients that are victims of domestic violence, and other requirements defined in [VAWA Reauthorization Section 605](#) (Violence Against Women Act). See 2 below for special requirements relating to VAWA. See <http://www.hudhre.info/HPRP/index.cfm?do=viewHPRPData> for further information on HMIS.

Grantees/Subgrantees must comply if asked to participate in HUD or DSS sponsored research and evaluation of HPRP and will be required to collect basic identifying information from people turned away from service as part of a research effort to measure program effectiveness. HPRP funds are eligible for costs to the grantee of participating in HUD or DSS research and evaluation of the program.

## **2. Violence Against Women Act (VAWA) Victim Service Providers**

The American Recovery and Reinvestment Act of 2009 (ARRA) states that Grantees receiving Homelessness Prevention and Rapid Re-Housing Program (HPRP) grants “shall collect data on the use of funds awarded and persons served with this assistance in HUD’s Homeless Management Information System (HMIS) or other comparable database.” (ARRA, p. 107) HPRP Subgrantees (including organizations providing HPRP assistance under contract with a subgrantee) must also meet this requirement.

HUD has determined that *HPRP Subgrantees that are victim service providers as defined by the Violence Against Women and Department of Justice Reauthorization Act of 2005 (Pub. L. 109-162) (VAWA) should NOT enter data directly in HMIS but must use a “comparable database.”* VAWA defines a victim service provider as a nonprofit or nongovernmental organization including rape crisis centers, battered women’s shelters, domestic violence transitional housing programs, and other programs whose primary mission is to provide services to victims of domestic violence, dating violence, sexual assault, or stalking.

## “Comparable Data-base”

Victim service providers that receive HPRP funding must submit unduplicated aggregate reports about the individuals and families served with HPRP funds to the HPRP grantee on a quarterly basis or, if required by the grantee, on a more frequent basis. HPRP-funded providers must also have a mechanism to track the length of assistance provided to program beneficiaries to ensure that participants are recertified every 3 months if receiving medium-term rental assistance and that participants do not receive more than 18 months of HPRP assistance. Therefore, a victim service provider’s comparable database must collect client-level data over time and generate unduplicated aggregate reports based on that data. It cannot be a database that only records aggregate information.

The comparable database must comply with all current HUD HMIS Data and Technical standards as determined by your local HMIS agency. Current applicable HMIS Data and Technical Standards include Section 1 (Introduction), Section 4 (privacy and security standards), and Section 5 (technical standards) from the 2004 HMIS Data and Technical Standards Final Notice (69 FR 146, July 30, 2004) and Section 2 (program descriptor data elements), Section 3 (universal data elements) and Section 4 (program-specific data elements) of the 2010 HMIS Data Standards. The HMIS standards also require organizations to comply with any federal, state, and local laws that require additional confidentiality protections, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (45 CFR Parts 160 and 164), the Confidentiality of Alcohol and Drug Abuse Patient Records Rule (42 C.F.R. Part 2), and VAWA.

### Minimum Data Collection Requirements for Victim Service Providers

Victim service providers are required to collect and record all data elements that are required for HPRP funded providers on all clients served with HPRP funds in a comparable database. The client-level data collection requirements for HPRP programs are specified in the 2010 Data Standards Notice. They include:

- all *universal data elements*, and
- a subset of the *program-specific data elements*.

In addition, all of the *program descriptor data elements* must be recorded about each HPRP program in the HMIS (either by the HPRP-funded provider or by the HMIS system administrator) and the fields needed to correctly generate the HPRP performance reports are required to be collected in the comparable database. A mailing address (e.g. P.O. Box) or administrative office address are acceptable in lieu of a shelter’s physical address. The program descriptor data elements only need to be entered once for each program and are not repeated for each client; however, each HPRP client record will need to include the appropriate Program Identifier in order to correctly generate required reports.

The required data elements are summarized in the 2010 Data Standards located at: [http://www.hudhre.info/documents/FinalHMISDataStandards\\_March2010.pdf](http://www.hudhre.info/documents/FinalHMISDataStandards_March2010.pdf).

### **Suppression of Potentially Identifying Data in HPRP Annual Performance Report (APR)**

Victim service providers may suppress aggregate data on specific client characteristics in the HPRP APR when the following two conditions are met:

1. the aggregate number of persons reported for a particular reporting field is less than either one percent of the total number of clients or five persons, whichever is greater, and
2. provider staff reasonably believe that the inclusion of such information may constitute a threat to a client by allowing a victim's stalker or abuser to identify the location of a client with an uncommon demographic profile.

For example, a victim service provider that serves only one Asian client in a jurisdiction with a small Asian subpopulation may report that client as having an unknown or unreported race.

### **D. Administrative Costs**

Administrative expenses are also sometimes called indirect or overhead, and include agency rent, utilities, monitoring and oversight activities, and other operational costs that can be directly associated with HPRP. Administrative costs may also include training for staff who will administer the program or case managers who will serve program participants, as long as this training is directly related to learning about HPRP.

Administrative costs *do not* include the costs of issuing financial assistance, providing housing relocation and stabilization services, or carrying out eligible data collection and evaluation activities, such as staff salaries, costs of conducting housing inspections, and other operating costs. These costs should be included under one of the three other eligible activity categories as applicable (i.e Financial Assistance, Housing Relocation and Stabilization, or Data Collection).

### **INELIGIBLE AND PROHIBITED ACTIVITIES**

- Mortgage costs or any homeowner costs needed to assist with any fees, taxes, or other costs of refinancing a mortgage to make it affordable\*\*
- Charging a program participant a fee for service
- Operation of emergency shelters
- Issuing funds directly to program participant
- Rental assistance exceeding 18 months
- Construction or rehabilitation
- Credit card bills or other consumer debt

- Car repair or other transportation costs
- Travel costs
- Food
- Medical or dental care and medicines
- Clothing and grooming
- Home furnishings
- Child care
- Pet care
- Entertainment activities
- Work or education related materials
- Cash assistance to program participants
- Employment training
- Discharge planning
- Certifications, licenses, and general training classes (training for case managers and program administrators is an eligible administrative cost as long as it is directly related to HPRP program operations)

\*\*HPRP is not a mortgage assistance program. However, homeowners who become homeless are eligible for all HPRP activities; provided they meet the other eligibility criteria. Homeowners who are housed but are at risk of becoming homeless and meet all other eligibility criteria (consultation with a case manager, below 50% AMI, and at risk of becoming homeless with no housing options and lack financial resources) may be assisted with the following: utility payments (including arrears but excluding deposits) and housing relocation and stabilization services (including credit repair, case management, and housing search/placement but excluding legal services).

### **III. ELIGIBLE HOUSING UNITS**

#### **GENERAL REQUIRMENTS**

##### **Ownership**

Each unit must be checked to verify that the person named as the owner is, in fact, the owner. Each unit must also be checked to determine if the unit is in foreclosure.

##### **Housing Unit Location**

Clients may select housing in any area, pursuant to availability, affordability and rent reasonableness. It is the client's choice to determine their place of residency. Every effort should be made to provide choices of housing throughout the county to provide economic opportunities to the client and promote economic diversity and neighborhood stability.

## **Lease**

There must be a valid lease between the client and the owner of the property. The client must submit a copy of the lease to the case manager, who will review the document for completeness and any potential irregularities. The lease must be included in the client's file. Any irregularities should be discussed with the supervisor.

## **Rent Reasonableness**

Rent reasonableness must be determined if HPRP assistance is provided for security deposits or rental assistance. The amount of rental assistance paid cannot exceed the actual rental cost, which must be in compliance with HUD standards for rent reasonableness. "Rent reasonableness" means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market. The rent charged for the unit cannot be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units.

To make this determination, the following factors must be considered: (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner. Comparable rents can be checked by using a market study, by reviewing comparable units advertised for rent, or with a note from the property owner/landlord verifying comparable amounts charged for similar units owned. Document how rent reasonableness was determined. Rents paid must be within \$50.00 of the average comparable rates for the area.

If the rent is not reasonable for comparable units, then the client in that unit may not be assisted through HPRP. Nor can HPRP funds be used to pay up to the rent reasonableness standard with the client paying the remainder. HPRP assistance may support a client moving to a unit where the rent is reasonable.

See Appendices J and K for information on rent reasonableness. Additional guidance on rent reasonableness (such as how do rural areas determine rent reasonableness if they have only 1 or 2 comparables) can be found at:

[http://www.hudhre.info/documents/HPRP\\_RentReasonablenessPart1\\_4.7.11.pdf](http://www.hudhre.info/documents/HPRP_RentReasonablenessPart1_4.7.11.pdf)

[http://www.hudhre.info/documents/HPRP\\_RentReasonablenessPart2\\_4.7.11.pdf](http://www.hudhre.info/documents/HPRP_RentReasonablenessPart2_4.7.11.pdf)

<http://www.hudhre.info/documents/RentReasonableChecklist.pdf>

## **Missouri Residential Landlord-Tenant Law**

Grantees/Subgrantee(s) must also comply with the Missouri Residential Landlord-Tenant Law, <http://www.moga.mo.gov/statutes/C535.HTM>. Additional information can be found at <http://www.hud.gov/local/mo/renting/tenantrights.cfm>. A booklet explaining landlord-tenant law is available at the Missouri Attorney General's website (<http://ago.mo.gov/publications/landlordtenant.pdf>) as a resource for both landlords and tenants.

## **INSPECTION REQUIREMENTS**

Once the general housing-related tasks have been completed, the case manager should determine if any inspections are needed.

### **Habitability Standards**

A Habitability Inspection must be conducted for any unit that a program participant is moving into with financial assistance from HPRP, whether it is prevention or rapid re-housing. The unit must pass inspection; if the unit does not pass the habitability inspection, HPRP assistance cannot be provided to the client for that unit. If violations of the habitability standards are found, the owner should be given a reasonable length of time based on the type of work required to correct the problem and to have the unit re-inspected. The client cannot move into the unit until the unit has passed inspection and the inspector has signed off on it. There is no requirement that the habitability inspection be conducted by a certified inspector. The grantee may choose to utilize certified inspectors, or may use a member of their own staff or other person as long as, at minimum, the habitability standards (Appendix I) are utilized. A grantee may impose more stringent inspection requirements for receipt of HPRP.

### **Lead Based Paint Inspection**

Lead-Based Paint Inspection requirements are more stringent than the habitability standards. A lead-based paint visual assessment must be completed for all units where financial assistance is provided from HPRP and that meet the three following conditions:

- The household living in the unit is being assisted with HPRP financial assistance (rent assistance, utility assistance, utility/security deposits, or arrears).
- The unit was constructed prior to 1978.
- A child under the age of six or a pregnant woman is or will be living in the unit.

Under HPRP, the lead requirements apply regardless of whether a household is remaining in an existing unit or moving to a new unit. The visual assessment must be completed prior to HPRP assistance being provided, and annually thereafter. Detailed guidance on the Lead-Based Paint requirements and sample tools are available on the HRE on the HPRP Tools and TA Resources Page. <http://www.hudhre.info/HPRP/index.cfm?do=viewHPRPTools>

Individuals can become a HUD-certified Visual Assessor by successfully completing the 20 minute online training course on conducting visual assessments on HUD's website (available at: <http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>).

There are three options if a lead-based paint problem is identified depending on the severity of the problem and other variables including timing and cost, appropriateness of unit for individual/family, resources available for lead abatement, etc.:

1. Work with the landlord to remedy the situation allowing a reasonable amount of time based on the severity of the problem. For example if the paint problem is on the outside of the unit and the weather does not permit outside remediation, as long as any interior lead is stabilized, a timeframe for remediating the outside can be established. A follow-up inspection must be conducted to confirm problem is resolved;
2. Assist the participant in finding a lead-free unit; or
3. Refer the client to other assistance programs if HPRP assistance can be utilized.

NOTE: HPRP funds cannot be used for lead-abatement.

### **Additional Inspection Criteria**

If a client wants to move into a property where the landlord indicates there has already been a lead inspection, as long as the landlord can produce the documentation showing the unit passed inspection and if that inspection was done within the last 12 month period, that inspection will suffice.

If moving to a new location, client cannot sign a lease or move into that property until a housing (habitability) inspection has been completed.

If unit requires a lead inspection, client cannot sign a lease or move into that property until lead inspection has been completed and has passed inspection or previous lead inspection has been accepted.

If the landlord refuses to comply with these guidelines, assist the participant in locating a lead-free unit, or refer to other resources since HPRP cannot be utilized.

If landlords refuse to comply with habitability and lead-based paint guidelines, assist the client in locating a lead-free unit or refer to other assistance as HPRP funds cannot be utilized.

Complete records of inspections and follow-up actions must be maintained in client files.

## IV. PROGRAM DELIVERY

### APPLICATION PROCESS

In order to receive HPRP services households must meet the following minimum criteria:

- **Initial Consultation & Eligibility Determination:** the household must receive at least an initial consultation and eligibility assessment with a case manager or other authorized representative who can determine eligibility and the appropriate type of assistance needed. Eligibility must be re-established every 3 months.
- **Income Eligibility:** the household's total income must be at or below 50% of area median income (AMI). If any adult in the household is ineligible due to income, then the entire household is ineligible. Grantees may set income limits less than 50% of the AMI in order to provide services to those with greatest need.
- **Housing Status:** the household must be either homeless (for rapid re-housing assistance) OR at imminent risk of losing its housing (for homeless prevention assistance) AND meet both of the following circumstances:
  - No appropriate subsequent housing options have been identified (Except for hotel/motel vouchers in which case subsequent housing **must** already be identified.)
  - The household lacks the financial resources and support networks needed to obtain immediate housing or remain in its existing housing.
- Grantees may impose additional criteria in order to target services based on the needs and resources of the community.

Interested individuals may contact any of the grantees/subgrantees in their area to apply. Agencies must have in place written policy on screening and assessment of applicants. If a client cannot be served at one agency (whether it is an issue of being backlogged or whether a conflict of interest is discovered), if another agency is available, they will be referred to another agency.

The application process determines whether an interested individual meets the income, need and resources criteria as outlined in HUD guidelines. The application process includes documenting the applicant's housing history, employment, income, and whether the applicant is at imminent risk of homelessness. It may be necessary for grantees to develop a consent form to be signed by the client so client data can be entered into HMIS and information can be collected from required entities such as landlords. A list of any additional documentation that is needed to complete the application process is given to the client to return to the case manager within a reasonable period of time to be determined in written policy.

Once the applicant's eligibility has been established, the level and amount of financial

assistance is determined. Some individuals will only need one-time assistance, based on their recent or current employment/income status. For instance, an individual who has been laid off and has recently gone back to work but does not have enough current income to pay both current bills and delinquent housing costs might qualify for one-time assistance.

Other individuals will need short (1-3 months) or medium (4 to 18 months) assistance based on their current inability to meet their housing costs due to job/income loss or some other mitigating factor. HUD's expectation is that HPRP will provide the "least" amount necessary to alleviate the client's current housing crisis. All applicants may be expected to contribute towards their housing costs as soon as possible after the housing crisis has been resolved. A declining level of HPRP assistance may be provided to help the clients gradually adjust to assuming full responsibility for their housing costs.

For those needing short or medium term help case managers will provide further direction and guidance to the family as they move toward long-term housing stability. They will assist the applicants in determining the factors that led to their housing crisis and, based on their strengths and weaknesses, to develop the resources and abilities needed to promote housing stability in the future. They will assist applicants in developing a plan for short and long-term goals as well as targeting available community resources that should be accessed to help stabilize the household.

For all households receiving HPRP services for more than three (3) months HUD requires grantees and/or sub-grantees to evaluate and certify the eligibility of HPRP clients three (3) months from the date of eligibility determination, which is when the client has completed and signed the assessment. Client must report and provide documentation of all income and household composition changes, as well as any changes in non-cash benefits as they impact the budget of the household. The client's housing status and whether they continue to be at imminent risk of homelessness must be determined and documented at each recertification.

## **CLIENT CASE INFORMATION**

### **Client Files**

The Client File contains a list of all documents that may be part of the client file. Client files should be separated into five categories:

|                   |  |
|-------------------|--|
| <b>Pending</b>    | Full assessment completed, waiting on client/landlord documentation.   |
| <b>Active</b>     | Open, ongoing caseload.  |
| <b>Denied</b>     | Full assessment completed, but cannot serve due to eligibility determination, incomplete application process or other reasons.             |
| <b>Terminated</b> | Client previously served, but now discontinuing assistance due to non-compliance with program requirements.                                |
| <b>Closed</b>     | Successful program completion or when a client drops out of a program. When a client exits the HPRP program, HMIS must be updated with the |

client's housing status at time of exit.

Client files must be kept in a secure, locked file cabinet or desk drawer. Confidentiality regarding information contained in client files must be maintained at all times. All documents should be date stamped on the day they are received and marked as either a copy or original.

Client case files should include the following documentation:

- Risk Factor(s)
- Running case notes
- Paperwork describing all services provided
- Determination of eligibility of each activity or client served with supporting documentation
- Documentation of financial assistance provided
- Documentation of compliance with other federal requirements such as habitability standards, employment and contracting provisions, lead based paint, etc.
- HUD Staff Certification of Eligibility for HPRP Assistance
- Documentation relating to any and all eligibility factors and financial assistance received

## **VERIFICATION**

Unless otherwise stated in this policy as a special circumstance, HUD's preference for verification is as follows:

1. Written documentation by a third party;
2. Oral verification by a third party;
3. Self-report.

In determining locally what is acceptable verification HUD does not want households to become homeless because it takes too long to obtain written third party verification. If using other than written verification, document the reason written verification was not used. If using self-report, explain why oral verification was not available.

## **IDENTIFICATION DOCUMENTATION**

Identification documentation must be provided for all members of the household. Documentation may include:

- Driver's license
- Social Security
- State Identification
- Birth certificate
- Passport

Household members must be U.S. citizens or lawfully residing in the U.S to receive any HPRP assistance. In accordance with Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, an alien (a person who is not a U.S. citizen or national) may be eligible for assistance under HPRP only if he or she is a "qualified alien"

(defined in 8 U.S.C. 1641). This means that no entity that receives funds under HPRP may knowingly provide HPRP assistance to an alien who is not a qualified alien. The law requires all state and local governments that directly administer HPRP assistance to first verify that an alien is a qualified alien before using HPRP funds to assist him or her. See Missouri Law prohibiting the provision of public assistance to unlawful aliens and documentation of legal status at:

<http://www.moga.mo.gov/statutes/c200-299/2080000009.htm>

## **HMIS ENTRY**

Data for all clients must be entered into HMIS whether or not they are approved for HPRP assistance. The only exception to this rule is if the participant is receiving services from a domestic violence agency in which case the domestic violence agency must utilize a “comparable database” as certified by the local HMIS agency to collect this data and that database must be able to provide aggregate HPRP data needed for state and federal reports. To the extent possible, client data should be entered in the HMIS on a daily basis. This allows for more current data and assists in preventing irregularities that can occur when a client attempts to obtain services from more than one agency. When a client exits HPRP, outcome data is entered into HMIS and housing status at exit is recorded. HMIS data is monitored by the HPRP agency on an ongoing basis.

## **CASE MANAGEMENT**

All clients who are determined to be eligible for HPRP assistance will receive limited, housing focused case management. The housing focus indicates that housing is the first priority in evaluating client needs. Other issues are also addressed including development of short and long-term goals, training and employment needs, budgeting, and referrals to other community resources. Clients who need comprehensive case management to address other personal or social issues should be referred to other community resources.

Case management provides the client with the opportunity to look at their long-term housing goals, as well as strengths and potential challenges that may impact their ability to maintain their housing. It should establish target dates for actions in various areas which should be utilized by the case manager to help the client develop benchmarks, especially for reaching short-term goals as a means of encouragement toward reaching the goals that may require more time.

A case manager should require documentation that confirms client’s attempts at reaching goals. For instance, if the client’s goal is to increase income through employment, documentation of check-in from job placement agencies as well as copies of applications submitted would constitute adequate documentation.

Clients receiving ongoing assistance should meet with case managers periodically as agreed upon. Progress toward short-term and long term goals should be discussed. Any progress should be duly noted as well as any barriers that have arisen. The participant’s

stabilization plan should be reviewed as part of the recertification process and revised and updated as needed to reflect the client's goals. **Eligibility must be re-determined every 3 months.**

If the client does not adhere to these guidelines they may be terminated from the program. Grantees are required to have a written policy on termination which may include: how many missed visits constitutes termination, what is the appeal process, and what constitutes non-compliance, etc.

### **HOUSING STATUS (“But for” provision)**

Housing status must be documented for each client according to the HPRP Eligibility Determination and Documentation Guidance document issued by HUD (see Appendix A). The client's housing status is used to determine whether they will receive Homeless Assistance (also known as Rapid Re-Housing) or Homeless Prevention services and financial assistance. In order to qualify for HPRP, a determination must be made and documented in the record as to why the applicant would be homeless **“but for”** receipt of HPRP.

#### **Documentation of Imminent Risk of Homelessness for Homeless Prevention**

To be eligible for HPRP prevention assistance, service providers must assess and document that the household would become homeless by the HUD definition **“but for”** the HPRP assistance. There are many people who are housed and have financial need who will not become homeless if they do not receive assistance.

The applicant must both face an imminent loss of housing and be assessed as being at imminent risk of homelessness if they are not assisted. To document the imminent loss of housing the client must have an eviction notice or handwritten letter (no more than 30 days old) from the landlord or other evidence that the family is at imminent risk of losing their housing. The grantee may require “official” documentation. These documents are typically called a “Three Day Notice”, Court Order for Eviction”, "Notice to Quit", "Demand for Possession", or "Summons & Complaint" however, keep in mind it is better to assist the tenant in avoiding any court ordered eviction that will remain on their record for years and be another housing barrier. The document must minimally:

- Identify the HPRP applicant and unit where HPRP applicant is the leaseholder;
- Indicate that applicant must leave their housing; and
- Be signed and dated by owner/landlord or court.

The client must also provide a copy of the lease naming the applicant as the leaseholder. All persons (individuals) living in the household must be listed on the lease.

Households or individual(s) who are living with family or friends (doubled up) are eligible for Prevention Assistance if it is determined they would be "homeless but for the assistance" and they meet all other HPRP eligibility criteria. The applicant is required to provide a copy of the host family's lease and a letter from the host stating the individual(s) must move. For individual(s) having to move from a privately owned home, the host family needs only to provide a letter stating the individual(s) must move. In other situations such as foreclosure of rental property, condemnation of building or discharge from institutions, the case managers must follow the documentation requirement in the HUD HPRP Eligibility Determination and Documentation Guidance document (see Appendix A).

In most cases, applicants with utility shut-off notices will be referred to other community resources for assistance. To pay utility arrearages (maximum six months) and to assist with utility payments, there must be a copy of a utility shutoff notice (in the client's name) in the client file. Other available assistance, especially utility assistance available through the local Community Action Agency, should be explored prior to the use of HPRP funds for utility assistance. The case manager should contact the local utility company by phone or fax to delay shutoff if appropriate. Remember that to utilize HPRP funds for utility only assistance, the participant/family must meet the requirement of being homeless **"but for"** receipt of services funded by HPRP. If a household is eligible for rental arrears or rental assistance, they may receive utility arrears or utility assistance without the **"but for"** requirement. A shutoff notice does not necessarily mean that a participant will become homeless unless the shutoff results in the home becoming unsafe for habitation or the lease requires active utility service or there are other extenuating circumstances where non-payment of utilities will result in homelessness. The situation should be reviewed on a case-by-case basis to determine if the participant would be homeless **"but for"** receipt of HPRP funded utility assistance.

When paying utility arrears, the supporting documentation must specify the months for which arrears are charged and amount of arrears.

### **Documentation of Homelessness for Rapid Re-Housing Assistance**

Rapid Re-Housing assistance is available for persons who are literally homeless according to HUD's definition. Households that meet at least one of the following criteria in addition to the minimum HPRP requirements are eligible for HPRP Rapid Re-Housing assistance. Additional requirements may be imposed by the grantee.

- Sleeping in an emergency shelter;
- Sleeping in a place not meant for human habitation, such as cars, parks, abandoned buildings, streets/sidewalks;

- Staying in a hospital or other institution for up to 180 days but was sleeping in an emergency shelter or other place not meant for human habitation (cars, parks, streets, etc.) immediately prior to entry into the hospital or institution;
- Graduating from, or timing out of a transitional housing program; and
- Fleeing of domestic violence.

Case managers must document that the client was homeless according to the HUD HPRP definition by following the documentation requirements in the HUD Eligibility Determination and Documentation Guidance document. The appropriate documentation must be included in the client's file and updated as needed at each recertification.

If the client is coming from an institution, the case manager must secure documentation that the client was in the institution and was homeless prior to admission in order to provide rapid re-housing services. However, if the client is being discharged without any identified housing, they do not have to have been homeless prior to admission in order to receive prevention services. If the client is coming from a transitional housing, the case manager must obtain certification of homelessness from the transitional housing program. If the client is leaving a domestic violence situation, a self-declaration of homelessness is acceptable as searching out third party or other documentation may place the DV survivor at risk.

Once a homeless individual/household receives HPRP Rapid Re-Housing Assistance, they do not lose their homeless status and they remain eligible for transitional or permanent supportive housing programs, if appropriate. If the client is assessed as needing permanent supportive housing to end their homelessness, HPRP assistance may be used to provide housing and services until a permanent supportive unit is available provided the HPRP assistance does not exceed 18 months. HPRP may also be used to facilitate the move into permanent supportive housing by paying a security deposit or arrears. If permanent supportive housing is the client's housing goal, this must be documented in the client file.

## **INCOME ELIGIBILITY**

According to HUD guidelines, in order to receive financial assistance or services through HPRP, an applicant household must have a gross annual income that is at or below 50% of area median income (AMI). AMI's are found at:

<http://www.hudhre.info/documents/50pctAMI2009vs2010.pdf>

### **Verification of Income**

The HUD HPRP Eligibility Determination and Documentation Guidance document will serve as the policy guidance for the program (see Appendix A). HUD requires HPRP providers to count as annual income the types of income listed below. Income

is money that goes to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member including **unearned** income attributable to a minor. Annual income includes the current gross income of all adult household members.

- Gross income is the amount of income earned before any deductions (such as taxes and health insurance premiums) are made.
- Current income is the income that the household is currently receiving at the time of application for HPRP assistance. Income recently terminated should not be included. Future income that will not be received for the duration of assistance should not be included. The calculation of current income at the three-month recertification period (for households receiving ongoing HPRP assistance) is also based on the total income that the household is receiving at the time of review.
- The term “Adult household members” excludes the income earned by minors and by adult children who are full time students and who are not the head of household.

The HPRP definition contains income “inclusions” (types of income to be counted) and “exclusions” (types of income that are not to be considered) for all adult members of a household.

### **Income Inclusions**

The following types of income must be counted when calculating gross income:

| <b>General Category</b>             | <b>Description</b>   |
|-------------------------------------|--|
| 1. Earned Income                    | The full amount of gross income earned before taxes and deductions.  |
| 2. Business                         | The net income earned from the operation of a business, i.e. total revenue minus business operating expenses. This also includes any withdrawals of cash from the business or profession for personal use. |
| 3. Interest & Dividend Income       | Monthly interest and dividend income credited to an applicant’s bank account and available for use.  |
| 4. Pension/Retirement Income        | The monthly payment amount received from Social Security, annuities, retirement funds, pensions, disability and other similar types of periodic payments.  |
| 5. Unemployment & Disability Income | Any monthly payments in lieu of earnings, such as unemployment, disability compensation, SSI, SSDI, and workers compensation.  |
| 6. TANF/Public Assistance           | Monthly income from government agencies  |

|  |   |
|--|---|
|  | excluding amounts designated for shelter, and utilities, WIC, food stamps and childcare.                                      |
| 7. Alimony, Child Support and Foster Care Income | Alimony, child support and foster care payments received from organizations or from persons not residing in the dwelling.     |
| 8. Armed Forces Income                           | All basic pay, special pay and allowances of a member of the Armed Forces excluding special pay for exposure to hostile fire. |

Income exclusions and documentation standards are provided in the HUD HPRP Eligibility Determination and Documentation Guidance document located at [http://www.hudhre.info/documents/HPRP\\_EligibilityAndDocumentationGuidance.pdf](http://www.hudhre.info/documents/HPRP_EligibilityAndDocumentationGuidance.pdf) and in Appendix A.

Every effort must be made to document the applicant’s income at the time of application to determine eligibility. If income cannot be verified due to loss of paperwork (pay stubs) and attempts to verify by third party are unsuccessful, then the applicant can fill out a statement indicating their income status. In this case, the case manager must document all attempts at third party verification in the client file.

HUD requires HPRP service providers to evaluate and certify the eligibility of HPRP program participants, using the above criteria, every three months from the date of eligibility determination for all households receiving HPRP services lasting longer than three months. The same income verification procedure shall be followed at recertification as at the initial eligibility determination. If a client’s income changes at any time after they begin receiving HPRP assistance, they must report that change within ten business days.

Anytime income changes, it must be documented and assistance figures must be recalculated to determine if a change in assistance or termination is warranted.

When dealing with a client who has sporadic income (e.g., temp service or day labor, or capped income such as unemployment that may be received for a fixed time period before it ends), use the average income from the last 30 days.

### **Client Contribution**

Because HPRP is a temporary assistance program grantees may require clients to contribute to their housing costs. Based on the client’s financial situation, a client may enter into an agreement to make partial rent payment, while HPRP pays the remaining portion. For example, based on three months of assistance, the client’s portion could gradually increase (usually 25%, 50%, 75%) until they begin paying their entire rent in the fourth month. At that time, a determination will be made as to whether the client can sustain their housing, paying full rent. If not, and the client is still eligible for HPRP, assistance may continue up to a maximum of 18 months (with recertification at three month intervals).

## **ASSET POLICY**

HUD requires the development of an asset policy. Missouri adopted the policy established by the Governor's Committee to End Homelessness (GCEH), now referred to as the Missouri Interagency Council on Homelessness (MICH). While initially DSS only required grantees to have an asset policy that was consistent throughout the continuum, once the GCEH developed this policy, DSS adopted it, and strongly suggests grantees utilize this policy though it is not a requirement. This policy is as follows.

Regardless of spenddown procedures detailed below, households are allowed to keep \$1000 for future emergencies and are not required to liquidate real estate if it would take so long that the household would become homeless, unless otherwise determined by the local continuum of care.

### **Missouri Balance of State Continuum of Care Policy for the Treatment of Assets in conjunction with the Homeless Prevention & Rapid-Re Housing Program (HPRP)**

On December 7, 2009, the Governor's Committee to End Homelessness (GCEH), governing body of the Balance of State (BoS) Continuum of Care (CoC), voted to accept the HUD Part 5 definition as the BoS CoC policy for treatment of assets by sub-grantees of the Homeless Prevention and Rapid Re-Housing Program (HPRP). The HUD Part 5 definition is detailed below and can be found at the following address:

<http://www.hud.gov/offices/cpd/affordablehousing/training/web/calculator/definitions/part5.cfm>

### **U.S. Department of Housing & Urban Development (HUD) Homelessness Prevention & Rapid Re-Housing Program (HPRP) Housing Status: Eligibility Determination and Documentation Requirements**

#### **Treatment of Assets**

HUD has not established requirements for how assets are to be treated and whether or what amount of assets held by an applicant household has to be spent in order to qualify for HPRP assistance or to determine the appropriate type or level of HPRP assistance.

*HUD requires grantees to determine whether an applicant household is required to spend down its assets and, if so, by how much, for the purpose of determining eligibility and the type and level of HPRP assistance.* Grantees may establish a separate policy for each local Continuum of Care (CoC) where one or more subgrantees operate. In all cases, policy related to treatment of assets must be uniform across all subgrantees within a local CoC and determinations must be applied consistently to all applicant households within the CoC. From: [http://www.hudhre.info/documents/HPRP\\_HousingStatusReqs.pdf](http://www.hudhre.info/documents/HPRP_HousingStatusReqs.pdf)

#### **Background on Using HUD Part 5**

The HOME Program previously required Participating Jurisdictions (PJs) to use only the Section 8 Program definition of annual income to determine the eligibility of applicants to their HOME programs.

The rules concerning Section 8 annual income were previously found at 24 CFR Part 813. However, Part 813 was removed from the Federal regulations on October 18, 1996. At the same time, 24 CFR Part 5 was published. Subpart F of Part 5 consolidated the requirements pertaining to income for many of HUD's programs, including Section 8.

Currently, the definition of annual income found at 24 CFR Part 5 is used by a variety of Federal programs, including:

- The HOME Investment Partnership Program
- The Community Development Block Grant Program
- The Section 8 Program
- Public Housing Programs
- The Low Income Housing Tax Credit Program

Within each of these programs, the Part 5 definition of annual income can be used to determine program eligibility and, in some programs, the level of assistance the household will receive. In some cases, two or more Federal programs may provide assistance to a single program or project at the local level. When this is the case, the PJ should be careful to choose a definition for income determinations that is permitted in all of the relevant Federal programs.

### **What to Include**

In general terms, an asset is cash or no cash item that can be converted to cash. Note that when assets are included in the calculation of Part 5 annual income, it is the income earned from the asset - not the value of the asset - that is counted.

Go to <http://www.gpoaccess.gov/fr/index.html> for changes to the Part 5 definition of annual income. (For best results, indicate that all Federal Register editions should be searched by the web site and type "24 CFR part 5", including the quotation marks, into the Search Terms field on this web page.)

### **Assets Inclusions and Exclusions**

#### **Inclusions**

- Cash held in savings accounts, checking accounts, safe deposit boxes, homes, etc. For savings accounts, use the current balance. For checking accounts, use the average 6-month balance.
- Cash value of revocable trusts available to the applicant.
- Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.

- Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts.
- Individual retirement and Keogh accounts (even though withdrawal would result in a penalty).
- Retirement and pension funds.
- Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
- Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
- Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and other amounts not intended as periodic payments.

### **Exclusions**

- Mortgages or deeds of trust held by an applicant.
- Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
- Interest in Indian trust lands.
- Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
- Equity in cooperatives in which the family lives.
- Assets not accessible to and that provide no income for the applicant.
- Term life insurance policies (i.e., where there is no cash value).
- Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

### **Determining Asset Income**

The Part 5 definition of income counts the actual income generated by the asset, such as the interest on a savings or checking account, for the purpose of determining "annual income." This income is counted even if the household elects not to receive it. For example, though an applicant may elect to reinvest the interest or dividends from an asset, the interest or dividends are still counted as income.

As with other forms of income, the income from assets that is included when determining Part 5 annual income is the income that is anticipated to be received from the asset during the coming 12 months.

Several methods may be used to approximate the income from the asset. For example, to obtain the anticipated interest on a savings account, the current account balance can be

multiplied by the current interest rate applicable to the account. Alternatively, if the value of the account is not anticipated to change in the near future and the interest rate has been stable, a copy of the IRS 1099 form showing past interest earned can be used.

Many Participating Jurisdictions are surprised to learn that checking account balances (as well as savings account balances) are considered an asset. This rule is not intended to count monthly income as an asset, but rather, is a recognition that some households keep assets in their checking accounts.

To avoid counting monthly income as an asset, a Participating Jurisdiction should use the average monthly balance over a six-month period as the cash value of the checking account.

For most assets, calculating cash value and the income from the assets is straightforward. However, special rules have been established to address the following two circumstances:

- Situations in which the assets produce little or no income; and
- Assets that are disposed of for less than fair market value.

#### **Assets with Little or no Income**

The Part 5 regulations assume that a household with assets has an increased payment ability, even if the assets do not currently produce income. For example, a household may own land that is not rented or otherwise currently used to produce income.

Rather than require the household to dispose of the property, the Part 5 rule requires that an "imputed" income be calculated based on a Passbook Rate applied to the cash value of all assets. (The Passbook Rate is established periodically by HUD.) This rule only applies if the total cash value of all assets is more than \$5,000. The current Passbook Rate can be obtained by contacting your HUD Field Office.

#### **Examples:**

1. The Cayhill family has \$6,000 (average balance over six months) in a non interest/bearing checking account. The PJ would include in the annual income an amount based on the current Passbook Rate. The calculation would be:  $\$6,000 \times .02 = \$120$ .

2. The Shaw family has \$3,000 (average balance over six months) in a non interest-bearing checking account and \$5,500 in an interest-bearing savings account. The family reports and the PJ verifies \$150 interest on the savings account. The PJ would count the greater of the actual income from assets or the imputed income based on the Passbook Rate, as shown below:

Imputed income ( $\$8,500 \times .02$ ) = \$170

Actual income = \$150

Included in "annual income" = \$170

3. The Smiths have \$600 (average balance over six months) in a non interest-bearing checking account. No income from assets would be counted because the family has no actual income from assets and the total amount of all assets is less than \$5,000.

### **Assets Sold Below Fair Market Value**

Applicants who dispose of assets for less than fair market value have, in essence, voluntarily reduced their ability to afford housing.

1. The Part 5 rules therefore require that any asset disposed of for less than the fair market value during the **two years preceding** the income determination be counted as if the household still owned the asset.

- **Fair Market Value** is the value of an asset on the open market in an “arm’s length transaction.”

2. Each applicant must certify whether an asset has been disposed of for less than fair market value during the two years preceding the income determination.

- Assets disposed of for less than fair market value as a result of foreclosure or bankruptcy are not included in this calculation.
- In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be less than fair market value if the applicant receives (or received) important consideration not measureable in dollar terms.
- Check out the HUD-approved certification form available on the HOME Front’s module for assistance:  
<http://www.hud.gov/offices/cpd/affordablehousing/library/forms/>

3. The amount to be included as an asset for purposes of calculating Part 5 annual income is the difference between the cash value of the asset and the amount that was actually received (if any) in the disposition of the asset.

### **Examples:**

1. Mr. Jones cashed in stock to give a granddaughter funds for college in August 1997. The stock had a market value of \$4,500 and a broker fee of \$500 was charged for the transaction. The \$4,000 in assets would be counted for any income determination conducted until August 1999 (looking forward two years from the time of disposition).

If Mr. Jones has no other assets, no income from assets would be included in annual income because the cash value of the asset is less than \$5,000. If other assets brought the total assets to more than \$5,000, however, an imputed income calculation would be required.

- Market value- \$4,500
- Less broker's fee- \$500
- Cash value to be considered- \$4,000

2. Mrs. Dutch "sold" a piece of property to a family member for \$30,000 on July 1, 1997. The home was valued at \$75,000 and had no loans against it. The \$42,000 would be counted as an asset for any income determination conducted until July 1, 1999. This amount would be combined with the cash value of other assets (if any), and an imputed income calculation would be required.

- Market value- \$75,000
- Less settlement costs- \$3,000
- Less sales price- \$3,000
- Cash value to be considered- \$42,000

### **Computing the Value of Assets**

Assets have both a market value and a cash value. Under the rules of Part 5, only the cash value (rather than the market value) of an item is counted as an asset. The market value of an asset is simply its dollar value on the open market.

For example, the market value of a share of stock is the price quoted on the stock exchange on a particular day. A property's market value is the amount it would sell for on the open market. This may be determined by comparing the property with similar, recently sold properties. An asset's cash value, however is the market value less reasonable expenses required to convert the asset to cash, including:

- Penalties or fees for converting financial holdings, such as penalties charged for premature withdrawal of a certificate of deposit, the transaction fee for converting mutual funds to cash or broker fees for converting stocks to cash; and/or
- Costs for selling real property, such as settlement costs, real estate transaction with the sale of real property.

NOTE: If an asset is owned by more than one person, a PJ must prorate the asset according to the applicant's percentage of ownership. If no percentage is specified or provided by state or local law, PJs must prorate the asset evenly among all owners. If an asset is not effectively owned by an individual, it should not be counted as an asset in Part 5 annual income

### **HOUSING UNIT ELIGIBILITY DOCUMENTATION**

Once a client has been determined to be eligible for HPRP based on their housing status and income, then their unit, whether new or existing, must be assessed to determine if it is eligible for HPRP assistance. If receiving assistance with a security deposit or rental

assistance, rent reasonableness must be determined. See Section III “Eligible Housing Units”. The client record narrative should adequately explain the process used to determine if the assistance funded under HPRP is for an eligible housing unit.

## **FINANCIAL ASSISTANCE DETERMINATION PROCESS**

Financial assistance should be “needs-based” meaning that case managers should determine the minimum amount of assistance needed to prevent the program participant from being homeless or becoming homeless again in the near future. Program participants may be required to contribute to their housing costs as soon as the initial housing crisis is resolved.

Program participants **cannot receive more than 18 months of HPRP rental assistance** including assistance for arrears of up to six months. HPRP will only assist with arrears accrued from the last six months for a maximum of six months. Arrears may be paid if the payment enables the program participant to remain in the housing unit for which the arrears are being paid or move to another unit. HPRP funds can be used to pay late fees as long as it helps the client to remain housed or become housed.

Requests may be made for financial assistance, whether it is for current rent/arrearages, utilities or moving costs. Once the agency has determined that the client and unit are eligible, the case manager must determine the least amount of cash assistance needed to keep a Prevention client in their home or to stably house a Housing Assistance client. The housing plan must specify the plan for permanent housing and demonstrate how the HPRP services and financial assistance will support the client's work towards that goal. Any HPRP assistance must be issued directly to the appropriate third party, such as the landlord or utility company; in no case are funds issued directly to program participants.

A client cannot receive financial assistance at a property owned by the grantee, HPRP service provider, or the parent, subsidiary or affiliated organization of any HPRP service provider. In certain situations, a waiver may be requested from HUD if there is no other accessible, appropriate, available rental property in the area.

Rental assistance cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types (ex. rent, security deposit) that are being provided through another federal, state or local housing subsidy program. Participants receiving rental assistance under another program may be eligible for other HPRP cost types. For example a homeless veteran entering a HUD-VASH project with a Section 8 voucher may receive HPRP security deposit assistance or a participant who is receiving rental subsidy through public housing or Section 8 may receive HPRP assistance for arrears.

**Payment must be made to a third party, i.e. landlord, utility company, etc. No financial assistance may be paid directly to an HPRP recipient.**

### **Additional Program Resources**

Since HPRP is not designed to be a permanent solution to housing instability, case managers must connect program participants to other resources through case management and referrals such as food stamps, WIC, TANF, food pantries, work supports, school districts, and other benefits for eligible clients. Case managers should coordinate with Community Action Agencies to refer those who may be eligible for services.

### **CONFIDENTIALITY**

Each HPRP grantee or subgrantee must develop and implement procedures to ensure:

- (1) The confidentiality of records pertaining to any individual provided with assistance; and
- (2) That the address or location of any assisted housing will not be made public, except to the extent that this prohibition contradicts a preexisting privacy policy of the grantee.

### **GRIEVANCE PROCEDURES**

#### **Denial/Termination Policy**

HPRP grantees can deny an applicant financial assistance and services, or terminate ongoing services, if it has been determined they do not meet program requirements, including but not limited to:

- Client or property does not meet HPRP eligibility criteria.
- Client does not have necessary risk factors.
- Determination has been made that client has other financial/family resources available.
- Not paying client portion of the rent or utilities.

Applicants must be given prompt written notice indicating the reason their application has been denied or terminated along with information about the HPRP appeals process. Grantees must have an appeal process in place to review denials and terminations. Applicants who successfully appeal or who correct the reason for the denial can resume HPRP assistance.

#### **Grieving Levels of Service**

Because of the nature of HPRP and the requirement that each case be assessed individually with a minimum of services provided to prevent homelessness or to rapidly re-house an individual or family, participants will receive varying levels of service. This may sometimes be viewed as unequal or disparate treatment. The reasons supporting the level of service provided should be carefully documented in the participant's record. The Grantee/Sub-grantee must have in place a procedure that governs these types of situations to resolve confusion/conflict. This procedure could be the same as the program's regular grievance procedure including requesting an administrative review or hearing.

## **Appeals Policy**

Applicants to the Homelessness Prevention and Rapid Re-Housing Program have the right to due process and to appeal decisions about their eligibility, assistance or termination. Grantees should have in place an appeals process that includes the following with appropriate timeframes:

- Program participants must be given a written notice of the appeals process on request or if they are denied or terminated from the program.
- Program participants may appeal the decision to deny them services or to terminate them from the program. The appeal may be in writing or orally and is made to the supervisor, or other superior of the case manager who made the initial decision.
- A final decision about the appeal must be made and provided to the program participant.

The termination, denial, and grievance procedures should be readily available to participants either in written information or by posting the policy in a place where prospective households will see it. It is important to effectively communicate these procedures to program participants and ensure that the procedures are fully understood.

## **V. PAYMENT**

### **Invoicing**

Grantees may invoice monthly for reimbursement for the previous month. Submit one invoice per service month (a supplemental invoice may be submitted per service month if something was omitted on the original invoice). Grantees must use the state approved invoice to request reimbursement. See Invoice form Appendix F and Invoicing Instructions Appendix H. Separate invoices must be completed for the grantee and for each of its subgrantees.

### **Supporting Documentation**

Adequate supporting documentation must be included with each invoice. See both federal requirements Appendix A and additional state clarification Appendix E.

### **Budget Adjustments**

At the time of application, grantees and subgrantees also submitted a budget detailing how funding would be expended. Requests to move funding from one category to another require a budget adjustment request. Grantees request a budget adjustment by submitting a Budget Adjustment Request Form (Appendix G and Instructions Appendix H) along with an explanation of the budget adjustment request. DSS will determine if the budget adjustment request will be approved.

A budget adjustment request must be submitted if a grantee is moving funding from

Prevention to Assistance or vice versa. Or if the grantee is moving funding between primary categories: Financial Assistance, Housing Relocation and Stabilization, Data Collection and Evaluation, or Administration. A budget adjustment request is not required if moving funding between secondary categories, such as from rental assistance to utility assistance.

## **VI. ADMINISTRATION**

The Missouri Department of Social Services issued grants to cities and counties to provide HPRP services or to oversee subgrantee HPRP service providers. The program design will allow for various levels of checks and balances throughout the client cycle.

### **GRANTEE SUBCONTRACTING**

Grantees may establish sub-contracts under the following circumstances:

- A Grantee cannot subgrant work or services contemplated under this program without prior authorization from DSS. It is the responsibility of the Grantee to ensure that Subgrantee(s) meet all HPRP requirements. The intent to subcontract with a specific Subgrantee(s) shall be included in the Grantee's application to DSS. Approval of the Grantee's application, including the intent to subcontract, shall constitute authorization; and
- A Grantee with Subgrantee(s) must enter into legally binding written grant agreements to ensure that all DSS grant terms and conditions are passed on to Subgrantee(s). This must include a signed contract that details the budget to be reimbursed and all of the DSS grant terms and conditions.

### **REPORTING REQUIREMENTS**

The Recovery Act requires states to submit quarterly reports. It also requires states to have systems and internal controls in place that allow them to separately track and report on Recovery Act funds. These reporting requirements are outlined in section 1512 of the Recovery Act, a copy of which can be found at: <http://www.hudhre.info/documents/AmericanRecoveryReinvestmentAct.pdf> (see pages 173174).

Grantees will be required to report data for all clients seeking and receiving HPRP services in the Homeless Management Information System (HMIS) or if the agency is domestic violence provider in an HMIS comparable database, which is a software application designed to record and store client-level information on the characteristics and services needs of homeless persons throughout a Continuum of Care (CoC) jurisdiction as well as by paper reports when necessary. Grantees may designate this requirement to their subgrantee(s), but should have controls in place to ensure that data is being routinely entered and is up to date at the end of each reporting period. Most reports to HUD are created electronically from information

entered into the HMIS and are submitted to DSS by the HMIS agency. Certain reports, such as the Jobs Created and Retained report, require paper submission of the report by the grantee to DSS.

Grantees should familiarize themselves with federal data collection and reporting requirements located at:

<http://www.hudhre.info/HPRP/index.cfm?do=viewHPRPData>

### **Initial Performance Report (IPR)**

An Initial Performance Report covering the period between the grant agreement execution date and September 30, 2009 that served as the first Quarterly Performance Report (QPR) has been submitted. It contained information required by Congress and HUD: the total amount of Recovery Act funds received from HUD; the service providers and total amounts awarded to each; the amounts of HPRP funds allocated for the four eligible HPRP activity categories (Financial Assistance, Services, Data Collection and Evaluation, and Administrative Costs); the amount expended for each of the above categories; the estimated number of unduplicated individuals and families served; and the estimated numbers of new jobs created and jobs retained.

### **Quarterly Program Report (QPR)**

For the Quarterly Performance Report (QPR) DSS must report on many of the same items as in the Initial Performance Report, including HPRP funds expended by activity type, the number of unduplicated individuals and families served, the amount of money expended and outcomes for program participants who have left the program.

The QPR is submitted to HUD, by DSS, through an online system called e-snaps. The QPR is completed from data obtained through the Housing Management Information System (HMIS). QPR data is due by the fifth day after the end of each quarter for the period of program operation, and will include current quarter and cumulative data. Grantees should ensure that all data in HMIS is up to date at the end of each month to ensure that the data DSS reports to HUD is accurate.

### **Quarterly Job Creation and Retention Report**

Under ARRA, all states must report the number of jobs created/retained as a result of receipt of ARRA funding. Grantees must provide DSS information on jobs created/retained each quarter by any HPRP funds received by the grantee during that quarter. This report includes information on the type and number of jobs created and/or retained, the hours worked within that quarter, and the activities the grantee conducted with HPRP funds during the quarter

This report is due to HUD by the 10<sup>th</sup> day following the end of each quarter. DSS

may request this report between the 1<sup>st</sup> and the 5<sup>th</sup> of the month depending on what day of the week the reporting deadlines fall. DSS must both submit this report to HUD and enter it into Missouri's Stimulus 360 Portal that provides statewide information on jobs/created and retained. See Job Creation and Retention Report and Instructions in Appendices B and C.

### **Annual Performance Report (APR)**

The Annual Performance Report must be submitted to HUD within 60 days of the end of each federal fiscal year. The Annual Performance Report is due November 30 for the period ending September 30. In the Annual Performance Report, DSS must report on outputs, such as the number of persons served and the demographic characteristics of persons served, HPRP funds expended by activity type, as well as outcomes related to housing stability. Information on the APR can be found at:

[http://www.hudhre.info/documents/HPRP\\_esnapsAPRGuidebook.pdf](http://www.hudhre.info/documents/HPRP_esnapsAPRGuidebook.pdf)  
[http://www.hudhre.info/documents/HPRP-APR\\_Questions.pdf](http://www.hudhre.info/documents/HPRP-APR_Questions.pdf)  
[http://www.hudhre.info/documents/HPRP-APR\\_ProgrammingSpecifications.pdf](http://www.hudhre.info/documents/HPRP-APR_ProgrammingSpecifications.pdf)

DSS receives this information via reports from the various HMIS agencies, compiles these reports, and submits them to HUD via the federal "e-snaps" system. Grantees must ensure that all data is up to date in HMIS at the end of each program year in order for DSS to be able to gather and submit accurate information.

### **Other Reporting**

There may be a need for ad hoc reporting as requested by DSS or HUD. Grantees will comply with any requests for ad hoc reporting.

## **DIRECT SERVICE PROVIDER FISCAL RESPONSIBILITIES**

### **Record Keeping and Reporting**

- The Grantee/Sub-grantee must maintain copies of all reimbursement requests and back-up documentation including those from Sub-grantees. The Grantee must maintain records that disclose all costs, including Sub-grantee costs, charged to the DSS contract for a minimum of five (5) years.
- The Grantee/subgrantee must keep and maintain adequate, legible, genuine, current, and complete records of services rendered under the terms of this agreement and shall make all such records available to the state agency, or its designated representatives, for a period of three (3) years following the last payment received from DSS. Grantee should establish local policies for destruction of records. Failure to comply with this provision shall be deemed to

be a material breach of the agreement resulting in repayment to the state agency all amounts received from the state agency that are not adequately verified and fully documented. DSS monitoring/auditing practices will determine that the reported services were, in fact, provided and that the recipients were eligible when the services were provided, to whom the services were provided, and the extent or duration of services.

- If a Grantee or one of its Sub-grantee(s) fails to comply with all applicable federal and state requirements governing these funds, the State of Missouri may withhold or suspend, in whole or in part, funds awarded under the program, or recover misspent funds following an audit. This provision is in addition to all other remedies provided to the State of Missouri for recovery of misspent funds available under all applicable state and federal laws.

### **Reimbursement**

Disbursement of funds will be made against a budget as approved by DSS at the time of contract. All disbursements of funds are made upon a reimbursement basis. Each grantee is required to submit quarterly and annual reports for the program.

Disbursements of HPRP funds will only be made after certification by DSS that the merchandise or services have been received and/or rendered by the sub-grantee. All invoices for payment must be accompanied by time sheets, executed payrolls, and supporting documentation which details the units of service provided during the invoice period.

### **Fiscal Management**

When required by OMB A-133, the Grantee/Subgrantee shall obtain an annual audit of the services contracted herein. When an audit is required, the Grantee/Subgrantee must apply and follow the cost and accounting standards promulgated in applicable Office of Management and Budget (OMB) circulars and shall obtain an annual audit of the services provided with HPRP funds. The audit must be made in accordance with OMB circulars A-110, A-122, and A-133 and generally accepted auditing standards. The audit must contain, at minimum, the following schedules:

- a) statement of assets and liabilities;
- b) statement of changes in financial position; and
- c) consolidated statement of revenues and expenditures.

A copy of the audit must be submitted to the state agency within nine (9) months after the end of the contracted fiscal year. Include any management letter issued by the auditor along with the annual audit.

The Grantee/Subgrantee must maintain financial and accounting records and evidence pertaining to the contract in accordance with generally accepted accounting principles and other procedures specified by the state agency. These records must be made

available at all reasonable times to the state agency and/or its designees and the Missouri State Auditor during the contract period and any renewal period, and for three (3) years from the date of final payment on the contract or the final payment on a contract renewal period.

### **Grantee/Subgrantee Liability**

The Grantee/Subgrantee is responsible for any and all personal injury (including death) or property damage as a result of negligence involving any equipment or service provided under the terms and conditions, requirements and specifications of the contract. In addition, the Grantee/Subgrantee assumes the obligation to save the State of Missouri, including its agencies, employees, and assignees, from every expense, liability, or payment arising out of such negligent act.

### **Property of State**

All documents, data, reports, supplies, equipment, and accomplishments prepared, furnished, or completed by the Grantee/Subgrantee pursuant to the terms of the HPRP contract shall become the property of the State of Missouri. Upon expiration, termination, or cancellation of the contract, said items shall become the property of the State of Missouri.

## **PROGRAM ADMINISTRATION**

### **Monthly**

Each county shall submit invoices and supporting documentation on a monthly basis to DSS. Payment will be made to agencies on a reimbursement basis. Case management agencies will summarize the costs for case management, administration and overhead, as permitted in the contract.

Hours invoiced for case management will include time expended for clients needing one-time or short term assistance, follow up case management and recertification, as well as for clients who were denied.

Any questions about invoices should be directed to the DSS Division of Finance and Administration (DFAS) staff responsible for processing at (573) 526-1311.

### **Training and other Educational Provisions**

The Grantees will ensure that subgrantees receive the necessary training and have the capacity required to implement the HPRP program.

Suggested training includes: Program Design, HPRP Regulations, HMIS, Assessment Standards, Income Verifications, Reporting Requirements, Habitability Standards and Financial Management requirements. The Grantees

may add training topics, if necessary. The length and frequency of the training will depend upon need. The Grantees will also communicate the availability of other training opportunities within the area. Additional trainings not sponsored by the Grantees will be at the expense of the subgrantee.

At minimum, Grantees should ensure that their subgrantees are familiar with HUD's website that includes HUD issued guidance, data collection and reporting requirements, tools and resources for program development/operation, and frequently asked questions (FAQ's) and help desk information. The website is located at: <http://www.hudhre.info/HPRP/index.cfm?do=viewHPRPIssuances>.

## **PROGRAM ACCOUNTABILITY**

### **Staff Certification of Eligibility for HPRP Assistance**

The HUD-required Staff Certification of Eligibility for HPRP Assistance, certifies that the information provided is true and complete and meets all eligibility requirements for HPRP assistance and is required in every completed client file.

The staff and supervisor who sign the certification certify that the assistance will not result in any personal or financial gain to either of them or to anyone with whom they have family or business ties. It must be signed and dated. A new staff certification must be completed whenever a different case manager takes on the responsibility for managing that particular client file. See federal guidance at: [http://www.hudhre.info/documents/HPRP\\_StaffCertification.pdf](http://www.hudhre.info/documents/HPRP_StaffCertification.pdf). A copy of the staff certification can be found in Appendix D.

### **Monitoring**

Federal reference:

<http://www.hud.gov/offices/adm/hudclips/handbooks/cpdh/6509.2/index.cfm> and [http://www.hudhre.info/documents/CPDMonitoringHandbook\\_Ch8.pdf](http://www.hudhre.info/documents/CPDMonitoringHandbook_Ch8.pdf)

In addition to Grantees being monitored by DSS, Grantees are responsible for monitoring all HPRP activities carried out by a sub-grantee, to ensure that the program requirements established by HUD are met. DSS' monitoring activities are listed below. Grantees are encouraged to develop similar monitoring procedures for their subgrantees as any violations or disallowances DSS will assess to the grantee as that is who DSS contracts with.

#### Desk Monitoring

Desk monitoring will occur in conjunction with the submission of invoices on a monthly basis. If a concern is identified the sub-grantee will have a reasonable length of time to address the monitoring concern. If reconciliation is not reached within that timeframe, the contract may be terminated.

DSS has determined that monitoring this program is a high priority and will take all necessary steps to ensure compliance and the timely expenditure of funds.

#### Site Monitoring

DSS DFAS staff will conduct site monitoring visits of all grantees/subgrantees. Site monitoring visits are conducted to ensure the sub-grantee is adhering to the terms of their contract and is in compliance with the guidelines of the grant. A contract monitoring form has been developed which outlines the following:

- Completeness and accuracy of random sample of client files
- Completeness and accuracy of HMIS data;
- Adequate communication with other service providers to ensure program compliance;
- Consistent supervision of staff;
- Providing necessary client referrals when ineligible for HPRP;
- Maintaining adequate recording and supporting documentation related to eligibility and payment;
- Turnaround timeline for processing invoices and making payment;
- Evidence subgrantees are following policies and procedures such as Treatment of Assests, due process rights for all households that are terminated, etc.; and
- Evidence that grantees are providing adequate oversight of subgrantees.

Once a visit is completed, if deficiencies have been noted, corrective actions are drafted and follow-up is scheduled.

#### **Confidentiality**

Each HPRP grantee and sub-grantee/service provider must establish the following procedures to ensure the confidentiality of paper and electronic records pertaining to any individual provided with assistance.

- All client files are maintained at each individual agency in secured (locked) file cabinets.
- Client files are only viewed by staff assigned to HPRP or other staff, as necessary, as it pertains to providing specific services to that particular client or as required by the granting agency for monitoring purposes.
- The address or location of any assisted housing will not be made public, except to the extent that this prohibition contradicts a preexisting privacy policy of the grantee.
- Each client should be asked to sign an HMIS Client Notice and Consent for Release. The Client Notice portion of the form allows the sub-grantee to collect data on all clients served through HMIS, which is part of the grantee's contractual agreement with HUD. The consent for release

allows the various agencies to share information among themselves in order to better serve clients and to ensure program integrity.

- When sub-grantee agencies are working in HMIS, they are to log out any time they have completed a session or are no longer using it and step away from their personal computer.

### **Conflict of Interest**

With respect to the use of HPRP funds to procure services, equipment, supplies or other property, states, territories and units of general local government that receive HPRP funds shall comply with 24 CFR 85.36(b)(3), and non-profit sub-grantees shall comply with 24 CFR 84.42. With respect to all other decisions involving the use of HPRP funds, the following restriction shall apply:

- 1) No person who is an employee, agent, consultant, officer, or elected or appointed official of the grantee and who exercises or has exercised any functions or responsibilities with respect to assisted activities, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial 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 himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.
- 2) Exceptions. Upon the written request of the grantee, HUD may grant an exception to the restrictions in paragraph 1 above on a case-by-case basis when it determines that the exception will serve to further the purposes of the HPRP program and promote the efficient use of HPRP funds. In requesting an exception, the grantee must provide the following:
  - a) For states and other governmental entities, a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
  - b) For all grantees, an opinion of the grantee's attorney that the interest for which the exception is sought would not violate state or local law.

### **Affirmatively Furthering Fair Housing**

Under section 808(e)(5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing. HUD requires the same of its funding recipients. Grantees and sub-grantees will have a duty to affirmatively further fair

housing opportunities for classes protected under the Fair Housing Act. Protected classes include race, color, national origin, religion, sex, disability, and familial status. Examples of affirmatively furthering fair housing include: (1) marketing the program to all eligible persons, including persons with disabilities and persons with limited English proficiency; (2) making buildings and communications that facilitate applications and service delivery accessible to persons with disabilities (see, for example, HUD's rule on effective communications at 24 CFR 8.6); (3) providing fair housing counseling services or referrals to fair housing agencies; (4) informing participants of how to file a housing discrimination complaint, including providing the toll-free number for the Housing Discrimination Hotline: 1800-669-9777; and (5) recruiting landlords and service providers in areas that expand housing choice to program participants.

### **Documentation of Irregularities**

Case managers should be cautious in reviewing all paperwork submitted by clients to assure that all documents and statements are free from irregularities that might suggest unlawful or fraudulent actions. Consistency between written and oral statements should be required especially in matters such as lease terms and rental amounts, client and landlord statements about arrears owed or rent assistance needed, names of landlords/owners and legal records regarding the property, and other matters of eligibility for the program. Any instance of suspected illegal or fraudulent activity should be reported by the case manager to the supervisor and to DSS immediately. If, after analysis of the situation, it is determined that local authorities should be notified, the agency shall notify the law enforcement officer who has been designated to cover such cases. DSS will notify its local HUD Field Office and the HUD Office of the Inspector General (OIG). HUD OIG has a hotline for such situations:

<http://www.hud.gov/offices/oig/hotline/index.cfm>

## **VII. ADDITIONAL TOOLS AND RESOURCES**

Additional tools and resources have been developed by HUD and can be found at: <http://www.hudhre.info/HPRP/index.cfm?do=viewHPRPTools>

This site can be a great help to grantees as they develop and refine their programs.

## **VIII. FREQUENTLY ASKED QUESTIONS (FAQ's) AND HELP DESK.**

Grantees can access a list of HUD responses to frequently asked questions at: <http://www.hudhre.info/HPRP/index.cfm?do=viewHPRPFaqHelp>

This site can be a great help to grantees as they run across unusual situations or need policy clarification. This site is updated as questions are received, so grantees should check back regularly to see what has been added.