

## MHTF Compliance Webinar

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## **House Keeping**

- This is a pre-recorded webinar, so there will be no question and answer session
- All questions can be submitted via email





## **Missouri Housing Trust Fund**



- Missouri Housing Trust Fund assistance is intended for <u>very low-income</u> households
  - Assistance based on each components eligibility for
    - (HOUSING ASSISTANCE) "literally homeless" and;
    - (EMERGENCY ASSISTANCE) "at risk of homelessness" for individuals and families
  - Income must be at or below 50% AMI
  - AMI defined by HUD, limits posted at: <a href="https://mhdc.com/programs/community-programs/missouri-housing-trust-fund-mhtf/mhtf-forms-and-resources/">https://mhdc.com/programs/community-programs/missouri-housing-trust-fund-mhtf/mhtf-forms-and-resources/</a>
  - MHTF-206 AMI Limits
  - Fair Market Rents as defined by HUD, limits posted
  - Income Verification Worksheet (MHTF-204)
  - MHTF Desk Guide FY2025



## **Compliance Site Visit**

- The Compliance Officer will need to examine client files, financial assistance, and administrative/operating expenses to verify compliance with program rules and regulations
- Compliance visits may be scheduled once a minimum of 25% of approved backup has been submitted to accounting for payment
- All required documentation should be assembled in an orderly fashion, in paper form, and available for review within 15 minutes of request in a private workspace
- Agency is contacted by MHDC staff to schedule a compliance visit approximately
   2 weeks prior to the date of the appointment



## **Desk Review Process**

In the event that an onsite compliance visit cannot be conducted, an electronic desk review will be required as follows:

- Once a funded agency meets the minimum threshold of submitted <u>and approved</u> backup/invoices, a compliance desk review may be scheduled
- The Compliance Officer (CO) will first (1st) email the agency grant contact and cc both the financial contact and the executive director on file to schedule a desk review. NOTE: All grantees are responsible for ensuring that their listed grant contacts are up to date
- The first (1st) email will include a proposed date in which agency staff responsible for administering the grant should be available to provide requested documentation electronically, as well as general information concerning how the electronic desk review will be conducted
- On the scheduled date and time of the review, the CO will send a second (2<sup>nd</sup>) email to the agency grant contact, the financial contact and the executive director on file, with a detailed list of all required documentation i.e., client file documentation, forms, and financials. The items will be randomly selected from the approved back up or invoices submitted to date
- All requested documentation should be assembled in an orderly fashion, scanned, and submitted electronically Wissouri Housing within 24 hours



## **Desk Review Process - Upload**

## **Tips for Successful File Upload**

- Review scans before sending them to MHDC
- Make sure that all pages are facing the same direction and are legible
- Sensitive or confidential documents including only photo IDs or Social Security Cards/numbers are excluded prior to scanning and sending the file





# Housing Assistance Eligibility

- Goal is to assist literally homeless households to obtain and sustain long-term permanent housing
- Housing Assistance eligible recipients
  - Literally homeless
  - Fleeing or attempting to flee domestic violence

Any client that does not meet the HUD Literally Homeless definition is not eligible for MHTF Housing Assistance





# Housing Assistance Eligible Uses

- Eligible uses
  - Rental assistance, arrears & deposits
  - Utility assistance, arrears & deposits
  - Application Fees
  - Last Month's Rent
  - Hotel/Motel
  - Essential Item





# **Emergency Assistance Eligibility**

- Goal is to provide assistance for households at risk or imminent risk of homelessness, eviction or foreclosure
- Emergency Assistance eligible recipients
  - At risk or at imminent risk of homelessness
  - Fleeing or attempting to flee domestic violence

Any client that does not meet the HUD At-Risk of homelessness definition <u>is not</u> <u>eligible</u> for MHTF Emergency Assistance





# **Grant Administration Emergency Assistance**

- Eligible uses
  - Rental assistance, arrears, & deposits
  - Utility assistance, arrears, and deposits
  - Application Fees
  - Hotel/Motel
  - Emergency Home Repair (up to \$1,000)
  - Mortgage Assistance (up to six months)
  - Essential Items





# **Home Repair Eligibility and Eligible Uses**

- Repairs for owner-occupied single-family units up to \$10,000
- Eligible activities:
  - Weatherization
  - Repair or replacement of major systems
  - Environmental
  - Accessibility
  - Code Violations





# **Operating Funds Eligible Uses**

- Eligible Uses
  - Staff salaries/benefits
  - Logged duties associated with MHTF Operating grant and time spent working on housing-related programs serving households at or below 50 percent AMI
    - Must have statement on timesheet signed by staff member and manager
  - Mileage associated with direct services to clients





## **Administration**

### **Eligible Uses**

- Salaries and benefits associated with staff engaged in grant and program administration
- Administrative services contracted to outside parties
- Maintenance activities include routine, necessary, and minor measures to upkeep office space equipment and fixtures, and/or preventative measures
- Office supplies and equipment
- Mileage costs associated with assisting clients with MHTF







## **Documentation Of Homelessness**

- Is the Documentation of household's current living situation (PRIOR TO ENTRY INTO THE PROGRAM)
- MHDC has provided form MHDC-114 for your use in documenting and verifying homelessness status
  - Use the MHDC-114 with either written or verbal third party verification(s); OR staff observation which must be clearly documented on the form(s). Document the client's signature for self-certification of homelessness status. The staff taking the selfcertification MUST document attempts to verify status; UNLESS the client is DV &/or as a precaution of the client's safety
- Program participants maintain their housing status during the period that they are receiving MHTF assistance and/or continued case management services which include documentation of monthly case management and 90-day recertifications in the file



## **Verification Of Homelessness**

- Documentation must be obtained at intake to establish and verify homeless status. The preferred order in which documentation of homelessness is obtained is in chronological order below
  - Third-party documentation
  - Intake worker observations
  - Certification from the person seeking assistance
- The table below shows types of 3<sup>rd</sup> party verification that can be used to verify Homelessness

	TYPES OF 3 <sup>RD</sup> PARTY VERIFICATION				
	HOMELESSNESS	AT-RISK of HOMELESSNESS			
•	Shelter Verification	Eviction Notice/Court Documentation			
•	Letter from Outreach Worker	Letter from doubled-up situation			
•	Hotel receipt if paid by agency	Notice from hotel of self payment			

If there is no third-party written documentation, we can allow oral statements from a third party, such as a family member, Housing faith-based organization, landlord, etc., and finally self-certification, (with good documentation in the file showing efforts to obtain the third-party verifications)



## MHDC-114







## MHDC-114(Continued)



MHDC-114

Among the stated goals of programs administered by MHDC is the provision of safe, decent and sanitary housing. In order to assist in furthering this goal, please indicate which of the following statements is most accurate as it pertains to your current housing:

Client checks box indicating

☐ I believe my current housing, for which I am seeking MHDC assistance, IS safe, decent and sanitary. □ I believe my current housing, for which I am seeking MHDC assistance IS NOT safe, decent and sanitary. the condition of their housing Not Applicable due to housing status

> \*NOTE - If, at any time while you are receiving assistance through programs administered by MHDC, you believe your current housing ceases to be safe, decent and sanitary, please report this to the Agency; and, the Agency will assist you in locating housing that is safe, decent and sanitary.

#### Staff Signature

By signing below, I certify that:

- To the best of my knowledge, the information provided to me from the program participant is accurate; and
- · The program participant meets all requirements to receive assistance under MHDC programs; and
- To the best of my knowledge, neither I nor anyone related to me has received or will receive any financial benefit for this eligibility determination; and
- I understand that fraud is investigated and may be punishable under federal laws to include, but not limited to,
- . I understand that if any of these certifications are found to be false, I will be subject to criminal, civil, and administrative penalties and sanctions, including repayment.

Signature:		Staff signature, printed
Printed Name:	Date:	name, and date

#### **Program Participant Signature**

By signing below, I certify that:

- I have insufficient financial resources and support networks, e.g., family, friends, faith-based, other social networks, immediately available to obtain housing or to attain housing stability without assistance; and
- . I certify that the information above and any other information I have provided in applying for assistance is true, accurate and complete: and
- . I hereby authorize the Agency to share all of my personal information provided with MHDC for the limited purposes of proving that I qualify to receive assistance administered by MHDC and ensuring that the Agency is in compliance with the rules and requirements associated with the distribution of funds from MHDC.
- Domestic Violence (DV) only: I hereby authorize the Agency to share non-identifying information with MHDC and its auditors for the limited purposes of proving that I qualify to receive the assistance administered by MHDC and ensure that the Agency is in compliance with the rules and requirements associated with the distribution of

Participant signature, Signature:	
printed name, and date Printed Name:	Date:
DV only Unique Identifier:	
Initials:	Date:





## **Documentation of Income**

- Income Verification Summary Worksheet MHTF-204 must be completed at initial intake and updated every 90 days thereafter (this form must be completed electronically and maintained in client file)
  - Pay stubs (received within last 30 days), MHDC-112 Income verification, SSI/SSDI award letter, child support statement, EBT statement for TANF, Income Tax form for self-employment, MHDC-103 Self-Certification [must document attempt to obtain third party verification(s)]
  - No Income (18 and older): MHDC-103 Self-Certification
  - At recertification, the sources of income should be current within 30 days of first instance of assistance OR date of certification
- Grantees need to evaluate households assisted for both need and eligibility, including:
  - Determination of whether the household composition has changed; and
  - Verification that household's annual gross income does not exceed 50 percent of AMI; and
  - Verification that the household lacks sufficient resources and support networks to retain housing without the assistance



## **MHTF-204**



Form: MHTF-20

### Income Verification Summary Worksheet | Missouri Housing Trust Fund | FY2025

Household Members	Name/Unique Identifier	Age	SSN 4 Digits	Proof of Identification Type (18+)	Specify if "Other" II Type
Head of Household					
Household Member 2					
Household Member 3					
Household Member 4					0
Household Member 5					52
Household Member 6					
Household Member 7			1		
Household Member 8					

Total Members in Household 0

#### Section II and III Instructions:

All income and assets received by household members should be detailed in the charts below. A separate line should be filled out for each individual piece of income and asset verification. All income verification used to calculate income and assets should be dated within 30 days of when first instance of MHTF assistance was provided. Please refer to Desk Guide (MHTF-200) for income and asset inclusions and exclusions. See HUD Handbook 4350.3 for complete instructions on verifying and calculating income and assets.

Source of Income	Description (i.e., employer's name)	Type of Income Verification (i.e., check stub, award letter, employer verification)	Date Listed on Source of Income	Gross Amount (as detailed on income verification sources)	Frequency of Income (number of times income is received per year)	Annual Income
	202			22		
			3		100	
				97	07	97
						2
			1		in the second	
	3			39	0	34
	-					*
+			-			ž.
	Source of Income	(i.e., employer's	Description (i.e., check stub, award letter, employer	Description (i.e., employer's letter, employer Source of	Verification   Date   Gross Amount	Verification   Date   Gross Amount   Income





## MHTF-204 Continued

Date of Payment from Agency



## Income Verification Summary Worksheet | Missouri Housing Trust Fund | FY2025

Section III: Income From Assets	3					
Household Member	Type of Asset	Specify (if "other" asset type	Date of Valuati on	Current Cash Value	Interest Earned	Actual Income
	.,,	76-			0.00%	
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
			TOTALS:	<b>\$</b> -	(a)	<b>\$</b> - (1)

Multiply total of line (a) by Passbook Rate: (.45%) \$ - (2

TOTAL HOUSEHOLD ASSETS (B) Greater of Line (1) and (2)

TOTAL ANNUAL INCOME = (A)+(B): \$

Section IV: Determination of In	icome Eligibility					
County (Please Choose):	Jackson County		Select (	County (If	"MISSOURI - State"):	
Area Median Income (AM	II) for County Selected Above:	\$			111,400.00	]
50% AMI (annual)	\$ -	50% AMI	(monthly)	\$	_	
25% AMI (annual)	\$ -	25% AMI	(monthly)	\$	_	
TOTAL ANNUAL INCOME:	\$ -	]				
Section V: Assistance Summar	y Information					
Date of Intake	1	Re-certificat	ion Date:			Home Repair File Check Lis
Consent Form Date		•				Proof of Ownership
Income Form Date (If applicable)		-				Work Description
ssistance Type (Please Choose)						Before/After Pictures
Assistance Amount		-				Inspection Form
Payee		-				Inspection Form Completion Form Proof of 3 Bids
of of Residence (Please Choose)		Other (specify,				Proof of 3 Bids
Proof of Nood (Places Chance)		(No C Kr.)				

If you or someone you know served in the U.S. Armed Forces, we encourage you to visit http://veteranbenefits.mo.gov or call (573) 751-3779 to learn about available resources.

Effective Date: April 14, 2025



## **Calculating Income**

### **Methods of Calculating Income**

- Annualize income by calculating the gross annual income based on current circumstances. Income that may not last for 12 months should be calculated assuming that circumstances will last 12 months
- Calculate the annual income based on anticipated changes through the year
  - Information that is available or changes throughout the year should be used to calculate anticipated income from all known sources
- Changes will be reflected at recertification period as required for each program





## **Calculating Income**

- Must calculate income for an individual or family for the program income eligibility requirements
  - Third-party verification must be obtained or documentation of attempt to verify income for all members 18 and older
    - If unable to verify income by third party, the MHDC-103 must be utilized
    - Dated within 30 days of first instance of assistance, every 90 days thereafter
  - Must complete MHTF-204 on the computer to ensure accuracy
- The MHTF Desk Guide lists the types and amounts of income and deductions to be included in the calculation;
  - Inclusions
  - Exclusions







## **Calculating Income**

- Frequency of Pay
  - Hourly wages by the number of hours worked per year (2,080 hours for full-time employment with a 40-hour work week and no overtime)
  - Weekly wages by 52
  - Bi-weekly wages (paid every other week) by 26
  - Semi-monthly wages (paid twice each month) by 24
  - Monthly wages by 12
  - To annualize income other than full-time income, multiply the wages by the actual number of hours or weeks the person is expected to work

## Acceptable Forms of Verifications



- 1. Written or verbal third party
  - Employment verification completed by employer
  - Telephone or in-person with time and date of contact, details requested, name and title of contact, clearly documented in the file
- 2. Documentation provided by client/participant
  - Check stub or earning statement
  - Benefit statement/letter
  - Child support agency printout or court order
- 3. Self-Certification from client/participant
  - Attempts to verify by third party must be clearly documented in the client file



## **Calculating Assets**

- What is an asset?
  - Items of value that may be turned into cash
  - Current balance of a bank account, i.e., checking, savings, C.D.
  - Real Estate owned by the client
- A list of asset inclusions and exclusions are listed in the MHTF Desk Guide on the MHDC website.





## **Calculating Assets**

- Calculating Income from Assets
  - You must determine whether the total "cash value" of all family assets exceed \$50,000
  - The greater of actual interest earned on bank accounts or the HUD imputed rate is added to the total household income on the MHTF-204
  - Fill in all boxes on the MHTF-204 for accurate asset income calculations, i.e., current bank account balances, interest rates, and net cash value of real estate
- Considerations
  - Assets at or above \$50,000 require written verifications, i.e., bank statements, realtor statement, Real Estate tax bill
  - Net cash value of a house is MARKET value less reasonable expenses incurred selling or converting the asset to cash
  - If assets are owned by more than one person, prorate based on percentage of ownership, if there is no percentage specified or provided by law, prorate evenly

NOTE: A family is NOT required to convert the asset to cash. Determining the cash value is done as a calculation in the process of determining the value of all assets while calculating income





## **Client File Documentation**

- Verification of homeless status, documentation of household's current living situation
  - Household eligibility for MHTF Housing Assistance must meet HUD's definitions of literally homeless or fleeing domestic violence. MHTF Emergency Assistance must meet HUD's definitions of at-risk of homelessness or fleeing domestic violence
  - MHDC-114
- Program consent form MHDC-114
- Intake application
- \*Proof of SSN for every member of the household <u>AND/OR</u>; Photo ID for HH members +18 years of age
   \*recommended but not required (If neither of these can be obtained, DOCUMENT ATTEMPTS IN THE FILE)
- Proof of income

  - MHDC-103, MHDC-112 can be utilized or copies of source documents i.e., paystubs, benefit letters, etc.
- Proof of need

  - Rent, deposits, rental arrears Lease or letter from landlord which clearly lists the amounts.
    Utilities including arrears Copy of bill or print out from source with amount(s) and time frame(s) clearly
- Proof of inspection for Housing Assistance grant type
  - Use form MHDC-116





## **Home Repair/Modification**

- Documentation requirements:
- 1. Household income eligibility (Income and Asset income)
- 2. Work write up (Bid advertisement)
- 3. Proof of ownership (i.e., Deed of Trust or Title)
- 4. Proof of 3 bids
- 5. Before and after pictures of project (dated if possible)
- Proof of address
- 7. Inspection form MHTF 219
- 8. Certificate of Completion MHTF-220
- 9. Contractor license and insurance





## **MHTF Client Contribution Certification Form**

- Grantees are allowed to require the households it assists with MHTF Housing Assistance to contribute 30 percent of their gross monthly income towards their total monthly rent amount. Grantees that choose to require households to contribute a portion of their monthly income while assisted must require contribution from all households assisted with the grant. If a grantee chooses not to charge, they must not charge anyone
  - Documentation required
  - Copy of check or money order; OR
  - Copy of receipt from landlord showing amount/date paid





## MHTF-211 Back-up Form

- No changes to Summary tab, Home Repair Tab, and the Administration Tab
- Change To Operating Tab
- Located on the MHDC website

Number of Households Assiste	d through Case Management:
At or below 25% AMI:	
26-50% AMI:	

Number of Households Assisted through Supportive			
	Services:		
Households Served			



## **Financial Documentation**

Proof of need i.e., invoice, receipt, payroll, eligible administrative costs

- If a service or utility bill, must list physical address of service (DV shelters can be exempt but must show evidence of service address)
- Utility Arrears must be documented with the number of months included in assistance (6 month limit)
- Mileage travel requests including dates, purpose of travel, maps or record of miles traveled, etc.
- Receipts must list eligible item(s) purchased, services performed, amount(s), and date(s)
- Assemble receipts and bills in order (preferably by payment date with corresponding CI invoice)

### Payroll

- Payroll debits on bank statements must match the net amount on the payroll report total or copy of paystub
  - Timesheets &/or effort reports (must be signed by employee and supervisor. The form should include a certification that time billed to the grant was exclusively in the service of clients at or below 50% AMI
  - Last 4 digits of employees' SSN
- Employee benefits (insurance, taxes, work comp., etc)

### Proof of cleared payment

Copy of cleared payment or bank statement clearly showing check number, date, and amount



## **Monitoring Notification**

- Following the site visit or desk review, MHDC staff will prepare a report detailing the results of the review including any deficiencies and/or areas of improvements along with corrective action required
- Agencies found out of compliance must submit a Corrective Action Plan detailing how the agency plans to rectify the compliance issues noted within 30 days
  - Fifty percent (50%) of client files or financial documentation with findings
  - Failure to respond to requests for a site visit
- Until the MHDC staff member has verified that the issue(s) has/have been resolved, funding will be suspended



## **Best Practices**

- Agency staff attending MHDC trainings and webinars
- Timely invoice and backup submissions as required
- Submit updates to any agency grant contact personnel
- Implement written policies and procedures following MHTF desk guide requirements
- Use of current forms posted on the website
- Verify current income limits are in use to qualify clients
- Proper income calculation methods utilized
- Proper documentation and verification of client homelessness status





## Non-Compliance

- More than one-half of files reviewed during on-site compliance visit contained findings
- Files were unable to be reviewed during the site visit
- Files were not produced within 15 minute time frame
- Grantee will not schedule visit; after three attempts and no response from request sent within 15 days of date of request
- Grantee accommodations deemed to be unsafe or unsanitary; allegations of clients being put in danger by grantee
- Failure to submit back-up for 2 consecutive quarters





## **Common Errors/Findings**

- Missing required forms and/or incorrect usage of forms
- Participants failing to disclose income information/inadequate intake application
- Missing household eligibility documentation i.e., income and homelessness
  - Utilized funding for ineligible clients (HA must be literally homeless. EA must be at risk of homelessness) Both funds can be used for clients fleeing domestic violence
  - Missing documentation of staff attempts to verify required information &/or sign forms
- Missing or late recertification(s)
- Utilizing net vs. gross income amounts &/or frequency of pay resulting in over income household
- Utilizing expenses incurred &/or paid outside the grant period





## Replacement Backup

- If ineligible expenses are found during a site visit, replacement backup must be submitted
- Items required in the backup are:
  - Replacement Expense Summary Report
  - Copies of eligible expenses incurred within the grant period which have not previously been submitted for payment
  - Bill, invoice or other proof of expense
  - Proof of cleared payment
  - Household eligibility documentation i.e., income and homelessness, program consent form, and intake application
  - Corrected HMIS or comparable database report

## Replacement of Expenses Summary Report





#### **Community Programs Division**

#### Replacement of Expenses Summary Report

Instructions: This form should be completed in order to replace ineligible expenses previously billed to a Missouri Housing Development (MHDC) Community Programs grant (i.e. Missouri Housing Innovation Program, Missouri Housing Trust Fund, Housing Stability & Eviction Diversion, Mortgage Assistance Counseling, and Disaster Programs). Eligible expenses must be paid and incurred within the grant year.

Program: Grant #:	
Replacement Amount (Refe	rence Agency's Audit Report):
Administration/Operating (\$):	and the second s
Marketing/Outreach (5):	
Case Management (\$):	
Direct Financial Assistance (\$):	
Total to Replace (\$): 0	
Required Support	ing Documentation
	should be submitted with this form in order for MHDC to freplacement expenses
Direct Financial Assistance/Client-Related Expenses:	Agency Expenses (Salary/Benefits, Invoices, etc.):
Revised Report (HMIS, MIS, Demographic)	Proof of Cost(s) Incurred
Proof of Household(s) Program Eligibility	Proof of Cleared Payment(s)
Consent Form(s)	
Proof of Cost(s) Incurred	
Proof of Cleared Payment(s)	



## **Next Step**



- Go to the MHDC website and find the Compliance Webinar Verification form
- One person per agency must sign and return the form via email to Lisa.moler@mhdc.com
- Although only one form is submitted everyone working on the MHTF Grant must watch this webinar



## MHDC.com

Kip Stetzler, Executive Director

### Please submit all questions to:

cp.compliance@mhdc.com

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