



EMERGENCY SOLUTIONS GRANT DESK GUIDE 2022



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INTRODUCTION

Purpose

The Emergency Solutions Grant (ESG) is intended to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly re-house homeless individuals and families, and (6) prevent families and individuals from becoming homeless. ESG funds are intended to be used as part of a crisis response system using a low barrier, housing-focused approach to ensure that homelessness is rare, brief, and non-recurring.

Establishment of Funds

These funds are established by Subtitle B of Title IV of the Stewart B. McKinney-Vento Homeless Assistance Act (Public Law 100-77, Public Law 100-628) as amended by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) which authorized the Emergency Solutions Grant (ESG) Program for the purpose of providing assistance to persons who are homeless or at-risk of homelessness. The Missouri Housing Development Commission (MHDC) is responsible for administering the Missouri State Allocation of the Department of Housing and Urban Development (HUD) Emergency Solutions Grant (ESG) Program funds granted to MHDC by the Missouri Department of Social Services (DSS).

Regulations and Authority

The Missouri ESG Program is administered under the provisions of the HUD regulations within Title 24 Code of Federal Regulations (CFR) [Part 576](#), as well as the agency's executed grant agreement, and the 2022 ESG Desk Guide. Grantees are encouraged to review all HUD ESG program requirements¹. MHDC has flexibility in certain areas of administering the ESG Program and may establish more detailed requirements than those required by HUD. Where there are differences, grantees should comply with MHDC's requirements reflected in the grant agreement and 2022 Desk Guide.

¹ Resources and links to ESG law, regulations, and notices can be found in Appendix E.

Eligible Program Components

Street Outreach

Intended to meet the immediate needs of unsheltered homeless individuals and families by connecting them with emergency shelter, housing, and/or critical health services.

Emergency Shelter

Intended to increase the quantity and quality of temporary shelter provided to homeless individuals and families by paying for operating and essential services expenses.

Homelessness Prevention

Intended to prevent households from becoming homeless through rental assistance and housing relocation and stabilization services.

Rapid Re-housing

Intended to quickly move homeless individuals and families to permanent housing through rental assistance and housing relocation and stabilization services.

Homeless Management Information System (HMIS)

Intended to support ESG recipients' participation in the HMIS collection and data analysis of households that are homeless or at risk of homelessness.

GRANT ADMINISTRATION

General Information

Contacts

Below are the Missouri Housing Development Commission ESG contacts. Please direct all questions, concerns, updates and submission of documents to the HUD Programs Grant Administrator, with the exception of Payment Requests. Payment Requests shall be submitted electronically by completing and uploading the documents to your grant in the Grant Interface software.

Please direct questions, concerns, and updates to:

Aidan Rich
HUD Programs Supervisor
Missouri Housing Development Commission
920 Main, Suite 1400
Kansas City, MO 64105
(816) 759-6632
aidan.rich@mhdc.com

Please submit Payment Requests electronically:

<https://www.grantinterface.com/Home/Logon?urlkey=mhdc>

Website

All information and forms pertaining to MHDC's ESG program can be found on the following website:

<http://www.mhdc.com/ci/esg/index.htm>.

Timeline

The following timeline lists the key dates for the 2022 grant year, which are also detailed in the grant agreement. Grantees are responsible for knowing these dates as well as communicating them to all applicable staff.

Grant Year Begins:	November 1, 2021
Grant Documents Submission:	December 15, 2021
Quarter 1 (Q1):	November 1, 2021 – January 31, 2022
Q1 Payment Request Deadline:	February 1, 2022, 5:00 p.m.
Quarter 1 CAPER Deadline ² :	February 10, 2022
Quarter 1 CAPER Report Date range:	August 1, 2021 – January 31, 2022
Quarter 2 (Q2):	February 1, 2022 – April 30, 2022
Q2 Payment Request Deadline:	May 2, 2022, 5:00 p.m.
25% Spending Deadline:	May 2, 2022, 5:00 p.m.
Mid-year Report ³ :	April 29, 2022
Quarter 3 (Q3):	May 01, 2022 – July 31, 2022
Q3 Payment Request Deadline:	August 1, 2022, 5:00 p.m.
50% Spending Deadline	August 1, 2022, 5:00 p.m.
Quarter 3 CAPER Deadline:	August 10, 2022
Quarter 3 CAPER Report Date range:	April 1, 2022 – July 31, 2022
Quarter 4 (Q4):	August 1, 2022 – October 31, 2022 Q4
Payment Request Deadline:	November 1, 2022, 5:00 p.m.
Final Payment Request Deadline:	November 1, 2022, 5:00 p.m.
Quarter 4 CAPER Deadline:	November 10, 2022, 5:00 p.m.
Quarter 4 CAPER Report Date range:	August 1, 2022 – October 31, 2022
Close Out Document Deadline:	December 1, 2022, 11:59 p.m.

² HMIS Lead Agencies submit quarterly CAPERs to MHDC and victim service providers submit their own CAPER to MHDC.

³ Each agency is responsible for submitting their own Mid-year or Final CAPER into the SAGE portal for the time period of April 1 2021 – March 31, 2022.

Financial Processes

Funding Period

All ESG funding provided to grantees must be used for expenses that are incurred and paid for on or after November 1, 2021 and before October 31, 2022.

Request for Payment

ESG grants are provided on a reimbursement basis only, therefore ESG funds must be expended on eligible activities for eligible program participants before funds can be requested. Before grantees can request reimbursement for program year 2022, the following criteria must be met:

- All previous ESG grants must be completely closed out:
 - All previous ESG grant funds expended; and
 - Close out documentation received and approved.
- All current year grant agreement documents must be completed and received by December 15, 2021. See [Appendix A](#) for more information.
- All previous compliance issues must be resolved (i.e., grantee is “in compliance”).

Once all of the above criteria is met and grantee has expended funds on eligible ESG activities, grantee may request program year 2022 funds using the Payment Request process in Grant Interface.

Submission Requirements

Funded agencies must submit complete Payment Request packets electronically by completing and uploading the documents to your grant in the Grant Interface software. Grant Interface logon and payment request instructions are available on MHDC’s Website.

All Payment Request packets must include:

- ESG-212: Expense Detail Form for each funding component with requested funds.
- HMIS/Comparable Database Report for each funding component with requested funds. Note that the type of report is dependent upon the funding component.

All Payment Requests must be submitted on MHDC’s approved payment request packet forms (ESG-212). All payment requests are submitted to DSS (by MHDC) monthly and are typically paid out in 4-6 weeks. Agencies must submit a Payment Request to MHDC no later than 5:00 p.m. on the first business day of the month in order to receive reimbursement on the next invoice submitted to DSS. MHDC will only allow one payment request per month. Payment Request submissions via mail or to ci.accounting email address will not be accepted. All payment requests shall be submitted via Grant Interface software.

Common Reasons for Discarded Payment Requests

- Certificate of insurance has expired
- Missing HMIS reports or Expense Detail forms
- Ineligible expenses
- Inadequate Detail of Descriptions on ESG-212
- Missing last 4 of SS numbers for payroll expenses on ESG-212
- Incomplete incurred date on ESG-212

Please submit Payment Requests electronically:

<https://www.grantinterface.com/Home/Logon?urlkey=mhdc>

Quarterly Draws

Grantees must have a minimum of one disbursement of funds per quarter ([24 CFR 576.203 \(b\)](#)). Payment Requests that result in a “discard” do not fulfill the Quarterly Draw requirements. The timeline for ESG quarters and submission deadlines are detailed above within the [General Information section](#).

Spending Deadlines

Grantees are required to spend at least 25 percent of the total grant award amount on or before the end of the second quarter. Grantees are required to spend at least 50 percent of the total grant award amount on or before the end of the third quarter. MHDC has the discretion to recapture a portion or all remaining ESG funds as of these deadlines.

Budget Amendments

ESG grantees may spend ESG funds on any eligible activity within a funding component (e.g. Rapid Re-housing dollars may be spent on any eligible Rapid Re-housing activity as outlined in the ESG CFR). In certain instances, ESG grantees may request amendments to the original budget provided in the grant agreement in order to increase, decrease, or move funds to other components with MHDC approval. Grantees must submit an amendment request in writing via email to the MHDC ESG Administrator outlining the proposed amendment. Upon approval to move forward, an Amendment Request form (ESG-213) will be provided for completion. Amendments can only be requested and approved once per quarter. The amendment will detail the original budget, the proposed change, the new budget, and must explain why the amendment is needed. Once the form is completed and signed, it should be scanned and submitted electronically to the MHDC ESG Administrator for final approval. If approved, a grant modification agreement will be sent to the grantee for review and signature. The modification agreement must be received and executed before the budget change is finalized.

Fixed Assets

Grantee must provide MHDC a written request for approval of prior to the purchase of any fixed assets that cost in excess of \$5,000.000, including: equipment, computer equipment, and other real and personal property. Grantee must also include at least three bids for any such expenditure. Failure to obtain prior approval for expenditures in excess of \$5,000.00 may result in a disallowance of the expenditure for

purposes of reimbursement. Approved expenditures equal to or greater than \$5,000.00 must be monitored by MHDC for the useful life of the asset and includes physical inspections and annual certifications. Ongoing monitoring for current fixed assets include submission of a fully executed Certification of Continuing Capital Expenditure Compliance form (ESG-214) to the Grant Administrator, Aidan Rich at aidan.rich@mhdc.com, due on or before January 1st annually. A physical inspection of the asset will occur during on-site compliance visits annually. Failure to comply will result in a non-compliance status for the agency.

Homeless Management Information System

The Homeless Management Information System (HMIS) is a database that records and stores client-level data regarding the delivery of housing and services to households who are homeless and/or at-risk of homelessness. ESG grantees are required to enter data on all persons served into the HMIS recognized by their Continuum of Care. Grantees serving victims of domestic violence are required to enter data into a “comparable database” in accordance with HUD’s standards on participation, data collection, and reporting. Legal services organizations may choose to enter into a comparable database rather than an HMIS. The data must be entered into the HMIS that represents the county of service. If the grantee serves persons with ESG funds in multiple Continua, HMIS data must be entered into each appropriate HMIS of those Continua. Grantees are responsible for ensuring that all data collection within HMIS and any comparable databases are in compliance with HUD HMIS Minimum Data Standards, therefore grantees should work with HMIS Lead Agencies and comparable database providers to ensure they are trained on proper data entry and are consulting with their provider regularly regarding any issues or questions.

Reports

Quarterly Consolidated Annual Performance Evaluation Report (CAPER)

Grantees are required to generate a Consolidated Annual Performance Evaluation Report (CAPER) through a Comma Separated Value (CSV) export from their HMIS/Comparable Database for all ESG funded projects. The HMIS lead agency for each CoC will submit quarterly CAPER reports to MHDC on behalf of the agencies they serve. HMIS Lead grantees do not need to submit quarterly CAPERs as this component does not directly serve individuals. HMIS Leads are required to submit quarterly CAPERs on the tenth day following the end of each quarter for all grantees in their CoC. Once completed, the CSV CAPER export zipped files should be emailed to aidan.rich@mhdc.com. Agencies using HMIS comparable databases must submit their own individual CAPERS for each ESG component for which they are funded directly to MHDC by sending an email to aidan.rich@mhdc.com.

Consolidated Annual Performance Evaluation Report (CAPER)

Grantees are required to communicate and work with their HMIS lead agency to generate data through a CAPER CSV export from their HMIS/Comparable Database for all ESG-funded projects for which they are funded. The CAPER CSV files for the period of April 1, 2021 through March 31, 2022 are due April 29, 2022. Each agency will upload the CAPER data directly into the online HUD SAGE portal via an email link sent from

the SAGE Portal, as required by HUD⁴. HMIS providers can guide users for data corrections. Each ESG-funded project must submit a CAPER CSV export. For more information, grantees may refer to: <https://www.hudexchange.info/resource/5624/sage-esg-caper-guidebook-for-esgfunded-programs/>.

Compliance

In order to track a grantee's program compliance, ensure accurate spending of ESG funds, prevent fraud and abuse, and to identify technical assistance needs, MHDC staff will monitor grantees' either electronically or by conducting on-site compliance reviews of client files, as well as a review of all financial documentation submitted to MHDC.

On-Site Compliance Visits

MHDC may opt for on-site compliance visits which will be conducted at the location designated by the grantee. The MHDC Compliance Officer will review expenses billed to ESG that have already been reimbursed. The Compliance Officer will not review ESG expenses that have not yet been submitted for reimbursement. The information reviewed is gathered from the HMIS reports, comparable database reports and Expense Detail Forms (ESG-212) submitted with the grantee's Payment Requests. The Compliance Officer will not provide the grantee the names of the files to be checked prior to the visit; this is to ensure that all files will be reviewed in the state in which they are normally maintained.

The requested files are expected to be produced, as hard copy documents, within **fifteen (15) minutes of the Compliance Officer's request of documents**. Failure to produce requested files within fifteen (15) minutes will result in a compliance violation⁵, therefore, it is vital that a staff member is always available to assist MHDC staff as needed at the grantee location during the times provided by grantee on the Site Contact form.

Announced Visit

The announced site visit is scheduled by the Compliance Officer with the grantee. If MHDC staff is unsuccessful in scheduling a site visit after three attempts have been made via telephone and/or e-mail, MHDC staff will notify the grantee that they have 15 days to schedule a site visit, otherwise their funding will be suspended and grantee will be considered out of compliance and no funds will be released until the visit is scheduled. Once the visit is scheduled, the grantee will be provided Compliance Guidance which details the expectations for the visit; the Compliance Guidance can also be found on MHDC's website at: <http://www.mhdc.com/ci/compliance/index.htm>.

Unannounced Visit

MHDC staff members have the right to conduct unannounced visits at the location(s) and times provided by the grantee in the Site Contact Form. It is the grantee's responsibility to notify MHDC if business hours

⁴ Agencies may need to monitor junk folders to ensure link is received.

⁵ The only exception being if a staff member is assisting a client.

change or if the grantee will be closed for an extended amount of time. Unannounced site visits are conducted based on certain factors, including but not limited to, agency's prior history with ESG, concerns/deficiencies noted in grantee's audit and/or financial statements, outcome of announced visit, and fulfilling grant requirements such as timely and accurate submission of Payment Requests. MHDC will not conduct site visits on state or federal holidays.

Desk Review Procedure

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 and approved backup/invoices, a compliance desk review may be scheduled.
- The Compliance Officer (CO) will first (#1) 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 (#1) 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) 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 uploaded to: www.mhdc.com/bigfile, within 24 hours. Please review scans before sending them to MHDC. Make sure that all pages are facing the same direction and are legible. Any sensitive or confidential information must be redacted prior to scanning and sending the documents.

Electronic Files

If the grantee elects to maintain electronic files in lieu of paper files, the grantee will be required to print all required documentation for on-site compliance visits, including case notes and/or housing stability plans. As with all files, the time limit to produce these files is 15 minutes during a site visit.

Exit Interview

At the conclusion of the site visit, the Compliance Officer will discuss the findings of the visit with the appropriate grantee staff member(s). The Grantee will be given the opportunity to discuss the findings as well as any other questions and concerns with the Compliance Officer. The Compliance Officer will conduct a written exit interview in order to ensure that grantee representative is in agreement with the outcome of the visit, as well to documents any follow-up actions required by MHDC and/or grantee. The final compliance status is determined at the discretion of MHDC Management.

Monitoring Letter

After completing an on-site visit, MHDC staff will email the grant contact a post-monitoring report detailing the results of the review, including any minor or major findings, areas for improvement, corrective actions that need to be taken and the deadline to complete these actions.

Common Compliance Errors

- Missing required forms and/or forms completed incorrectly
- Participants failing to disclose income information/inadequate intake application
- Missing household eligibility documentation, i.e. income and homelessness
- Missing documentation of case management and housing stability goals
- Utilizing net vs gross income amounts and/or frequency of pay
- Fair Market Rent and Utility Allowance calculation

HMIS Lead Agencies

MHDC will monitor HMIS lead agencies through a desk monitoring process requiring supporting documentation for items selected on expense detail report forms (submitted within the payment request packets) by MHDC staff.

Compliance Violations

Out of Compliance

If the MHDC staff member finds that the grantee is out of compliance, the MHDC staff member will record that the grantee is out of compliance. Until the MHDC staff member has verified that the issue(s) has/have been resolved, ESG funding will be suspended.

If the grantee is found out of compliance they will need to submit a Corrective Action Plan (CAP) detailing the reason(s) for out of compliance status and how the findings will be corrected. Depending on the reason(s) for out of compliance status, grantee may also be subject to a follow-up site visit conducted by MHDC staff in order to ensure that the issues have been resolved.

If the issue(s) that caused the grantee to be out of compliance are resolved after the CAP and/or follow-up site visit review, the Compliance Officer will notify the grantee that their funding is no longer suspended. If the issue(s) that caused the grantee to be out of compliance are still not resolved after the CAP and/or follow-up site visit review, the Compliance Officer will notify the grantee of their findings and funding will be suspended for all grants that the agency has been awarded through the HUD and State department at MHDC.

Replacement Back-Up

If ineligible expenditures are discovered during the monitoring process, the agency will have the opportunity to replace the previously billed ineligible expenses with new, unbilled and ESG eligible expenditures. Agency will be notified of the need for replacement back-up and a deadline for which replacement back-up will need to be produced in the final audit report following a monitoring visit. Replacement back-up will be submitted into Grant Interface. Agency must provide proof of cleared payment along with the invoice and or receipt.

If agency is unable to replace ineligible expenses, repayment of costs may become necessary.

Consequences for Non-Compliance

The following violations will be noted in grantee's records, and points may be assessed during future application cycles:

- Grant partially or fully recaptured (i.e., funds not fully expended by the end of the grant term)
- More than half of files reviewed at an on-site visit had missing or incomplete information
- Funds not drawn quarterly
- Grant not fully closed out by deadline
- Minimum habitability standards not met

The following violations will result in grantee being out of compliance, which will require MHDC to suspend ESG funding, assess points for future applications, and in most instances, a Corrective Action Plan will be required in order to reinstate 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 is unresponsive to audit scheduling request. Noncompliance is considered after three failed scheduling attempts. Grantee accommodations deemed to be unsafe or unsanitary; allegations of clients being put in danger by grantee

Environmental Review

Per [24 CFR 576.407](#)(d), HUD-assisted projects, including ESG grantees and sub-grantees, are required to comply with the National Environmental Policy Act (NEPA) by conducting an environmental review to determine the potential environmental impacts of a project or, if applicable, by documenting its categorical exclusion or exemption from this requirement. Grantees using funds for project-based rental assistance are subject to a limited scope review. Grantees using ESG funds for essential services, shelter operations, HMIS, or tenant-based rental assistance only are considered exempt or categorically excluded. For Grantees using ESG funds to lease office space or facilities where services are provided, the level of environmental review increases to categorically excluded subject to Section 58.5. Grantees are required to provide information to assist MHDC in determining the applicable level of review and documentation of compliance with environmental review requirements.

Matching Funds

Per [24 CFR 576.201](#), sub-grantees must match their total ESG grant award consisting of documented non-McKinney resources. Matching funds must be used in accordance with all requirements that apply to ESG funds (e.g., documentation, participant eligibility, eligible costs). Match may include cash and/or non-cash contributions, including the value of any lease on a building, the actual value of professional services, any salary paid to staff to carry out the program, and the value of the time and services contributed by volunteers

to carry out the program. Any cash or non-cash contribution matched to ESG grant cannot have been used and will not be used to match any other Federal program's funds nor any other grant. Failure to provide properly documented uses and sources of match at the end of the grant term will require repayment of all unmatched reimbursements.

Area-Wide Systems Coordination

Consultation with Continuums of Care

ESG grantees are required to attend at least 75 percent of the Continuum of Care (CoC) all member meetings in the Continuum in which ESG funds are spent. These meetings bring together many different agencies working toward the improvement of housing and ending homelessness in the state of Missouri. Grantees will be required to submit an attendance tracking sheet for meetings attended at the close out of the grant. It is the grantee's responsibility to provide the CoC representative with an attendance tracking sheet provided by MHDC to complete for each meeting that is attended. MHDC acquires feedback from each CoC chair regarding the agency's level of participation which may be assessed on future ESG applications for funding. Please note that attendance for all other meetings (i.e. CoC committee meetings, etc.) is greatly encouraged, but not included in the 75 percent attendance criteria of CoC full membership meetings. Grantees should maintain record of meetings being cancelled.

Coordination with Other Targeted Homeless Services

Sub-grantees must coordinate and integrate ESG activities with mainstream housing, health, social services, employment, education, and youth programs, as well as programs targeted to homeless people in its service area to provide a strategic, community-wide system to prevent and end homelessness. Please refer to the ESG regulations [24 CFR 576.400\(b\)\(c\)](#), for a full list of these programs.

Coordinated Entry System

All Missouri CoC's were required to develop a coordinated entry system in accordance with requirements established by HUD. A coordinated entry system should provide easy access for households seeking housing or services. Each ESG-funded non-victim services provider within the Continuum of Care's area must use that assessment system to ensure consistent screening, assessment, prioritization and referral of program participants ([24 CFR 576.400\(d\)](#)). Each provider must also work with its CoC to ensure that the screening, assessment, and referral of program participants are consistent with the required program guidelines. Victim services providers may choose not to use the Continuum of Care's coordinated entry system.

Terminating Assistance

Per [24 CFR 576.402](#), if a program participant violates program requirements, their ESG benefits may be terminated in accordance with a formal process established by the sub-grantee that recognizes the rights of the individuals affected and allows for due process. The sub-grantee must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a participant's

assistance is terminated only in the most severe cases. Termination does not bar the sub-grantee from providing further assistance at a later date to the same family or individual. To terminate rental assistance or housing relocation and stabilization services, the grantee's formal process must include at minimum:

- Written notice to the program participant containing a clear statement of the reason(s) for termination;
- A review of the decision, in which the participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
- Prompt written notice of the final decision to the participant

Agencies should ensure that the Housing First approach is implemented within their organizational procedures and program policies, especially in regards to termination of assistance⁶

Recordkeeping Requirements

Program Guidelines

Per [24 CFR 576.400](#), every ESG grantee must develop and implement program guidelines that include:

- Policies and procedures for evaluating households' eligibility for ESG assistance.
- Targeting and providing essential services related to street outreach
- Policies and procedures for admission, diversion, referral, and discharge by emergency shelters
- Policies and procedures for assessing, prioritizing, and reassessing households' needs for essential services related to emergency shelter
- Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers; other homeless assistance providers; and mainstream service and housing providers
- Policies and procedures for determining and prioritizing which eligible households will receive homelessness prevention and which households will receive rapid re-housing (policies should include emergency transfer priority required under [24 CFR 576.409](#))
- Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance
- Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time
- Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participants receives assistance; or the maximum number of times the program participants may receive assistance and the process for ensuring confidentiality of client records [24 CFR 576.105\(c\)](#).

⁶ See Appendix E for additional Housing First Resources.

- Policies and procedures for participation in the grantee's CoC coordinated entry system
- Standards describe the formal termination process established by the agency that recognizes the rights of individuals affected. The grantee must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.
- Standards describe the program participants formal grievance process
- Standards address the policy for participation in HMIS or comparable database.

Ineligible Clients

Grantees are required to maintain a record of all clients that are screened and classified as ineligible and reasons for the determination of ineligibility ([24 CFR 576.500\(d\)](#)).

Documenting Homeless Status

Per [24 CFR 576.500\(b\)](#), the sub-grantee must maintain and follow written intake procedures to ensure compliance with homeless and at-risk of homeless definitions and must include documentation required at intake to verify homeless status in order of HUD preference; (1) Third-party documentation (or written certification of third-party oral verification for those at-risk), (2) Intake worker observation, (3) Self-certification from client seeking assistance. Appropriate homeless status documentation for intake files will vary depending on type of assistance provided and the circumstances of each participant. Some documentation is already available, such as discharge paperwork and HMIS service transactions. Lack of third-party documentation should not prevent a household from being immediately admitted to shelter, receiving street outreach services, or from receiving victims' services and shelter. The recordkeeping requirements for each homeless status are detailed as follows:

Literally Homeless

- Written observation by the outreach worker; or
- Written referral by another housing/service provider; or
- Certification by the head of household seeking assistance stating they he/she was living on the streets or in shelter.

Imminent Risk of Homelessness

- A court order resulting from an eviction action notifying the household they must leave; or
- For households leaving a hotel/motel:
 - Evidence that they lack financial resources to stay; or
- A documented and verified oral statement; and
 - Certification that no subsequent residence has been identified; and
 - Self-certification or other written documentation that the household lacks financial resources and support necessary to obtain permanent housing.

At Risk of Homelessness

- Evidence that participant's annual income < 30% AMI; and

- Self-certification that the household lacks financial resources and support necessary to obtain permanent housing and meets at least one condition of the “at risk of homeless” definition [in 24 CFR 576.2](#); and
- Source documents to show the program participant does not have sufficient resources or support networks (Notice of employment termination, unemployment compensation statement, bank statement); or
 - Written verification by relevant third-party (former employer, relative, etc.); or
 - Written certification by the outreach worker of the oral verification by the third party; or
 - Written statement describing efforts taken to obtain required evidence.

Fleeing/Attempting to Flee Domestic Violence

- Oral statement by the head of household seeking assistance which states they are fleeing, have no subsequent residence, and lacks other resources. Statement must be documented by a certification by intake worker or self-certification.

Grant Close Out

Once all funds have been expended, grantee is required to close out their grant. The close out process consists of several components:

1. All funds expended
2. Continuum of Care Attendance (MHDC-107)
3. Match Certification (ESG-210) and supporting documentation
4. Homeless Participation Certification

All complete and final close out information needs to be submitted electronically on the grantee’s grant profile via MHDC’s Grant Interface (<https://www.grantinterface.com/Home/Logon?urlkey=mhdc>) on or before 11:59 p.m. on December 1, 2022. Any funds that are not expended will be recaptured.

PROGRAM ADMINISTRATION

Program Participant Eligibility

Determining Participation

Grantees must conduct an initial evaluation of eligibility (in accordance with the local CoC's coordinated entry process) in order to determine:

- Each individual or family's eligibility for ESG activities
- The applicant has no appropriate subsequent housing options
- The applicant lacks sufficient resources and support networks to obtain/retain housing
- The total household income is below 30 percent area median income (AMI) (Homelessness Prevention only)
- The applicant has not received more than 24 months of ESG assistance within the past three years (Homelessness Prevention, Rapid Re-housing only, Form ESG-204)
- The minimum amount and types of assistance necessary (Homelessness Prevention, Rapid Re-housing only)

Evaluations must be conducted in accordance with the local coordinated entry process and the agency's program guidelines ([24 CFR 576.400](#)) which should follow the Housing First model⁷. Where possible, agencies should attempt to divert households from homelessness, including those seeking shelter who are currently housed but at imminent risk. However, households seeking shelter that are fleeing, or are attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member should not be diverted.

Re-Evaluating Participation

In addition to conducting an initial evaluation and connecting program participants to other resources, eligibility for ESG Homelessness Prevention and Rapid Re-housing must be re-evaluated:

- At least once every three months for Homelessness Prevention assistance
- At least once annually for Rapid Re-housing assistance

At a minimum, the re-evaluation must establish that:

- Annual income household income is not greater than 30 percent of the AMI (ESG-201)
- The program participant lacks sufficient resources and support networks necessary to retain housing without ESG assistance (ESG-209)

⁷ Additional resources for the Housing First model can be found in Appendix E

Homeless Definitions

Individuals and families seeking assistance must be evaluated to determine their homeless status eligibility for ESG. Each component summarizes the homeless definitions; the complete homeless definitions can be found at [24 CFR 576.2](#).

Income

When determining the annual income of a household, the sub-grantee must refer to the standards for calculating income per [24 CFR 5.609](#) and the HUD Handbook 4350.3, REV-1, Chapter 5. Current ESG Income Limits can be found on HUD's website and are also posted on MHDC's website at: <http://www.mhdc.com/ci/esg/fad/documents.htm>.

Inclusions

- Earned income (wages, salaries, net income from operating of a business or profession)
- Interest and dividend income
- Pension/retirement income
- Unemployment and disability
- TANF/Public Assistance
- Alimony and child support income
- Regular contributions or gifts from organizations or persons not residing in the dwelling
- Armed forces income
- Any other income included in the HUD Handbook 4350.3, REV-1, Chapter 5, Exhibit 5-1

Exclusions

- Income of children under 18 (including foster care payments)
- Inheritance and insurance income
- Medical expense reimbursements
- Income of live-in aides
- Certain state payments regarding disability
- Student financial aid
- Armed forces hostile fire pay
- Temporary, non-recurring, or sporadic income
- Certain reparation payments
- Earnings in excess of \$480 for each full-time student who is 18 years old or older (excluding the head of household and spouse)
- Adoption assistance payments in excess of \$480 per adopted child
- Deferred periodic amounts from SSI or social security benefits that are received in a lump sum amount or in prospective monthly amounts
- Refunds or rebates for property taxes
- Amounts paid by the state to offset the cost to allow a developmentally disabled family member to remain in the home
- Any other exclusions related to 24 CFR 5.609
- Any other exclusions included in the HUD Handbook 4350.3, REV-1, Chapter 5, Exhibit 5-1

Program Components and Eligible Activities

Street Outreach

ESG funds may be used for the costs of providing essential services to unsheltered homeless people ([24 CFR Part 576.101](#)); connect them with emergency shelter, housing, or critical services; and provide urgent non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.

Income

Income requirements do not apply to program participants who are being served under Emergency Shelter or Street Outreach components.

Eligibility

Street Outreach services are provided to persons who meet HUD's Category 1.

Literally Homeless (Category 1)	Individual or family who lacks a fixed, regular, and adequate nighttime residence: <ul style="list-style-type: none">• Has a primary nighttime residence that is a public or private place not meant for human habitation; including a car, park abandoned building, bus or train station, airport, or camping ground.
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The following activities are eligible under the Street Outreach activities for persons who meet the homeless status eligibility criteria outlined above and require an HMIS Client identifying number:

Engagement

Activities designed to locate, identify, and build relationships with unsheltered homeless people for the purpose of providing immediate support, intervention, and connections with homeless assistance programs and/or mainstream social services and housing programs, including:

- Initial assessment of needs and program eligibility
- Providing crisis counseling
- Addressing urgent physical needs
- Actively connecting and providing information and referral

Housing-Focused Case Management

Assessment of the housing and service needs of unsheltered homeless persons, and the arrangement for, coordination of, and monitoring of delivery of services to those persons, including:

- Participation in the centralized or coordinated entry system of the local Continuum of Care
- Initial evaluation, verification and documentation of eligibility
- Counseling
- Developing, securing, and coordinating services
- Helping obtain federal, state, and local benefits
- Monitoring and evaluating participant progress
- Providing information and referrals to other service providers

- Developing individualized housing and service plans

Emergency Health Services

Direct outpatient treatment of medical conditions by licensed professionals in community-based settings where unsheltered homeless people are living, including:

- Assessing participants' health problems and developing treatment plans
- Assisting participants in understanding their health needs
- Providing or helping participants obtain appropriate emergency medical treatment
- Providing medication and follow-up services

Emergency Mental Health Services

Direct outpatient treatment of mental health conditions by licensed professionals in community-based settings where unsheltered homeless people are living, including:

- Crisis interventions
- Prescription of psychotropic medications
- Explanation for the use and management of medications
- Combinations of therapeutic approaches to address multiple problems

Transportation Services

Travel by outreach workers, social workers, medical professionals or other service providers during the provision of eligible street outreach services, including:

- Transporting unsheltered homeless individuals and families to emergency shelters or other service facilities
- Cost of a participant's travel on public transit
- Mileage allowance for outreach workers to visit participants
- Cost of staff to accompany or assist participants to use public transportation

Services for Special Populations

Any of the essential services listed above that have been tailored to address the special needs of homeless youth, victims of domestic violence and related crimes/threats, and/or people living with HIV/AIDS who are literally homeless.

Record Keep Requirements

Literally Homeless

- Written observation by the outreach worker; or
- Written referral by another housing/service provider; or
- Certification by the head of household seeking assistance stating they he/she was living on the streets or in shelter.
- Providing or helping participants obtain appropriate emergency medical treatment
- Providing medication and follow-up services.

Records to Maintain - Program Participants

Record	Criteria
Homeless Status	<ul style="list-style-type: none"> Form MHDC-114
Initial Consultation Documentation	<ul style="list-style-type: none"> Agency Intake Documentation
Case Management Documentation	<ul style="list-style-type: none"> Assessing, arranging, coordinating, and monitoring delivery of services to facilitate housing stability Notes must be dated and detail housing goals, plans, referrals
Consent Form	<ul style="list-style-type: none"> Form MHDC-114
Non-Identifying Identification Certification	<ul style="list-style-type: none"> Form (MHDC-110) can be requested for use by Domestic Violence providers with a written request emailed to the Grant Administrator.

Records to Maintain – Administration

Activity	Acceptable Forms of Documentation (both Cost Incurred and Proof of Payment are required)	
	Cost Incurred	Proof of Cleared Payment
<ul style="list-style-type: none"> Bills paid Services performed Materials purchased 	<ul style="list-style-type: none"> Invoice Receipt 	<ul style="list-style-type: none"> Canceled checks or bank statement with ESG payments highlighted
<ul style="list-style-type: none"> Travel costs 	<ul style="list-style-type: none"> Travel request which includes date(s) of travel, from/to, purpose of travel, route maps, and other supporting documentation Documents required for each pay period billed to the grant 	<ul style="list-style-type: none"> Canceled checks, bank with ESG payments highlighted
<ul style="list-style-type: none"> Employee Compensation 	<ul style="list-style-type: none"> Timesheets- signed by supervisor and employee detailing eligible ESG activities, for each pay period billed to the grant Pay stub listing pay periods, employee listed, last four digits of SSN 	<ul style="list-style-type: none"> Copy of pay stub Bank statement with ESG payments highlighted

Street Outreach Financial Process

After incurring street outreach expenses, grantees may submit for payment using MHDC's Grant Interface. Using the follow up forms, agencies are expected to completely fill out the online form, and then attach a PDF that includes the following documents:

- ESG-212 (Completely fill out the street outreach expense detail tab)

- HMIS Report (For street outreach, this should look like a HMIS client detail report or roster report that includes a date range and no identifying client information.)
 - MHDC-113 (Only to be used in the instance of zero clients reflecting on a HMIS report for a specified date range).
 - In the instance when ONLY engagement activities (services) occurred during a date range (no client intakes were performed), MHDC-113 is required in order to verify employee time spent on Street Outreach activities. If agency tracks engagement activities using another method, internal documentation can be submitted in place of MHDC-113.

Common reasons that street outreach payment requests are discarded:

- Salaries or other eligible program expenses are incurred outside of the eligible funding period or are missing the last 4 of employee social security numbers in the detail description.
- The Date range on the HMIS report doesn't match up with the date ranges of the expenses on the ESG-212 Street Outreach Expense Detail form.
- Amount requested is greater than the amount remaining in the grant balance.
- Expenses included on the Street Outreach Expense Detail are not listed as eligible in the 2022 Desk Guide or HUD's Consolidated Federal Regulations (CFR).
- HMIS report reflects zero clients for the specified date range and MHDC-113 was not completed.

Program Guidelines

*Example of program guidelines can be found at <https://www.endhomelessnessmo.org/gceh-policies>
 Per [24 CFR 576.400](#), every ESG grantee must develop and implement program guidelines that include:

- Standards include procedures used for evaluating the eligibility of individuals and families for assistance under the ESG programs.
- Standards include procedures describing the coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.
- Standards describe the formal termination process established by the agency that recognizes the rights of individuals affected. The grantee must exercise judgment and examine all extenuating circumstances in determining when violations warrant termination so that a program participant's assistance is terminated only in the most severe cases.
- Standards describe the program participants formal grievance process
- Standards address the policy for participation in HMIS or comparable database.
- Standards include procedures for ensuring that clients served and activities provided with ESG funds are entered into HMIS or comparable database, the timeframe for data to be entered, and the process for ensuring confidentiality of client records.
- Standards include procedure for targeting and providing services related to street outreach.

Emergency Shelter

ESG funds may be used for the costs of operating an emergency shelter and providing essential services to homeless people in emergency shelters ([24 CFR Part 576.102](#)).

Income

Income requirements do not apply to program participants who are being served under Emergency Shelter or Street Outreach components.

Eligibility

Emergency Shelter services are provided to persons who meet HUD's Category 1, 2, or 4 status of homelessness.

Literally Homeless (Category 1)	Individual or family who lacks a fixed, regular, and adequate nighttime residence: <ul style="list-style-type: none">• Has a primary nighttime residence that is a public or private place not meant for human habitation;• Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, hotels/motels paid for by charitable organizations or federal, state, and local government programs; or• Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
Imminent Risk of Homelessness (Category 2)	Individual or family who will imminently lose their primary residence, provided that: <ul style="list-style-type: none">• Residence will be lost within 14 days of the date of application for homeless assistance;• No subsequent residence has been identified; and• Lacks resources or support networks needed to obtain other permanent housing.
Fleeing/Attempting to Flee Domestic Violence (Category 4)	Individual or family who: <ul style="list-style-type: none">• Is fleeing/attempting to flee domestic violence;• Has no other residence; and• Lacks resources or support networks needed to obtain other permanent housing.

Essential Services

Costs associated with providing services to individuals and families, including:

- Childcare, education, employment, and life skills services
- Transportation
- Legal services
- Health, mental health, substance abuse services
- Case management
- Services for special populations

Shelter Operations

Expenses to operate and maintain emergency shelters, including:

- Minor or routine maintenance
- Rent
- Security
- Fuel
- Insurance
- Utilities
- Food for shelter residents
- Furnishings
- Equipment
- Hotel or motel vouchers when no appropriate emergency shelter is available⁸

Minimum Shelter Standards

Per [24 CFR part 576.403](#), emergency shelters must meet minimum safety, sanitation, and privacy standards related to the following topics:

- Structure and Materials
- Access
- Space and Security
- Interior Air Quality
- Water Supply
- Sanitary Facilities
- Thermal Environment
- Illumination and Electricity
- Food Preparation
- Sanitary Conditions
- Fire Safety

Records to Maintain - Program Participants

Record	Criteria
Homeless Status	<ul style="list-style-type: none">• Form MHDC-114
Initial Consultation Documentation	<ul style="list-style-type: none">• Agency Intake Documentation
Case Management Documentation	<ul style="list-style-type: none">• Assessing, arranging, coordinating, and monitoring delivery of services to facilitate housing stability• Notes must be dated and detail housing goals, plans, referrals
Habitability Inspection	<ul style="list-style-type: none">• Form ESG-205 (ES or PH versions)
Lead-based Paint Inspection	<ul style="list-style-type: none">• Form ESG-207, ESG-208
Consent Form	<ul style="list-style-type: none">• Form MHDC-114
Non-Identifying Identification Certification	<ul style="list-style-type: none">• Form (MHDC-110) can be requested for use by Domestic Violence providers with a written request emailing the Grant Administrator.

⁸ Hotel / Motel costs billed to the grant must include the same client file documentation required under Records to Maintain for Emergency Shelter clients

Records to Maintain – Administration

Activity	Acceptable Forms of Documentation (both Cost Incurred and Proof of Payment are required)	
	Cost Incurred	Proof of Cleared Payment
<ul style="list-style-type: none"> • Bills paid • Services performed • Materials purchased 	<ul style="list-style-type: none"> • Invoice • Receipt 	<ul style="list-style-type: none"> • Canceled checks or bank statement with ESG payments highlighted
<ul style="list-style-type: none"> • Travel costs 	<ul style="list-style-type: none"> • Travel request which includes date(s) of travel, from/to, purpose of travel, route maps, and other supporting documentation • Documents required for each pay period billed to the grant 	<ul style="list-style-type: none"> • Canceled checks, bank statements with ESG payments highlighted
<ul style="list-style-type: none"> • Employee Compensation 	<ul style="list-style-type: none"> • Timesheets- signed by supervisor and employee detailing eligible ESG activities, for each pay period billed to the grant • Pay stub listing pay periods, employee listed, last four digits of SSN 	<ul style="list-style-type: none"> • Copy of pay stub • Bank statement with ESG payments highlighted

Compliance Process

Habitability Standards: All emergency shelters funded with ESG must meet basic habitability standards as detailed in [24 CFR 576.403](#). Emergency shelters will be inspected during on-site compliance visits to ensure compliance with the minimum habitability standards. The Compliance Officer will inspect the building exterior, building systems, parking lots/driveways, playground, lawn, a random selection of sleeping rooms, and any common areas on the property. The Compliance Officer will note any deficiencies found in the post monitoring letter and the grantee will need to provide documentation/photographs indicating that the issues have been corrected. Agencies are responsible for notifying clients, prior to the site visit that a MHDC staff member will be on site for an inspection of the shelter.

Emergency Shelter Financial Process

After incurring emergency shelter expenses, grantees may submit for payment using MHDC's Grant Interface. Using the follow up forms, agencies are expected to completely fill out the online form, and then attach a pdf that includes the following documents:

- ESG-212 (Completely fill out the emergency shelter expense detail tab)
 - Make sure that expenses are properly listed on this form as either shelter operations or essential services. (ex: Maintenance=shelter operations; Salaries= essential services)
- HMIS Report (For emergency shelter, this should look like a roster or bed/nights report that includes a date range and no identifying client information)

Common reasons that emergency shelter payment requests are discarded:

- Salaries or other eligible program expenses are incurred outside of the eligible funding period or don't include the last 4 of the employee social security number.
- The Date range on the HMIS report doesn't match up with the date ranges of the expenses on the ESG-212 Emergency Shelter Expense Detail form.
- Amount requested is greater than the amount remaining in the grant balance.
- Expenses included on the Emergency Shelter Expense Detail are not listed as eligible in the 2022 Desk Guide HUD's Consolidated Federal Regulations (CFR).
- The wrong subcomponent (Essential Services or Operations) is listed on the ESG-212 for individual expenses.

Program Guidelines

*Example of program guidelines can be found at [MHDC Funded Agency Documents](#)

- Standards include policy for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay limits, if any, and safeguards to meet the safety and shelter needs of victims of domestic violence, sexual assault, etc.
- Standards include policy for admission, diversion, referral, and discharge by emergency shelters including standards regarding length of stay limits, if any and s safeguards to meet the safety and shelter needs of individuals and families who have the highest barriers to housing and are likely to be homeless the longest.
- Standards include procedure for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.

Homelessness Prevention

Households may only be assisted under this component as long as the assistance is necessary to regain stability in permanent housing.

Eligibility

To prevent households from becoming literally homeless ([24 CFR Part 576.103](#)). Participants must meet Category 2 or 4 of the homeless definitions or Category 1 of the at-risk homeless definition, and have an annual [income](#) below 30 percent of area median income, as determined by HUD, at initial evaluation, and all re-evaluations.

Imminent Risk of Homelessness (Category 2)	Individual or family who will imminently lose their primary residence, provided that: <ul style="list-style-type: none">• Residence will be lost within 14 days of the date of application for homeless assistance;• No subsequent residence has been identified; and• Lacks resources or support networks needed to obtain other permanent housing.
Fleeing/Attempting to Flee Domestic Violence (Category 4)	Individual or family who: <ul style="list-style-type: none">• Is fleeing/attempting to flee domestic violence;• Has no other residence; and• Lacks resources or support networks needed to obtain other permanent housing.
At Risk of Homelessness	Individual or family who: <ul style="list-style-type: none">• Has an annual income below 30% of median family income for the area;• Does not have sufficient resources or support networks immediately available to prevent them from moving to an emergency shelter or another place defined in Category 1 of the “homeless” definition;• Meets one of the following conditions:<ul style="list-style-type: none">○ Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; or○ Is living in the home of another because of economic hardship; or○ Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; or○ Lives in a hotel or motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; or○ Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; or○ Is exiting a publicly funded institution or system of care; or○ Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient’s approved Con Plan

Eligible Activities

[Rental assistance](#), [housing relocation and stabilization services](#) are eligible activities under Homelessness Prevention. The following are eligible costs under these eligible activities:

Housing Relocation and Stabilization Services

- Financial Assistance
 - Moving costs
 - Rent application fees
 - Last month's rent
 - Security and utility deposits
 - Utility payments
 - Utility arrears: Up to six months of arrears, including late fees on the arrears
- Services
 - Housing search and placement
 - Housing stability case management
 - Mediation
 - Legal services
 - Credit repair

Rental Assistance

- Short-term: up to three months
- Medium-term: four to 24 months
- Rental Arrears: One-time payment of up to six months rental arrears, including late fees on the arrears

Housing Stability Case Management

While providing Homelessness Prevention, the case manager must:

- Attempt to meet with the participant at least once per month and document attempts to maintain contact and schedule meetings with clients, to assist the program participant in ensuring long-term housing stability (unless the grantee/sub-grantee is exempt from this requirement under the Violence Against Women Act (VAWA) or the Family Violence Prevention and Services Act which prohibit making its shelter or housing conditional on the participant's acceptance of services); and
- Develop a plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations such as the participant's current or expected income and expenses; other public or private assistance for which the participant will be eligible and likely to receive; and the relative affordability of available housing in the area.
- Assistance cannot exceed 30 days during the period the program participant is seeking permanent housing.

Using Rental Assistance with Other Subsidies

Rental assistance cannot be provided to program participants receiving tenant-based rental assistance or living in a housing unit receiving project-based rental assistance or operating assistance through other public sources for the same time period. Rental arrears can be provided to households receiving rental subsidies.

Rent Restrictions

Rental units must comply with:

- Fair Market Rent (FMR) limits ([24 CFR Part 888](#))
- Rent Reasonableness ([24 CFR 982.507](#))

Rent for unit assisted with ESG must not exceed the lesser of the Fair Market Rent or the rent reasonableness standard. Rent must be reasonable when compared to other units of similar location, type, size, and amenities within the community. Fair Market Rent (FMR) rent (including tenant paid utilities) is at or below the HUD established FMR for the unit size in the area. Requirements do not apply for households not receiving ESG rental assistance.

Lead-Based Paint and Minimum Habitability Standards

All housing occupied by ESG program participants must be inspected for lead-based paint in accordance with [24 CFR 35](#). ESG funds must be used to help participants obtain or maintain housing that meets minimum habitability standards ([24 CFR 576.403](#)).

Maximum Assistance

The maximum period for which any program participant may receive ESG services must not exceed 24 months during any three-year period. A certification of receipt of ESG assistance must be completed by the client, via form ESG-204, to ensure eligible client assistance.

Rental Assistance Agreements

ESG grantees providing rental assistance must enter into a rental assistance agreement with the owner of the housing for which funds are being provided in accordance with [24 CFR 576.106\(e\)](#). This agreement establishes the terms under which rental assistance will be provided, and it requires the owner to provide a copy of any notice provided to program participants to vacate the housing unit or any complaint used under State or local law to evict the program participant to the agency providing ESG rental assistance.

Records to Maintain - Program Participants- Homelessness Prevention

Record	Criteria
Homeless Status	<ul style="list-style-type: none"> Form MHDC-114
Income Worksheet, as applicable	<ul style="list-style-type: none"> Form ESG-201
Supporting Documentation of Sources of Income	<ul style="list-style-type: none"> Third-party verification of proof of gross annual income is needed for all members of the household age 18 and over Minimum of 2 reflecting frequency of pay and current within 30 days Pay stubs, SSI/SSDI award letter/printout, child support statement, EBT statement for TANF If income source documents are unobtainable, ESG-202 Verification of Income form may be completed. Must document attempts to obtain source documentation
Photo Identification	<ul style="list-style-type: none"> Needed for all members of the household age 18 and over Driver's license, state ID, temporary ID/license, school ID with photo, passport-U.S. or foreign, U.S. passport card, permanent resident card, etc. If proof of ID is unavailable upon entry, agencies must adequately document efforts to obtain these and follow up in case management notes when ID has been received.
Initial Consultation Documentation	<ul style="list-style-type: none"> Agency Intake Documentation
Case Management Documentation	<ul style="list-style-type: none"> Assessing, arranging, coordinating, and monitoring delivery of services to facilitate housing stability Notes must be dated and detail housing goals, plans, referrals
Proof of Need	<ul style="list-style-type: none"> Documentation provided by participant to determine amounts/types of assistance needed for the household to gain stability in permanent housing Utility bills, lease, arrears, eviction documentation
Proof of Payment for ESG reimbursement	<ul style="list-style-type: none"> Canceled check or bank statement showing payments cleared highlighted and/or returned checks log
Rental Assistance Agreement	<ul style="list-style-type: none"> Agreement between the landlord and ESG grantee Applicable only to households receiving Rental Assistance
Lease	<ul style="list-style-type: none"> Lease between program participant and landlord Households assisted with Rental Assistance must have a written lease for the rental unit
Habitability Inspection	<ul style="list-style-type: none"> Form ESG-205 (ES or PH versions)
Lead-based Paint Inspection	<ul style="list-style-type: none"> Form ESG-207, ESG-208
Rent Reasonableness and Fair Market Rent Certification	<ul style="list-style-type: none"> Form ESG-206 Resource: https://www.huduser.gov/portal/datasets/fmr.html Documentation of tenant paid utilities and current rent for comparable units.
Consent Form	<ul style="list-style-type: none"> Form MHDC-114
Social Security Identification	<ul style="list-style-type: none"> Card/number needed for all members of the household Social Security Card, printout from social security office If proof of ID is unavailable upon entry, agencies must adequately document efforts to obtain these and follow up Case management notes when ID has been received.

Certification of Receipt of ESG Assistance	<ul style="list-style-type: none">• Form ESG-204
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Homelessness Prevention Financial Process

After incurring homelessness prevention expenses, grantees may submit for payment using MHDC's Grant Interface. Using the follow up forms, agencies are expected to completely fill out the online form, and then attach a pdf that includes the following documents:

- ESG-212 (Completely fill out the homelessness prevention expense detail tab)
 - If you do not have any non-administrative expenses (such as caseworker salaries), please only fill out the Financial Assistance and Rental Assistance Total boxes at the top of the form.
 - Do NOT outline direct services on the expense detail form.
- HMIS Report (For homelessness prevention, this looks like a list that outlines the client ID, service type, service date, vendor paid, and amount paid.)

Common reasons that homelessness prevention payment requests are discarded:

- Housing services or direct assistance expenses are incurred and paid outside of the eligible funding period.
- Amount requested is greater than the amount remaining in the grant balance.
- Expenses included on the Homelessness Prevention Expense Detail are not listed as eligible in the 2022 Desk Guide HUD's Consolidated Federal Regulations (CFR).
- HMIS report does not provide client-specific data.
- Financial Assistance and Rentals Assistance are not divided out correctly on the ESG-212.
- Financial Assistance and Rental Assistance are listed as Housing Services on the Homelessness Prevention Expense Detail.

Program Guidelines

*Example of program guidelines can be found at <https://www.endhomelessnessmo.org/gceh-policies>

- Standards include procedure for determining and prioritizing which eligible individuals and families will received homeless prevention and which eligible individuals and families will receive rapid rehousing assistance.
- Standards include procedure for determining what percentage or amount of rent and utilities cost each program participant must pay while receiving rapid re-housing assistance.
- Standards include procedure for determining how long a program participant will be provided rental assistance and whether and how the amount of that assistance will be adjusted over time.
- Standards include procedure for determining the type, amount, and duration of housing stabilization and/or relocation services to provide, including the limits, if any, on the rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months in the program, or the maximum number of times the program participant may receive assistance.
- Standards include policy for addressing the needs of ineligible applicants.

Rapid Re-housing

Eligibility

To move literally homeless individuals and families ([24 CFR 576.104](#)) quickly into permanent housing and achieve stability in that housing. Participants must meet Category 1 or 4 of the homeless definition which must be determined upon initial evaluation. Upon yearly re-evaluation, the individual or family must have an annual [income](#) that is at or below 30 percent of the area median income, as determined by HUD.

Literally Homeless (Category 1)	Individual or family who lacks a fixed, regular, and adequate nighttime residence: <ul style="list-style-type: none">• Has a primary nighttime residence that is a public or private place not meant for human habitation;• Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, hotels/motels paid for by charitable organizations or federal, state, and local government programs; or• Is exiting an institution where participant has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
Fleeing/Attempting to Flee Domestic Violence (Category 4)	Individual or family who: <ul style="list-style-type: none">• Is fleeing/attempting to flee domestic violence;• Has no other residence; and• Lacks resources or support networks needed to obtain other permanent housing.

Eligible Activities

[Rental assistance](#), [housing relocation and stabilization services](#) are eligible activities under both Homelessness Prevention and Rapid Re-housing. The following are eligible costs under these eligible activities:

Housing Relocation and Stabilization Services

- [Financial Assistance](#)
 - Moving costs
 - Rent application fees
 - Last month's rent
 - Security and utility deposits
 - Utility payments
 - Utility arrears: Up to six months of arrears, including late fees on the arrears
- [Services](#)
 - Housing search and placement
 - Housing stability case management
 - Mediation
 - Legal services
 - Credit repair

Rental Assistance

- Short-term: up to three months
- Medium-term: four to 24 months
- Rental Arrears: One-time payment of up to six months rental arrears, including late fees on the arrears

Housing Stability Case Management

While providing Homelessness Prevention or Rapid Re-Housing Assistance, the case manager must:

- Attempt to meet with the participant at least once per month and document attempts to maintain contact and schedule meetings with clients, to assist the program participant in ensuring long-term housing stability (unless the grantee/sub-grantee is exempt from this requirement under the Violence Against Women Act (VAWA) or the Family Violence Prevention and Services Act which prohibit making its shelter or housing conditional on the participant's acceptance of services); and
- Develop a plan to assist the program participant to retain permanent housing after the ESG assistance ends, taking into account all relevant considerations such as the participant's current or expected income and expenses; other public or private assistance for which the participant will be eligible and likely to receive; and the relative affordability of available housing in the area.

Assistance cannot exceed 30 days during the period the program participant is seeking permanent housing.

Using Rental Assistance with Other Subsidies

Rental assistance cannot be provided to program participants receiving tenant-based rental assistance or living in a housing unit receiving project-based rental assistance or operating assistance through other public sources for the same time period. Rental arrears, deposits, and utility assistance can be provided to households receiving rental subsidies.

Rent Restrictions

Rental units must comply with:

- Fair Market Rent (FMR) limits ([24 CFR Part 888](https://www.huduser.gov/portal/datasets/fmr.html)) (Resource: <https://www.huduser.gov/portal/datasets/fmr.html>)
- Rent Reasonableness ([24 CFR 982.507](https://www.huduser.gov/portal/datasets/fmr.html))

Rent for unit assisted with ESG must not exceed the lesser of the Fair Market Rent or the rent reasonableness standard. Rent must be reasonable when compared to other units of similar location, type, size, and amenities within the community. Fair Market Rent (FMR) rent (including tenant paid utilities) is at or below the HUD established FMR for the unit size in the area. Requirements do not apply for households not receiving ESG rental assistance.

Lead-Based Paint and Minimum Habitability Standards

All housing occupied by ESG program participants must be inspected for lead-based paint in accordance with [24 CFR 35](#). ESG funds must be used to help participants obtain or maintain housing that meets minimum habitability standards ([24 CFR 576.403](#)).

Maximum Assistance

The maximum period for which any program participant may receive ESG services must not exceed 24 months during any three-year period. A certification of receipt of ESG assistance must be completed by the client, via form ESG-204, to ensure eligible client assistance.

Rental Assistance Agreements

ESG grantees providing rental assistance must enter into a rental assistance agreement with the owner of the housing for which funds are being provided in accordance with [24 CFR 576.106\(e\)](#). This agreement establishes the terms under which rental assistance will be provided, and it requires the owner to provide a copy of any notice provided to program participants to vacate the housing unit or any complaint used under State or local law to evict the program participant to the agency providing ESG rental assistance.

Records	Criteria
Homeless Status	<ul style="list-style-type: none">Form MHDC-114
Income Worksheet, as applicable	<ul style="list-style-type: none">Form ESG-201
Supporting Documentation of Sources of Income	<ul style="list-style-type: none">Third-party verification of proof of gross annual income is needed for all members of the household age 18 and overMinimum of 2 reflecting frequency of pay and current within 30 daysPay stubs, SSI/SSDI award letter/printout, child support statement, EBT statement for TANFIf income source documents are unobtainable, ESG-202 Verification of Income form may be completed. Must document attempts to obtain source documentation
Photo Identification	<ul style="list-style-type: none">Needed for all members of the household age 18 and overDriver's license, state ID, temporary ID/license, school ID with photo, passport-U.S. or foreign, U.S. passport card, permanent resident card, etc.If proof of ID is unavailable upon entry, agencies must adequately document efforts to obtain these and follow up in case management notes when ID has been received.
Initial Consultation Documentation	<ul style="list-style-type: none">Agency Intake Documentation
Case Management Documentation	<ul style="list-style-type: none">Assessing, arranging, coordinating, and monitoring delivery of services to facilitate housing stabilityNotes must be dated and detail housing goals, plans, referrals
Proof of Need	<ul style="list-style-type: none">Documentation provided by participant to determine amounts/types of assistance needed for the household to gain stability in permanent housingUtility bills, lease, arrears, eviction documentation

Proof of Payment for ESG reimbursement	<ul style="list-style-type: none"> • Canceled check or bank statement showing payments cleared highlighted and/or returned checks log
Rental Assistance Agreement	<ul style="list-style-type: none"> • Agreement between the landlord and ESG grantee • Applicable only to households receiving Rental Assistance
Lease	<ul style="list-style-type: none"> • Lease between program participant and landlord • Households assisted with Rental Assistance must have a written lease for the rental unit
Habitability Inspection	<ul style="list-style-type: none"> • Form ESG-205 (ES or PH versions)
Lead-based Paint Inspection	<ul style="list-style-type: none"> • Form ESG-207, ESG-208
Rent Reasonableness and Fair Market Rent Certification	<ul style="list-style-type: none"> • Form ESG-206 • Resource: https://www.huduser.gov/portal/datasets/fmr.html • Documentation of tenant paid utilities and current rent for comparable units.
Consent Form	<ul style="list-style-type: none"> • Form MHDC-114
Social Security Identification	<ul style="list-style-type: none"> • Card/number needed for all members of the household • Social Security Card, printout from social security office • If proof of ID is unavailable upon entry, agencies must adequately document efforts to obtain these and follow up • In case management notes when ID has been received.
Certification of Receipt of ESG Assistance	<ul style="list-style-type: none"> • Form ESG-204
Non-Identifying Identification Certification	<ul style="list-style-type: none"> • Form (MHDC-110) can be requested for use by Domestic Violence providers by emailing the Grant Administrator.

Rapid Re-Housing Financial Process

After incurring rapid re-housing expenses, grantees may submit for payment using MHDC's Grant Interface. Using the follow up forms, agencies are expected to completely fill out the online form, and then attach a pdf that includes the following documents:

- ESG-212 (Completely fill out the rapid re-housing expense detail tab)
 - If you do not have any non-administrative expenses (such as caseworker salaries), please only fill out the Financial Assistance and Rental Assistance Total boxes at the top of the form..
 - Do NOT outline direct assistance expenses on the expense detail form.
- HMIS Report (For rapid re-housing, this looks like a list that outlines the client ID, service type, service date, vendor paid, and amount paid.)

Common reasons that rapid re-housing payment requests are discarded:

- Housing services or direct assistance expenses are incurred and paid outside of the eligible funding period.
- Amount requested is greater than the amount remaining in the grant balance.
- Expenses included on the Rapid Re-Housing Expense Detail are not listed as eligible in the 2022 Desk Guide or HUD's Consolidated Federal Regulations (CFR).
- HMIS report does not provide client-specific data. Financial Assistance and Rentals Assistance are not divided out correctly on the ESG-212.
- Financial Assistance and Rental Assistance are listed out as Housing Services on the Rapid Re-Housing Expense Detail.

Program Guidelines

*Example of program guidelines can be found at <https://www.endhomelessnessmo.org/gceh-policies>

- Standards include procedure for determining and prioritizing which eligible individuals and families will receive homeless prevention and which eligible individuals and families will receive rapid rehousing assistance.
- Standards include procedure for determining what percentage or amount of rent and utilities cost each program participant must pay while receiving rapid re-housing assistance.
- Standards include procedure for determining how long a program participant will be provided rental assistance and whether and how the amount of that assistance will be adjusted over time.
- Standards include procedure for determining the type, amount, and duration of housing stabilization and/or relocation services to provide, including the limits, if any, on the rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months in the program, or the maximum number of times the program participant may receive assistance.
- Standards include policy for addressing the needs of ineligible applicants.

HMIS

HMIS, or HUD comparable database, participation is a requirement of receiving ESG funds, therefore costs associated with contributing data to the HMIS or comparable database are eligible for reimbursement ([24 CFR 576.107](#)) for agencies funded under the HMIS component. Additionally, costs associated with maintaining the database and training users are eligible costs to be reimbursed by the designated HMIS lead agency in each Continuum of Care. Activities must comply with HUD's standards on participation, data collection and reporting, including compliance with HUD's 2022 [HMIS Data Dictionary](#) and 2022 *HMIS Data Standard Manual*. In addition, the 2022 ESG Program HMIS Manual- addresses the use of HMIS for ESG, to complement and support data collection and reporting efforts of HMIS users⁹.

Eligible Activities for Grantees

- Hardware, equipment and software costs
 - Purchasing or leasing computer hardware
 - Purchasing software or software licenses
 - Purchasing or leasing equipment, including telephones, taxes, and furniture
- Staffing: Salaries for operating the HMIS
 - Data collection and reporting
 - Completing data entry
 - Monitoring and reviewing data quality
 - Completing data analysis
- Training staff on using the HMIS or comparable database:
 - Implementing and complying with HMIS requirements
 - Training and overhead
 - Obtaining technical support
 - Leasing office space
 - Paying charges for electricity, gas, water, phone service and high-speed data transmission necessary to operate or contribute data to the HMIS
 - Paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act
 - Paying staff travel costs to conduct intake
 - Paying participant fees charged by the HMIS lead agency

⁹ See Appendix E for additional HMIS resources.

Eligible Activities for HMIS Lead Agencies

- Hosting and maintaining HMIS software or data
- Backing up, recovering, or repairing HMIS software or data
- Administering the HMIS system
- Reporting to providers, the CoC, HUD, and MHDC
- Conducting training on using the system or a comparable database, including travel
- Assessing if victim services providers databases are HMIS comparable and providing verification to MHDC

Records to Maintain – Administration

Activity	Acceptable Forms of Documentation (both Cost Incurred and Proof of Payment are required)	
	Cost Incurred	Proof of Cleared Payment
<ul style="list-style-type: none">• Bills paid• Services performed• Materials purchased	<ul style="list-style-type: none">• Invoice• Receipt	<ul style="list-style-type: none">• Canceled checks or bank statement with ESG payments highlighted
<ul style="list-style-type: none">• Travel costs	Travel request which includes date(s) of travel, from/to, purpose of travel, route maps, and other supporting documentation	<ul style="list-style-type: none">• Canceled checks, bank with ESG payments highlighted
<ul style="list-style-type: none">• Employee Compensation	<ul style="list-style-type: none">• Timesheets- signed by supervisor and employee detailing eligible ESG activities• Pay stub listing pay periods, employee listed, last four digits of SSN	<ul style="list-style-type: none">• Copy of pay stub• Bank statement with ESG payments highlighted

HMIS Financial Process

After incurring HMIS expenses, grantees may submit for payment using MHDC's Grant Interface. Using the follow up forms, agencies are expected to completely fill out the online form, and then attach a pdf that includes the following documents:

- ESG-212 (Completely fill out the HMIS expense detail tab)
 - Please note that an HMIS report is not required when submitting for HMIS grant types.

Common reasons that HMIS payment requests are discarded:

- Expenses are incurred and paid outside of the eligible funding period.
- Amount requested is greater than the amount remaining in the grant balance.
- Expenses included on the HMIS Expense Detail are not listed as eligible in the 2022 Desk Guide or HUD's Consolidated Federal Regulations (CFR).
- The last 4 numbers of employee social security numbers are not provided in the detail description for salary expenses.

Administration

The Administration component is intended to support ESG Grantees' costs incurred to meet the grant requirements ([24 CFR 576.108](#)). ESG grantees may receive up to five percent of grant award for administrative costs if funded under the Administration component. Staff and overhead costs directly related to carrying out street outreach, emergency shelter, homelessness prevention, and rapid re-housing activities **are not** eligible to be reimbursed under Administration.

Eligible Activities

General Management, Oversight, and Coordination

- Administrative services performed under third party contracts or agreements, including general legal services, accounting services, monitoring services, and audit services
- Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, rental and maintenance (but not purchase) of office space
- Staff salaries, wages, benefits and related costs of staff engaged in eligible program administration activities
- Travel costs incurred for monitoring sub-grantees

Training on ESG Requirements

- Costs of providing training on ESG requirements
- Costs of attending HUD-sponsored ESG trainings

Training on Environmental Review

- Costs of carrying out environmental review responsibilities (defined at [24 CFR 576.407](#))

Indirect Costs

If billing indirect costs to ESG grant, grantees must provide MHDC with the selected Indirect Cost Rate option to be utilized during the grant term prior to submission of the first reimbursement request. The selected method for allocating indirect costs must comply with 2 CFR 200. Documentation of a cost allocation plan should include the following:

- How the grantee will determine costs as direct and indirect;
- How the grantee will allocate shared costs among different programs; and
- How the grantee will charge eligible and allowable direct and indirect costs.

Records to Maintain – Administration

Activity	Acceptable Forms of Documentation (both Cost Incurred and Proof of Payment are required)	
	Cost Incurred	Proof of Cleared Payment

<ul style="list-style-type: none"> • Bills paid • Services performed • Materials purchased 	<ul style="list-style-type: none"> • Invoice • Receipt 	<ul style="list-style-type: none"> • Canceled checks or bank statement with ESG payments highlighted
<ul style="list-style-type: none"> • Travel costs 	<ul style="list-style-type: none"> • Travel request which includes date(s) of travel, from/to, purpose of travel, route maps, and other supporting documentation 	<ul style="list-style-type: none"> • Canceled checks, bank with ESG payments highlighted
<ul style="list-style-type: none"> • Employee Compensation 	<ul style="list-style-type: none"> • Timesheets- signed by supervisor and employee detailing eligible ESG activities • Pay stub listing pay periods, employee listed, last four digits of SSN 	<ul style="list-style-type: none"> • Copy of pay stub or payroll report from a third party • Bank statement with ESG payments highlighted
<ul style="list-style-type: none"> • Indirect Rate 	<ul style="list-style-type: none"> • Cost Allocation Plan • View options 1, 2, or 3 of tool kit linked below • Resource: https://files.hudexchange.info/resources/documents/Indirect-Cost-Toolkit-for-CoC-and-ESG-Programs.pdf • Policy showing adoption of indirect rate methodology • Documentation of Indirect rate billing 	

Admin Financial Process

After incurring Admin expenses, grantees may submit for payment using MHDC's Grant Interface. Using the follow up forms, agencies are expected to completely fill out the online form, and then attach a pdf that includes the following documents:

- ESG-212 (Completely fill out the Admin expense detail tab)
 - Please note that an HMIS report is not required when submitting for Admin grant types.

Common reasons that Admin payment requests are discarded:

- Expenses are incurred and paid outside of the eligible funding period.
- Amount requested is greater than the amount remaining in the grant balance.
- Expenses included on the Administration Expense Detail are not listed as eligible in the 2022 Desk Guide or HUD's Consolidated Federal Regulations (CFR).
- The last 4 numbers of the employee social security numbers are not provided in the detail description for salary expenses.

Ineligible Activities

Ineligible activities include, but are not limited to:

- Damage costs outside of the security deposit
- Mortgage payments
- Vehicle registration or fuel for program participant's car
- Late fees accrued by the grantee
- Grantee employee salary advances
- Utility-only assistance where:
 - There are laws governing utility companies from shutting off power to households during winter months and that may require utility companies to offer payment plans for missed payments, and
 - There are other forms of utility assistance available to prevent shut-off, such as LIHEAP
- Renovations
- Vehicles
- Costs associated with purchasing or leasing a vehicle
- Employee travel to attend CoC meetings or trainings

Other Federal Requirements

Involuntary Family Separation

Per [24 CFR 578.93](#), HUD-funded shelters and assisted housing are prohibited from causing involuntary family separation. The age and gender of a child under age 18 must not be used as a basis for denying any family's admission to a project that receives funds under this part. There are exceptions for housing for specific subpopulations, agencies should review the full rule to ensure full compliance.

Equal Access in Accordance with an Individual's Gender Identity

In accordance with [24 CFR 5.105](#), providers that operate single-sex projects using funds awarded through the HUD's Office of Community Planning and Development will now be required to provide all individuals, including transgender individuals and other individuals who do not identify with the sex they were assigned at birth, with access to programs, benefits, services, and accommodations in accordance with their gender identity without being subjected to intrusive questioning or being asked to provide documentation. This requirement includes tenant selection and admission preferences. Grantee's must establish, amend, or maintain program admissions, occupancy, and operating policies and procedures (including policies and procedures to protect individuals' privacy and security), so that equal access is provided to individuals based on their gender identity.

Violence Against Women Act

The Violence Against Women Reauthorization Act of 2013 ("VAWA 2013") prohibits denial of or termination of assistance solely due to an individual or family being a victim of domestic violence, dating violence, stalking, or sexual assault. VAWA also establishes program participants' right to emergency transfers for victims who are in fear for their life and safety to move to housing that they deem safe. This act requires housing providers/programs that administers ESG rental assistance to notify all program participants of their rights under VAWA using HUD's Notification of Occupancy Rights at application, denial, or termination of assistance, and at notification of eviction. Providers must also adopt HUD's model emergency transfer plan. Victims have a right to expressly request a relocation if they reasonably believe they are in imminent harm if they remain in the same dwelling. Program participants only need to self-certify using HUD's VAWA Protections and Certification Form. Providers must document requests and outcomes for emergency transfer requests which are required to be reported to MHDC and HUD. ESG funds may be used to pay amounts owed for breaking lease to effect an emergency transfer; these costs are not subject to the 24 month limit on rental assistance. All rental assistance agreements between the landlord and the housing provider must specify that landlord will provide copy of notice to vacate/eviction proceedings to the ESG program. The VAWA Lease Addendum, HUD-91067, is available on the MHDC website <http://www.mhdc.com/ci/esg/fad/documents.htm>.

APPENDIX

Appendix A – Grant Documents

Grant Documents consist of:

Grant Agreement
Attachment B: Federal Funding Accountability and Transparency Act
MHDC- 101 - Authorized Signature Card
Site Contact Form - Located in Grant Interface
MHDC-100 - Direct Deposit Form and Voided Blank Check
ESG-200 - Program Guidelines Certification
Program Guidelines
E-Verify Memorandum of Understanding (MOU)
Certificate of Liability Insurance
United Way 2-1-1 Registration
Environmental Review Questionnaire – Located in Grant Interface
Letter from Institute for Community Alliances

Before any funds can be released, all required initial grant documents must be completed and received by MHDC on or before 5:00 p.m. December 15, 2021. Grantees with multiple 2022 ESG grants must submit required documentation for each grant (i.e., agencies cannot submit one of each required document for multiple ESG grants).

Grant Agreement

Description: The grant agreement is required for all grantees. The grant agreement specifically details the requirements and expectations for the administration of the grant. It is the grantee's responsibility to know and adhere to all provisions set forth in the grant agreement.

Completion Instructions: The following sections of the Grant Agreement must be completed by grantee:

1. Signature page – requires signature and notary
2. Rider B – requires signature
3. Exhibit 1: Workforce Eligibility Affidavit – check one box, requires signature and notary
4. Exhibit 2: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – requires signature
5. Exhibit 3: ESG Program Certifications – requires signature

All signatures must be original and by an authorized signatory as designated in the Authorized Signature Card. The entire original signed, notarized agreement must be returned to MHDC to be considered complete. If any pages of the grant agreement are missing, the grant agreement will be considered incomplete. Failure to submit a fully complete, properly executed grant agreement before December 15, 2021 can result in recapture of the grant.

Attachment B: Federal Funding Accountability and Transparency Act

- Description: The Attachment B requires information on federal grants over \$25,000 be made available to the public via a single website.
- Completion Instructions: Grantee should complete all fields on the form, and it must be signed with an original signature as designated on the Authorized Signature Card.

Authorized Signature Card (MHDC-101)

- Description: This form designates all authorized signatories for each grant. All documents that are required to be signed by grantee must be signed by authorized signatories only. If an unauthorized person signs a document, the document will be rejected.
- Completion Instructions: Form must designate at least two authorized signatories. The form must have original signatures from all designated signatories (i.e., no signature stamps should be used). Please note the Authorizing Official must sign in the Authorizing Official box as well as at the bottom of the form.

Site Contact Form

- Description: This form ensures that MHDC has updated information for the upcoming grant year, including staff contact information, office location(s), hours of operation, and any other relevant information. Please note that the information provided will be used to conduct scheduled and unscheduled site visits or desk review.
- Completion Instructions: Complete information pertaining to the grant indicated at top of form. If grant contact or hours of operation change, grantee is responsible for submitting an updated Site Contact Form or informing the ESG Administrator via email.

Direct Deposit Form (MHDC-100) and Blank Check

- Description: All disbursements from MHDC to grantee will occur using an Electronic Funds Transfer (EFT). This Direct Deposit Form provides MHDC with the grantee's banking information for the electronic transfer. A blank voided check from the indicated banking institution is also required to be submitted with the Direct Deposit form. If the agency does not have access to a blank voided check, a letter from the bank confirming the account and routing number will be accepted. Please note that by default your grantee's banking information will be updated for ALL MHDC accounts. If the banking information provided is for Emergency Solutions or one grant ONLY – it must be indicated on the direct deposit form.
- Completion Instructions: Form must be signed with original signatures by authorized signatory.

Program Guidelines Certification (ESG-200) and Program Guidelines

- Description: This form ensures that ESG grantees have created and implemented program guidelines that address all applicable requirements specified in [24 CFR 576.400\(e\)](#).
- Completion Instructions: Place a checkmark next to each applicable standard, signed by authorized signatory, submitted with a copy of all required program guidelines.

Highlight program guidelines showing ESG-200 standards have been included in program guidelines. Do not upload entire handbook or staff guidelines. ESG-200 can be found on the MHDC website.

E-Verify Memorandum of Understanding (MOU)

Description: The E-Verify MOU is an agreement between the Departments of Homeland Security (DHS) and Grantee stating that grantee agrees to participate in the Employment Eligibility Verification Program (E-Verify).

Completion Instructions: Grantee with no prior ESG history shall submit a copy of the full and complete MOU generated from DHS' online E-Verify system. Providing only the signature page will not be acceptable.

Certificate of Liability Insurance

Description: The Certificate of Insurance is a one page summary of current Liability Insurance held by grantee. The insurance held by grantee may include: General Liability, Automobile Liability Umbrella Liability, Excess Liability, Worker's Compensation and Employers' Liability. The Certificate of Liability Insurance must be current. If coverage lapses during the grant year, grantee must provide MHDC with an updated Certificate.

United Way 2-1-1 Registration

Description: United Way 2-1-1 is a phone number that individuals can call in order to receive needed resources in their area. In order to be a reliable resource for households in need, organization's need to submit updated information as changes arise.

Completion Instructions: Grantees are required to register/update their organization's information on the United Way's website, and print the webpage showing the organization's information is available. Additional instructions are located on the United Way's website at: <http://www.211helps.org/agency/get-listed>.

Environmental Review Form Questionnaire

Description: To help determine which environmental review form is required for each agency

Completion Instructions: Grantees are required complete the form by checking yes or no to the question [in Grant Interface during the Grant Agreement upload](#).

Letter from Institute for Community Alliances

Description: Letter to show agency is in HMIS or using a comparable database that can produce the HUD standards for database.

Completion Instructions: If you are a Comparable database or new agency. Please obtain a letter from Institute for Community Alliances (ICA) documenting you are in HMIS or that you are using a Comparable database that can produce the HUD standards for database. [Must be sent back with the grant agreement](#).

Appendix B – Client File Forms

Client File Forms consist of:

ESG 201 - Income Eligibility Worksheet
MHDC-112 - Income Verification Worksheet
MHDC-103 - Self-Declaration of Income
MHDC-114- Consent and Homeless Certification Form
ESG-204 - Certification of Receipt of ESG Assistance
ESG-205 - Habitability Standards Checklist
ESG-206 - Rent Reasonableness and Fair Market Rent Certification
ESG-207 - Lead Screening Worksheet
ESG-208 - Property Owner Lead Certification Form
ESG-209 - Recertification Form
VAWA Lease Addendum

*All forms can be found on mhdc.com on the CI Initiative page to ESG.

Income Eligibility Worksheet (ESG-201)

Applicable Components:	Homelessness Prevention, Rapid Re-housing
Due Date:	Income eligibility must be certified at initial intake for Homelessness Prevention, and re-certified every 90 days thereafter. Income eligibility does not need to be certified at program intake for Rapid Re-housing participants. It must be certified once the participant has received ESG assistance for one year, and it should be re- certified at least annually thereafter. At each income eligibility certification, proof of income must be current within 30 days.
Required:	Yes
Submission / Retention:	Retained in client file for every certification and re-certification
Description:	This form is intended to be used to verify income eligibility for ESG Rapid Re-housing or Homelessness Prevention.

Completion Instructions:

Collect Supporting Documentation of Income: Service provider should collect and include the supporting documentation of all household income to be referred to when completing this form (i.e., check stubs, SSI/SSDI award letter/printout, child support statement, EBT statement for TANF, etc.). If supporting documentation cannot be provided by client, please utilize Income Verification form (MHDC-112)

Household Members: Complete Household information for all members of the household. The “Total Household Members” will automatically calculate depending on the number of persons listed in the Household Members section. The number of members in the household is important in determining the correct AMI; therefore, it is very important that all members of the household are included in that section.

30 percent of Area Median Income (AMI) for Household Size: List the current 30 percent of area median income amount applicable to the county where the household is sheltered or housed. These income limits are provided on the MHDC website: <http://www.mhdc.com/ci/esg/fad/documents.htm>.

Sources of Income: This section the various sources of income that may

be applicable to the household. Income will need to be detailed for all members 18 and older. The current gross income amount, frequency of pay, and number of payments per year need to be listed to calculate the annual gross income. All amounts detailed will total in the “Total Annual Gross Income from all Sources” field.

Determination of Income Eligibility: The service provider can then compare the “Total Annual Gross Income from all Sources” to the “30% AMI for Household Size” for the county of service to determine if household meets income eligibility requirements.

Income Verification Worksheet (MHDC-112)

Applicable Components:	Homelessness Prevention, Rapid Re-housing
Due Date:	Income eligibility must be certified at initial intake for Homelessness Prevention, and re-certified every 90 days thereafter. Income eligibility does not need to be certified for Rapid Re-housing participants until they have received ESG assistance for one year, and it should be re- certified every 90 days thereafter. At each income eligibility certification, proof of income must be current within 30 days.
Required:	Yes, if client has income but cannot provide documentation of income
Description:	This form is intended to be completed by an employee/supervisor of the place of employment or payment source representative to verify the individual’s income.
Completion Instructions:	Grantee will complete the top section of the form detailing where the form should be returned. The individual seeking assistance will sign and date the form authorizing the employer or payment source representative to release the individual’s income information. The grantee will collect the information direction from the employer to ensure a third party verification.
Submission Instructions:	Retained in client file

Self-Declaration of Income (MHDC-103)

Applicable Components:	Homelessness Prevention, Rapid Re-housing
Due Date:	Income eligibility must be certified at initial intake for Homelessness Prevention, and re-certified every 90 days thereafter. Income eligibility does not need to be certified for Rapid Re-housing participants until they have received ESG assistance for one year, and it should be re- certified every 90 days thereafter. At each income eligibility certification, proof of income must be current within 30 days.
Required:	Yes – All members of household without income, 18 and over
Description:	A Self-Declaration of Income form must be completed and signed by all recipients of the household, age 18 and over, that do not have income.
Completion Instructions:	All members of household without income, 18 and over must sign a Self-Declaration of Income. The date of the form must be within 30 days of the instance of assistance. The original, signed form should be retained in the client file.

Consent and Homeless Certification Form (MHDC-114)

Applicable Components:	Emergency Shelter, Homelessness Prevention, Rapid Re-housing,
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Street Outreach

Required: Yes

Description: The form must be completed by head of household and must verify homelessness and consent for MHDC to view client information, for all individuals and families seeking ESG assistance. Grantees must attempt to gather housing status in order of HUD's preferences as mentioned above under "Documenting Homeless Status." If the client notifies agency at any time after signing the Consent Form, that they do not feel their housing is safe, decent and sanitary, then they need to address these concerns with the program participant.

Certification of Receipt of ESG Assistance (ESG-204)

Applicable Components: Homeless Prevention, Rapid Re-housing

Required: Yes

Description: Grantee must verify the eligibility of ESG program participant by ensuring that the maximum timeline for services and assistance has not been exceeded. All participants must verify that they have not exceeded 24 months of assistance in any 3 year period. Grantees should check databases to ensure 24 months in a 3 year period is verified.

Habitability Standards Checklist (ESG-205)

Applicable Components: Emergency Shelter, Homeless Prevention, Rapid Re-housing

Required: Yes, for any shelter/housing assisted with ESG funds

Description: Emergency Shelters should verify that all standards listed on ESG-205 Minimum Standards for Emergency Shelters checklist are met annually. Form to be available for review during MHDC compliance review. Grantees using ESG funds for Homelessness Prevention or Rapid Re-housing must conduct inspections of housing units to ensure they meet standards detailed on ESG-205 Minimum Standards for Permanent Housing.

Rent Reasonableness and Fair Market Rent Certification (ESG-206)¹⁰

Applicable Components: Homeless Prevention- Rental Assistance, Rapid Re-housing- Rental Assistance

Required: Yes

Description: Rent for unit assisted with ESG must not exceed the lesser of the Fair Market Rent or the rent reasonableness standard. Rent must be reasonable when compared to other units of similar location, type, size, and amenities within the community. Fair Market Rent (FMR) rent (including utilities) is at or below the HUD established FMR for the unit size in the area. When determining the utility allowance for housing that does not include utilities in the rent amount, HUD's Utility Allowance Schedule Model can be utilized. Resource: <https://www.huduser.gov/portal/datasets/fmr.html>

Lead Screening Worksheet (ESG-207)

Applicable Components: Homeless Prevention, Rapid Re-housing

Required: Yes, [24 CFR 576.403\(a\)](#)

¹⁰ HUD Utility Schedule Model: <https://www.huduser.gov/portal/datasets/husm/uam.html>.

Description: Housing occupied by program participants must be visually inspected for lead-based paint in order to certify compliance with ESG's shelters and housing occupied by program participants. Instructions for completion are detailed on the form.

Property Owner Lead Certification Form (ESG-208)

Applicable Components: Emergency Shelter, Homeless Prevention, Rapid Re-housing
Required: Yes, if visual assessment reveals problems with paint surfaces. ESG assistance cannot be provided to a unit with paint surface issues unless issues are fixed as certified by this form.

Description: To be completed by property owners/managers to certify that paint surfaces have been repaired in accordance with the guidelines of [24 CFR 35](#), Parts A, B, M, and R

Recertification Form (ESG-209)

Applicable Components: Homeless Prevention, Rapid Re-housing
Required: Yes
Description: Recertification form documents an individual or family's eligibility factors for continued ESG assistance and tracks the assistance provided to date. Applicants for Homeless Prevention must be evaluated for eligibility at initial intake and every 90 days. Rapid Re-housing program participants must be evaluated after one year of ESG assistance and every 90 days thereafter.

VAWA Lease Addendum

Applicable Components: Homeless Prevention, Rapid Re-housing
Required: Yes
Description: The lease for the above reference unit is being amended to include the provisions of the Violence against women and Just Department Reauthorization Act of 2005 (VAWA).

Appendix C – Grant Close-Out Documents

Grant Close-Out Documents consist of:

MHDC-107 - CoC Participation Form

ESG-210 - Match Certification Documentation

Homeless Participation Certification

Consolidated Annual Performance and Evaluation Report (CAPER)

*All forms will be submitted through Grant Interface, besides the caper. The caper will be submitted through a link.

CoC Participation Form (MHDC-107)

Description:	All sub-grantees are required to attend at least 75 percent of local Continuum of Care meetings.
Completion Instructions:	Participation tracking sheet required at grant closeout and it is the agency's responsibility to get CoC representative signature in a timely manner. Only one sheet required per grant. Meetings that are canceled should be listed. In the signature line, write "cancelled."

Homeless Participation Certification

Description:	Grantee must include at least one current or formerly homeless member on its board of directors or equivalent decision-making entity of the sub-grantee (24 CFR 576.405).
Completion Instructions:	<p>Signed letter from sub-grantee's Board president must be submitted, including:</p> <ul style="list-style-type: none">• Verification that agency has at least one member that is currently or formerly homeless currently participating on the Board of Directors• Explanation of how this individual is involved in agency policy decision-making process directly related to ESG program• Process agency and Board of Directors uses to ensure requirement is fulfilled• If agency is not currently in compliance, include date and plan for meeting this requirement• This letter should be dated within the grant year

Consolidated Annual Performance and Evaluation Report (CAPER)

Description:	Grantees must submit an annual report covering each funding component to SAGE from HMIS/Comparable Database.
Completion Instructions:	Submit CAPER electronically to SAGE Portal via email link at Mid-Year check timeline for date or if not funded in next grant period submit by close out date of current grant. You will receive a sage link and notice if you need to submit by close out date. Report Period is from April 1, 2021 – March 31, 2022 for Mid-Year report and April 1, 2021 – October 31, 2021 for those who are not funded in 2022.

Match Certification (ESG-210) and Documentation

Description:	All grantees must provide a 100 percent match to supplement the ESG funds awarded
Completion Instructions:	<p>Complete ESG-210 with a list of all match documentation with total value being consistent with the grant award amount.</p> <ul style="list-style-type: none">• Contributions used to match a previous ESG grant may not be used to match a subsequent ESG grant.• Contributions that have or will be counted as a matching requirement of another federal grant/ award may not be used to match an ESG award.• Meet all HUD ESG requirements.• Match documentation should be easy for the grant admin to review. Highlighting and explanation in documentation is allowed and encouraged. If there are calculation methods for how a number is reached, please document.• All reported funds must be expended within ESG contract period. Match documentation consists of the source and the use. The source and the use should both be submitted together and labeled with a number such as "source 1/use 1". Example: When billing for salaries, provide what the source is for the salaries that are matched (another grant, donations, etc.) along with salaries the agency is using as match.• Match documentation may not only be an excel spreadsheet. Must provide both source and use documentation showing proof of match along with the excel document.• If using a general ledger as documentation, please highlight the transactions that are included in the match. Please provide the back up if it is not from in-kind donation.• If matching uses with a different grant, the award letter is easy to use as documentation. The Award letter should include a timeline for the grant as well as the amount awarded.• If using volunteer hours as match, please provide time sheets and the calculation method used to get to the total number of hours and amount being claimed.• If volunteer is conducting a job similar to a staff persons job, please use rate of pay that is used for staff.• If no method can be determined for volunteer hours, use the national value. The National Value (11/2/2021) of each volunteer hours is \$28.54. https://independentsector.org/value-of-volunteer-time-2021/ https://nlctb.org/tips/value-of-volunteer-time/

EXAMPLE: Match Documentation (Picture below):

Column 1: The Match Source (drop down options):

Other Non-ESG HUD Funds

Other Federal Funds

State and Local Government

Private Funds

Program Income

Fees

Other

Column 2: Match Amount: \$1,500.00

- Dollar amount for the match

Column 3: Source and Use Number: 5

- This number indicates that the documentation of the source is labeled with a 5 on it and the use is also labeled with a 5.

Column 4: Source and Use Description:

- Source: Private Grant United Way (Attach United Way award letter)
- Use: KCPL Utility for Shelter – (Attach utility payment showing amount paid)

Column 5: Documentation Submitted Drop Down - Yes or No

*This form should be submitted at grant closeout and should be accompanied by documentation of the match SOURCES and USES.
This form will not be accepted before the close out of your grant. Instructions can be found on the MHDC website.*

Match Documentation				
Match Source	Match Amount	Source and Use Number	Source and Use Description	Documentation Submitted
State Government ↓	\$ 1,500.00	5	Source: Private grant UW Use: KCPL utility for shelter	Yes ↓

Appendix D – Compliance Guidance

OVERVIEW OF THE COMPLIANCE VISIT AND DESK REVIEW

The purpose of the compliance visit or desk review is to verify agency compliance with the terms of the Grant Agreement(s), Desk Guide(s) or HUD regulations in place for the Missouri Housing Trust Fund (MHTF), Missouri Housing Innovation Program (MoHIP), and Emergency Solutions Grant (ESG) Program.

DOCUMENTATION REQUIREMENTS

The Compliance Officer will examine client files, financial assistance and administrative / operating expenses, to verify compliance with program rules and regulations. During the site visit, agency staff must produce a Client Served Report from the HMIS or comparable database system. **All required grant documentation** should be assembled in an orderly fashion, in paper form and be available for review within 15 minutes of the request. The agency should provide a private workspace and staff directly involved with program operations and accounting should be available for questions. In the event of a desk audit please refer to Desk Review Procedure in desk guide compliance section.

Common errors that could result in “out of compliance” status include:

- Missing or inadequate documentation of case management and housing stability goal plan.
- Missing or inadequate documentation of reason for homelessness
- Missing proof of need for financial assistance, i.e., receipt, invoice, bill, etc.
- Missing proof of payment of cleared payment.
- Missing proper identification for all household members.
- Missing program consent form(s)
- Missing or inadequate intake application
- Missing income documentation for members of a household over 18
- Missing third party verification of income
- Missing current rental lease
- Missing recertification or documentation not within required timeframe for program
- Gross annual income calculation error.
- Income from assets calculation error
- Household over income limit

PHYSICAL INSPECTION

ESG compliance visits require a physical inspection of all emergency shelter buildings. This inspection will follow HUD's Minimum Standards for Emergency Shelters [24 CFR part 576.403(b)]. In the event of a desk review, agency will be required to provide the most current ESG-205 and 207 as completed by agency staff. **Please notify all clients and/or staff of the inspection at least 24 hours prior to the site visit date.**

EXIT INTERVIEW

The Compliance Officer will discuss any observations made during the compliance visit with agency staff present or in the event of a desk review an email exit interview will be sent. A formal report of the compliance outcomes will be prepared and sent to the agency within **30 days** of the exit interview. The report will be sent to the agency contact listed in the site contact form on file with MHDC.

COMPLIANCE REPORT

Once the compliance report has been sent to the agency a written response is **not** required unless otherwise noted, or the agency is placed “out of compliance.” MHDC requires that any agency placed out of compliance submit a **Corrective Action Plan (CAP)**. The CAP should be a written response addressing each of the Compliance Officer's observations and/or findings sent to MHDC within **30 days**. The CAP must also include indication of any corrective action taken or contemplated and a targeted specific date for completion. The agency will be notified once the CAP has been approved by MHDC and the compliance status has been amended to “in compliance”. Funds will not be released to any agency found out of compliance until they submit a CAP and it is approved by MHDC.

The Compliance Officer and MHDC appreciate your assistance and cooperation during the compliance visit. MHDC hopes to help each agency run a successful program that will assist clients with decent, safe and sanitary housing.

Appendix E – Sources and Resources

Subject	Content	Online Resource
24 CFR 576	Code of Federal Regulations (CFR) Title 24 HUD, Part 576.1-576.501 for the Emergency	https://ecfr.io/Title-24/cfr576_main
ESG Income Limits	Listing of ESG Income Limits.	http://www.mhdc.com/ci/esg/fad/documents.htm https://www.huduser.gov/portal/datasets/il.html
ESG law, regulations, and notices	HUD ESG Program Information	https://www.hudexchange.info/programs/esg/
CAPER	HUD Consolidated Annual Performance and Evaluation Report Guidebook	https://www.hudexchange.info/resources/documents/Sage-ESG-CAPER-Guidebook-for-ESG-funded-Programs.pdf
HMIS	2022 HMIS Data Dictionary and 2022 HMIS Standard Manual ESG Program HMIS Manual - 2020	https://www.hudexchange.info/resource/3824/hmis-data-dictionary/ https://www.hudexchange.info/resource/4447/esg-program-hmis-manual/
Housing First	Home, Together: The Federal Strategic Plan to Prevent and End Homelessness	https://www.usich.gov/resources/uploads/asset_library/Home-Together-Federal-Strategic-Plan-to-Prevent-and-End-Homelessness.pdf
Missouri Written Standards: Missouri Interagency Council on Homelessness	Discharge Policy ESG Written Standards for the State of Missouri are completed and posted on Missouri Interagency Council on Homelessness website.	https://docs.wixstatic.com/ugd/8ff70b_772fbc585d8d41feb_eaa83677a928aac.pdf https://www.endhomelessnessmo.org/gceh-policies