

**2022 MHTF
Compliance Webinar will
begin in a few minutes . . .**

House Keeping

- The microphone for every participant will be muted during this webinar
- Please use the correct webinar platform for questions and we will do the best to respond
 - We will be responding to questions that have to do with the overall group. If it is a question relating only to your agency, please reach out to one of us separately via phone or email
- This will be recorded and posted to the website for future reference or for anyone who could not make it today

2022 MHTF Compliance Webinar

Denise Monroe-
Community Initiatives Compliance Officer

Missouri Housing Trust Fund

- Missouri Housing Trust Fund Assistance is intended for very low-income households
 - Assistance based on each components eligibility for
 - (HOUSING ASSISTANCE) “literally homeless” and;
 - (EMERGENCY ASSISTANCE) “at risk of homelessness” for individuals and families
 - Income must be **at or below** 50% AMI
 - AMI defined by HUD, limits posted at:
http://www.mhdc.com/housing_trust_fund/funded_agencies_documents/FY2022/default.htm
 - MHTF-206 AMI Limits
 - Fair Market Rents as defined by HUD, limits posted
 - FY2022 Fair Market Rents
 - Income Verification Worksheet (MHTF-204)
 - MHTF Desk Guide FY2022

Compliance Site Visit

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

Desk Review Process

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

- Once a funded agency meets the minimum threshold of submitted **and approved** backup/invoices, a compliance desk review may be scheduled.
- The Compliance Officer (CO) will first (1st) email the agency grant contact and cc both the financial contact and the executive director on file to schedule a desk review. **NOTE:** All grantees are responsible for ensuring that their listed grant contacts are up to date.
- The first (1st) email will include a proposed date in which agency staff responsible for administering the grant should be available to provide requested documentation electronically, as well as general information concerning how the electronic desk review will be conducted.
- On the scheduled date and time of the review, the CO will send a second (2nd) 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 **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 document.**

Client File Documentation

- Verification of homeless status, documentation of household's ***current living situation***
 - Household eligibility for MHTF Housing Assistance must meet HUD's definitions of literally homeless or fleeing domestic violence. MHTF Emergency Assistance must meet HUD's definitions of at-risk of homelessness or fleeing domestic violence.
 - MHDC-114
- Program consent form – MHDC-114
- Intake application
- *Proof of SSN for every member of the household AND/OR; Photo ID for HH members +18 years of age
 - *recommended but not required (If neither of these can be obtained, DOCUMENT ATTEMPTS IN THE FILE)(MHDC-103, MHDC-112 can be utilized or copies of source documents, i.e. paystubs, benefit letters, etc.)
- Proof of need
 - Rent, deposits, rental arrears – Lease or letter from landlord which clearly lists the amounts.
 - Utilities including arrears – Copy of bill or print out from source with amount(s) and time frame(s) clearly documented
- Proof of inspection for Housing Assistance grant type.
 - Use form MHDC-116

Financial Documentation

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

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

Payroll

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

Proof of cleared payment

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

Documentation Of Homelessness

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

MHDC-114



ESG, MHTF, Disaster, ESG-CV GRANT PROGRAMS Consent and Homeless Certification Form

MHDC-114

I, _____ understand and acknowledge that _____ (the "Agency"), in exchange for receiving funds from the Missouri Housing Development Commission ("MHDC"), is required to share certain information about me with MHDC in order to ensure the Agency's compliance with all rules and requirements associated with the distribution of funds from MHDC.

By my signature below, I hereby authorize the Agency to share all of my personal information provided with MHDC, and other state and federal agencies, such as the Department Social Services for the limited purposes of proving that I qualify to receive assistance administered by MHDC to ensure that the Agency is in compliance with the rules and requirements associated with the distribution of funds from MHDC. I further authorize MHDC and all participating funding agencies to contact me directly to discuss any matters related to my receipt of MHDC funds and agree to provide any additional information that MHDC may deem necessary in order to fully determine my eligibility for MHDC funds and/or to determine whether the Agency is in compliance with all rules and requirements of associated with the distribution of funds from MHDC.

Housing Status Category as defined under 24 CFR 576.2 (check one):

For more information on the definition of homelessness, please review program desk guide.

- ☐ **Category 1:** Literally Homeless
☐ **Category 2:** Imminent Risk of Homelessness /At-Risk of Homelessness
☐ **Category 4:** Fleeing/Attempting to Flee Domestic Violence

Housing Status Documentation:

Please describe where the program participant slept at night, before entering the program.

Housing Status Verification (Check one):

Please select the verification method and describe how the stated situation above was verified. Please review HUD's record keeping requirements and the Program Desk Guide. Attach verification documentation, if obtainable. If documentation is unobtainable, please document attempts made to obtain additional verification.

- ☐ **Third-Party Verification**
☐ **Staff Observation Verification**
☐ **Self-Certification**

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



MHDC-114

Housing Condition

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

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

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

Staff Signature

By signing below, I certify that:

- To the best of my knowledge, the information provided to me from the program participant is accurate; and
- The program participant meets all requirements to receive assistance under MHDC programs; and
- To the best of my knowledge, neither I nor anyone related to me has received or will receive any financial benefit for this eligibility determination; and
- I understand that fraud is investigated and may be punishable under federal laws to include, but not limited to, 18 U.S.C. 1001 and 18 U.S.C. 641; and
- I understand that if any of these certifications are found to be false, I will be subject to criminal, civil, and administrative penalties and sanctions, including repayment.

Signature: _____

Printed Name: _____

Date: _____

Program Participant Signature

By signing below, I certify that:

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

Signature: _____

Printed Name: _____

Date: _____

DV only Unique Identifier: _____

Initials: _____

Date: _____

Documentation of Income

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

Form: MHTF-204

Section I: Household Information

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

<i>Total Members in</i>	<i>6</i>
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Section II and III Instructions:

All income and assets received by household members should be detailed in the charts below. A separate line should be filled out for each individual piece of income and asset verification. All income verification used to calculate income and assets should be dated within 30 days of when first instance of MHTF assistance was provided.

Please refer to Desk Guide (MHTF-200) for income and asset inclusions and exclusions. See HUD Handbook 4350.3 for complete instructions on verifying and

Section II: Gross Annual Income

[illegible]

TOTAL HOUSEHOLD INCOME (A):	\$ -
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MHTF-204 Continued

Form: MHTF-204

Income Verification Summary Worksheet | Missouri Housing Trust Fund | FY2022

Section III: Income From Assets

Household Member	Type of Asset	Specify (if "other" asset type)	Date of Valuation	Current Cash Value	Interest Earned	Actual Income
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
					0.00%	\$ -
TOTALS:				\$ -	(*)	\$ - (1)
Multiply total of line (a) by Payback Rate (.06%)						\$ - (2)
TOTAL HOUSEHOLD ASSETS (B) Greater of Line (1) and (2)						\$ -
TOTAL ANNUAL INCOME - (A)+(B):						\$ -

Section IV: Determination of Income Eligibility

County (Please Choose): Missouri - Statewide		Select County (If "MISSOURI" -	
Area Median Income (AMI) for County Selected Above:		\$ 1,700.00	
50% AMI (annual)	\$ -	50% AMI (monthly)	\$ -
25% AMI (annual)	\$ -	25% AMI (monthly)	\$ -
TOTAL ANNUAL INCOME:		\$ -	

Section V: Assistance Summary Information

Date of Intake		Home Repair File Check List Evidence of Title _____ Work Description _____ Before/After Picture _____ Inspection Form _____ Completion Form _____ Regulatory Agreement _____ Proof of 3 Bid _____
Current Form Date		
Home Form Date (If applicable)		
Assistance Type (Please Choose)		
Assistance Amount		
Payee		
Address of Residence (Please Choose)	Other Specify: _____	
Proof of Need (Please Choose)	Other Specify: _____	
Date of Payment from Agency		
Proof of Cleared Payment		

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

Effective Date: April 26, 2022

Calculating Income

- All programs utilize HUD Chapter 5: Determining Income and Calculating Rent
- Must calculate income for an individual or family for the program income eligibility requirements
 - Third-party Verification must be obtained or documentation of attempt to verify income for all members 18 and older
 - If unable to verify income by third party, the CI-103 must be utilized
 - Dated within 30 days of first instance of assistance, every 90 days thereafter
- The MHTF Desk Guide lists the types and amounts of income and deductions to be included in the calculation;
- **Financial assistance payments in connection to the CARES ACT are excluded**

Calculating Income (continued)

- Inclusions
- Exclusions

Methods of Calculating Income

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

Calculating Income (continued)

■ Frequency of Pay

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

Calculating Income (example)

- Household works an average of 32 hours per week and is paid every two weeks (bi-weekly). He/she has presented two check stubs to verify his/her income which are within 30 days of the assistance date (5/1/21)
 - Check Stub 1: payment date 4/2/21 for \$329.50 (gross wages)
 - Check Stub 2: payment date 4/16/21 for \$445.00 (gross wages)
- Calculate by dividing the total of the gross pay ($\$329.50 + \$445.00 = \$774.50$) by the number of check stubs (2) and multiply by the frequency of pay (26) to annualize the income.
- Total: $\$774.50 / 2 = \$387.25 \times 26 = \$10,068.50$

Calculating Assets

■ What is an asset?

- Items of value that may be turned into cash
- Some clients have assets that are not earning interest
- Necessary personal property is not an asset

■ Asset Inclusions and Exclusions

■ Considerations

- Must determine whether the total “cash value” of family assets exceeds \$5,000
- Market value less reasonable expenses incurred selling or converting the asset to cash
- Note: A family is NOT required to convert the asset to cash. Determining the cash value is done as a calculation in the process of determining the value of all assets
- If assets are owned by more than one person, prorate based on percentage of ownership, if there is no percentage specified or provided by law, prorate evenly

Calculating Assets (example)

- Household has a checking account with a *six month average balance* of \$500.00 which earns no interest. They have a savings account with a *current balance* of \$500.00 which currently earns 1.5 percent interest
 - Savings account interest ($\$500 \times .015 = \7.50)
- Household owns their house valued at \$50,000. They currently have an outstanding mortgage balance of \$34,000. The *reasonable selling costs* of a realtor, taxes, insurance, etc. would be \$3,400
 - The cash value of their home would be \$12,600 ($\$50,000 - \$34,000 = \$16,000 - \$3,400 = \$12,600$)

Home Repair/Modification

- Documentation requirements:

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

MHTF Client Contribution Certification Form

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

Construction/Rehabilitation Grant

- We have posted a separate desk guide for this program on our website at:
- MHTF-201 MHTF Construction/Rehabilitation Desk Guide (see pages 10-13 Compliance Process)
- <https://mhdc.com/programs/community-programs/missouri-housing-trust-fund-mhtf/mhtf-forms-and-resources/>
- Missouri Housing Trust Fund Construction/Rehabilitation grants require 18 year land use restriction agreements which stipulate that grantees abide by the following:

Certification of Continuing Compliance

- As a grantee of Missouri Housing Trust Fund Construction/Rehabilitation (MHTF C/R) funds, the Land Use Restriction Agreement (LURA) which was entered into by your agency requires an annual certification ensuring your agency's continuing compliance with the rules and regulations of the Missouri Housing Trust Fund. Please complete, sign, and notarize the Certificate of Continuing Compliance and submit to the MHDC Compliance Officer.

Construction/Rehabilitation (cont.)

MHDC staff will conduct scheduled site visits to the property to monitor its operations.

All households served at the property where MHTF was used must be at or below 50 percent of area median income.

- Client Recordkeeping Requirements – Construction/Rehabilitation

All clients served while a Land Use Restriction Act is in place, must have the following forms saved in their client files.

- Consent and Homeless Verification Form (MHDC-114)
- Verification of income at initial intake and every 90-days thereafter
- Income Verification Summary (MHTF-204)

Monitoring Notification

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

Best Practices

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

Non-Compliance

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

Common Errors/Findings

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

Replacement Backup

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

Replacement of Expenses Summary Report

Community Programs Division Replacement of Expenses Summary Report

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

Date:

Agency:

Program:

Grant #:

Replacement Amount (Reference Agency's Audit Report):

Administration/Operating (\$):

Marketing/Outreach (\$):

Case Management (\$):

Direct Financial Assistance (\$):

Total to Replace (\$):

Required Supporting Documentation

Instructions : The following supporting documentation should be submitted with this form in order for MHDC to determine eligibility of replacement expenses

Direct Financial Assistance/Client-Related Expenses:

- ☐ Revised Report (HMIS, MIS, Demographic) Proof of
- ☐ Household(s) Program Eligibility Consent Form(s)
- ☐ Proof of Cost(s) Incurred Proof of
- ☐ Cleared Payment(s)
- ☐
- ☐

Agency Expenses (Salary/Benefits, Invoices, etc.):

- ☐ Proof of Cost(s) Incurred Proof of
- ☐ Cleared Payment(s)

I hereby certify that all information on this form is true, that I have collected and reviewed all required records to maintain, and that all expenses are authorized and meet the eligibility of the grant.

Authorized Signature: _____

Date: _____



MHTF-235 Training Verification Checklist



Missouri Housing Trust Fund | Training Verification

Agency Name: _____

Grant Number: _____

Please check the following boxes to indicate that your agency has complied with the following:

I certify that:

- ☐ All individuals that work with the MHTF grant have watched and understand the content of the funded training webinar.
- ☐ All individuals that work with the MHTF grant have watched and understand the content of the compliance training webinar.
- ☐ All individuals that work with the MHTF grant have read and understand the content of the MHTF Desk Guide.
- ☐ Failure to submit approved back-up for two consecutive quarters within the grant period will result in non-compliance until a Corrective Action Plan AND back-up has been submitted and approved by MHDC.

Signature of Agency Representative

Date:

Title: _____ Phone: _____



Questions?

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