



Emergency Solutions Grant

2024 Compliance Guide

Updated February 6, 2024



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INTRODUCTION

Purpose

In order to ensure accurate spending of Emergency Solutions Grant (ESG), prevent fraud and abuse, and to identify technical assistance needs, MHDC staff will monitor grantees program compliance. Grantees may be reviewed several times, or not at all, in a grant period as deemed necessary by MHDC to ensure they are in compliance with MHDC and HUD regulations. These reviews may be conducted in person, as a site visit, or virtually as a desk review. In both instances, grantees will have to provide the requested documentation to MHDC in a timely manner.

Site visits can be scheduled 2 weeks in advance or unscheduled (without notice during the hours of operation provided to MHDC in the site contact form except during stated holidays). **All grantees are expected to be prepared for an unscheduled site visit at all times during and in the months following the grant period.** This guide will provide instructions on what the compliance process looks like and how to ensure your organization is prepared for a compliance review at all times.

How to use this document

While grantees can read this document cover to cover, MHDC envisions that grantee staff will use this resource as a desk reference and will keep referring back to specific sections as needed. MHDC understands that regulations can sometimes be complicated, so be sure to reach out if there are follow-up questions or concerns.

Contacts

Please direct questions, concerns, and updates to:

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REVIEWABLE MATERIALS

During a compliance review, MHDC will request that grantees provide three types of documents: Financial Back-up, Client Files, and Emergency Shelter building forms (if applicable).

Financial Back-up

MHDC may request Financial Back-Up for any expenses listed on any ESG-212 that was submitted with an approved payment request. Financial Back-up consists of proof of need (or cost incurred) and proof of payment.

Proof of Need

Proof of need must show that the cost was incurred prior to reimbursement being requested and within the eligible grant period. In general, proof of need for bills paid, services performed, or materials purchased should be documented with an invoice and/or receipt from the vendor. **Invoices and/or receipts created by the grantee or by a third-party not involved in the transaction do not count as proof of need.** There are some types of expenses that should have proof of need documented differently.

Employee Salaries and Benefits

As stated in [2 CFR 200.430\(i\)\(1\)](#), charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In order to ensure that the proper portion of employee's salaries are being billed to the ESG grant, **MHDC requires timesheets in ESG-24 for all employees and workers whose payment is being at least partially billed to the ESG grant, even if they are salaried.** These timesheets must have the following elements:

- Breakdown of hours worked per-day under each eligible expense type that may be billed to the ESG grant.
- Calculation showing the maximum amount of their salary (and benefits if applicable) that can be billed to the ESG grant for that pay period.
- Signatures from both the staff and their supervisor certifying the authenticity of the timesheet.

The calculation should be eligible hours worked multiplied by the hourly wage. If the employee is salaried, the hourly wage used for determining how much of their salary may be billed to the ESG grant for the pay period can be determined by dividing the amount of gross pay they received for the pay period by the total hours they worked (eligible or not).

If the grantee will also be requesting reimbursement for the employee's benefits, then there must also be a calculation showing the maximum amount of their benefits that can be billed to the ESG grant for that pay period. The calculation should be eligible hours worked multiplied by the hourly rate for benefits. The hourly rate for benefits used for determining how much of their benefits may be billed to the ESG grant for the pay period can be determined by dividing the amount of benefits they received for the pay period by the total hours they worked (eligible or not).

MHDC has developed the [ESG-220 Program Staff Timesheet](#) for grantees to utilize in order to meet this requirement. If the grantee's has a payroll/time-tracking system that is capable of showing all of the required elements, then the grantee may use the timesheets from that system. If the grantee does not have a payroll/time-tracking system that is capable of showing all of the required elements, then the grantee must either use MHDC's timesheet or an equivalent version. Proof of need for employee compensation should also be documented with pay stubs. Although pay stubs are preferred, payroll sheets from a third party will also cover proof of need.

Transportation Services

Transportation expenses can only be billed to the ESG grant with the federal mileage reimbursement rate. MHDC will not reimburse agencies for fuel used by vehicles. Proof of need for transportation can be in the form of travel logs with the date, mileage, and purpose of travel for every day that mileage was incurred per vehicle. This should be accompanied by a calculation showing the number of eligible miles multiplied by the Federal mileage reimbursement rate. Proof of payment is not required for transportation costs that are calculated with the federal mileage reimbursement rate.

Minor or Routine Maintenance

Major rehabilitation and renovation are not eligible for reimbursement under the ESG program. For further guidance on the difference between major rehabilitation, renovation, and minor or routine maintenance please refer to [Notice CPD-16-02: Guidance for Categorizing an Activity as Maintenance for Compliance with HUD Environmental Regulations](#). The notice provides much clearer detail and examples of eligible and non-eligible maintenance than this guide, so it is highly recommended that you read through the Notice before requesting any expenses under minor or routine maintenance. In general, minor or routine maintenance activities include:

- Cleaning activities
- Protective or preventative measures to keep a building, its systems, and its grounds in working order
- Replacement of appliances that are not permanently affixed to the building
- Periodic replacement of a limited number of component parts of a building feature or system that are subject to normal wear and tear
- Replacement of a damaged or malfunctioning component part of a building feature or system
- Replacement of all or most parts or an entire system **is not** maintenance

Replacing appliances or portions of the structure only counts as minor or routine maintenance if it is not explicitly disallowed in Notice CPD-16-02 and if replacement is a more cost-efficient solution than repairing the existing appliance or portion of the structure. If the minor or routine maintenance includes replacing appliances or portions of the structure, then you should have a written memo by contractor documenting the damage and explaining why replacing is more cost-efficient than repairing as well as photographs showing the before and after state of the appliance or structure. If the replacement is not being done by a contractor, then the written memo documenting the damage and explanation for why replacing is more cost-efficient than repairing should come from a qualified employee at your agency.

In all instances of minor or routine maintenance, grantees are **highly encouraged** to reach out to the MHDC prior to incurring the expense to ensure that it will be eligible for reimbursement once the expense is incurred and paid for.

Rent for Grantee's Building

Proof of need for the rent of a grantee's building should be a legally-binding lease. If the entire building is not being used for eligible purposes under the same component, then grantees must also include a calculation showing that the portion of the rent being billed under each component is proportional to the amount of square footage that is being used for eligible purposes under the component.

Utilities for Grantee's Building

Proof of need for the utilities of a grantee's building should be a legally-binding lease (if the utility amounts are clearly stated in the lease) or invoices from the utility companies for every billing period that is being billed to the ESG grant. If the entire building is not being used for eligible purposes under the same component, then

grantees must also include a calculation showing that the portion of the utilities being billed under each component is proportional to actual usage of utilities for eligible purposes under the component (if possible) or the amount of square footage that is being used for eligible purposes under the component.

Hotel/Motel Vouchers

Proof of need can simply be an the invoice showing the charges, the nights stayed, and either the client or room number so it can be tied to the client name and/or room number in the detail description on the ESG-212. If multiple nights or room are being billed on the same invoice, then the invoice should be broken out per room in addition to a summary page with the total expense.

Proof of Payment

Proof of payment must show that the cost was paid for prior to reimbursement being requested and within the eligible grant period. In general, proof of payment for bills paid, services performed, or materials purchased should be documented with cleared checks or bank statements with the specific payment highlighted. As with proof of need, proof of payment must always come from a third-party source. There are some types of expenses that should have proof of need documented differently.

Supplies, Equipment, and Food from Well-Known Retail Chains

Many retail chains show both the incurred expense and payment information on their receipts. These receipts can count as proof of need and proof of payment if the following criteria are met:

- The receipt is itemized
- The receipt shows the form of payment, information about the payment method (i.e., last 4 of card number), and the date and time of purchase
- The receipt is from a well-known retail chain who has a recognizable receipt.

Employee Salaries and Benefits

In general, proof of payment for employee compensation should be documented with pay stubs or cleared checks. Although pay stubs and cleared checks are preferred, bank statements with the specific payment highlighted will also cover proof of payment.

If submitting bank statements for proof of payment please ensure the document is searchable.

Transportation Services

Proof of payment is not required for transportation costs that are calculated with the federal mileage reimbursement rate.

Client Files

MHDC may request the full client file associated to any client ID number listed on any HMIS/Comparable Database report that was submitted with an approved payment request. When reviewing a client file MHDC will be checking:

- Client eligibility was properly assessed, documented and verified;
- All requisite forms are present and properly completed;
- All necessary supporting documentation is included in the file;
- Any re-evaluation was done properly, and includes necessary forms and documentation;
- File includes all proof of need and proof of payment for all direct expenses billed to ESG
- Any case management notes

CLIENT FILE FORMS

All forms can be found at <https://mhdc.com/programs/hud-programs/emergency-solutions-grant/>

Income Eligibility Worksheet (ESG-201)

Applicable Components: Homelessness Prevention, Rapid Rehousing

Required: Yes

Description:

This form is intended to be used to verify income eligibility for ESG Rapid Rehousing or Homelessness Prevention.

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.

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, 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 this 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 available on HUD’s website [here](#).

Sources of Income:

In 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.

Submission / Retention

Retained in client file for every certification and re-certification

Employer Verification Worksheet (MHDC-112)

Applicable Components: Homelessness Prevention, Rapid Rehousing

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.

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 Rehousing participants until they have received ESG assistance for one year, and it should be re-certified at least once annually thereafter. At each income eligibility certification, proof of income must be current within 30 days.

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 Rehousing

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.

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 Rehousing participants until they have received ESG assistance for one year, and it should be re-certified at least once annually thereafter. At each income eligibility certification, proof of income must be current within 30 days.

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.

Submission Instructions:

Retained in client file

Consent and Homeless Certification Form (MHDC-114)

Applicable Components: Emergency Shelter, Homelessness Prevention, Rapid Rehousing, Street Outreach

Required: Yes

Description:

This form must be used to verify homelessness status and collect the program participants consent for MHDC to view client information during compliance.

Completion Instructions:

Describe Current Housing Status

Grantee staff will work with program participant to write a detailed description of the participant's current housing situation. Then the grantee staff will select the box for which HUD defined category the participant is eligible under. See the Definitions section of this guide for precise details for HUD's definition of Homelessness and At Risk of Homelessness.

Collect Homeless Status Verification Documentation

Grantees must attempt to gather documentation for the program participants housing status in order of HUD's preferences as described in the Documenting Homeless Status portion of this guide. Include supporting documentation if third-party verified. If a lower priority form of evidence is used, the grantee must include an explanation of why any higher priority forms of evidence were unobtainable and what reasonable attempts were made to acquire those forms of verification.

Grantee Staff Signature

The grantee staff completing this form with the program participant must sign this form certifying the the participant's eligible with ESG requirements.

Program Participant Signature

In addition to verifying the program participant's homeless status the MHDC-114 also serves as a consent form for MHDC staff to have access to their client information. Program participants must sign the form certifying that the information they provided was accurate and to provide consent to MHDC. If a program participant is eligible under Category 4, then just their initials and and unique identifier are needed to allow MHDC to review non-identifying information in their client files.

Submission Instructions:

Retained in client file

Certification of Receipt of ESG Assistance (ESG-204)

Applicable Components: Homeless Prevention, Rapid Rehousing

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 not exceeded.

Habitability Standards Checklist (ESG-205)

Applicable Components: Emergency Shelter, Homeless Prevention, Rapid Rehousing

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

Description:

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

Submission Instructions:

Retained in client file

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

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

Required: Yes

Description:

Rent for units assisted with ESG must not exceed the lesser of the rent reasonableness standard ([24 CFR 982.507](#)) or [Fair Market Rent \(FMR\) limits](#).

Completion Instructions:

Compare to Three Other Units

Rent must be reasonable when compared to three other units with the same number of bedrooms and similar size, type, and amenities within the community. Rent must also be at or below the HUD established Fair Market Rent for the household composition and unit size in the area.

Utilize Local Public Housing Authority Utility Allowances

When determining a unit's compliance with rent reasonableness and FMR, all utilities paid for by the resident must be included in the total rental cost. This includes any utilities with fixed rates that are documented in the lease and utilities that are paid based on usage. For utilities paid on a usage-basis, a utility allowance should be calculated should using the utility allowance schedule for the county the unit is in from a local Public Housing Authority (PHA).

Document Comparison Units

The ESG-206 should be accompanied by documentation showing the bedroom required information, including tenant paid utilities and current rent, for each comparable unit. This can be a printout from a real estate website like Zillow or Apartments.com.

Confirm Household Size Eligibility

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Minimum	1 person	2 people	3 people	4 people
Maximum	2 people	3 people	4 people	6 people

Rent reasonableness and FMR compliance should be based on both the number of bedrooms of the unit and the size of the household. The table above shows the minimum and maximum number of people that are eligible to be housed in units at different unit sizes. If the number of bedrooms for the proposed unit exceeds the household size, then the other comparable units for Rent Reasonableness must have, the FMR rate used must be for the number of bedrooms of the reasonable household size.

If there are no units available in the community that are both under FMR and rent reasonable for the program participant's household size, grantees can request a household composition exemption from MHDC prior to placing the participant in housing. This exemption would allow the grantee to put the participant household in a unit that exceeds their household size. Grantees may email the ESG Administrator at drew.geer@MHDC.com to request a household size exemption. If granted the exemption, the unit still must be both under FMR and rent reasonable for the bedroom size. Requirements do not apply for households not receiving ESG rental assistance.

Submission Instructions:

Retained in client file

Lead Screening Worksheet (ESG-207)

Applicable Components: Homeless Prevention, Rapid Re-housing

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

Description:

To prevent lead-poisoning in young children, ESG grantees must comply with the Lead-Based Paint Poisoning Prevention Act of 1973 and its applicable regulations found at 24 CFR 35, Parts A, B, M, and R. Housing occupied by program participants must be visually inspected for lead-based paint.

Completion Instructions

Under certain circumstances, a visual assessment of the unit is not required. This screening form will help grantee staff determine whether a unit is subject to a visual assessment, and if so, how to proceed. A copy of the completed worksheet along with any related documentation should be kept in each grantee or program participant's file.

ALL pre-1978 properties are subject to the disclosure requirements outlined in 24 CFR 35, Part A, regardless of whether they are exempt from the visual assessment requirements.

Submission Instructions:

Retained in client file

Property Owner Lead Certification Form (ESG-208)

Applicable Components: Emergency Shelter, Homeless Prevention, Rapid Rehousing

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

Submission Instructions:

Retained in client file

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 Rehousing program participants must be evaluated after one year of ESG assistance and at least once annually thereafter.

Submission Instructions:

Retained in client file

VAWA Lease Addendum

Applicable Components: Homeless Prevention, Rapid Re-housing

Required: Yes

Description:

In accordance with [24 CFR 5.2005\(a\)\(4\)](#) every program participant receiving rental assistance must have this addendum included in their lease.

Submission Instructions:

Retained in client file

HMIS/Comparable Database Consent Form

Applicable Components: All, every clients entered into HMIS under all components need this

Required: Yes

Description

If using HMIS, consent form from the HMIS lead agency to enter the participant's information into HMIS. If using a Comparable Database, consent form from the Comparable Database provider to enter the participant's information into the Comparable Database.

Submission Instructions:

Retained in client file

Agency Intake Form

Applicable Components: All

Required: Yes

Description

- Collects information used to determine:
 - Participant's eligibility for ESG activities
 - That the participant has no appropriate subsequent housing options
 - That the participant lacks sufficient resources and support networks to obtain/retain housing
- Must be in accordance with the local CoC's coordinated entry process

Submission Instructions:

Retained in client file

SITE VISIT PROCESS

The purpose of the site visit is to verify agency compliance with the terms of the Grant Agreement(s), Desk Guide(s), or HUD regulations in place for the Emergency Solutions Grant (ESG) Program. During a site visit will MHDC staff will review expenses billed to ESG that have already been reimbursed, ESG expenses that have not yet been submitted for reimbursement will not be audited.

Scheduling

In the case of an announced visit MHDC staff will contact all three of the grantee's main contacts from the Site Contact form at least two weeks in advance via email proposing the date of visit. If MHDC staff is unsuccessful in scheduling a site visit after three attempts have been made the grantee will be notified 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 date and time is set MHDC staff will confirm the address that the visit will take place at and confirm the addresses of any Emergency Shelters funded by ESG as those will be inspected during the visit as well.

Day of the Visit

Upon the day of the visit the grantee should have a space prepared for the MHDC staff to set up for the review. This ideally would be a private space like a conference room, but at a minimum there must be a full table available with electrical outlet access. There should be a primary point of contact made available to MHDC staff member if any questions arise during the review, but no grantee staff is required to stay in the room while the review is conducted.

The MHDC Staff member will immediately provide the grantee staff with highlighted copies of the ESG-212 forms from approved payment requested, and a list of client ID pulled from any submitted HMIS/Comparable Database reports. The highlighted lines will indicated which reimbursed expenses supporting documentation (proof of need and proof of payment) must be shown for. The client ID's provided indicate which case files must be pulled for review.

Depending on the size of the grantee's total award and number of individual items requested for reimbursement the review can take up to the entire day. It is important to have all staff who work on the ESG program available in case specific questions arise relating to any part of the program (i.e., financial or programmatic). These staff members can go about their normal work day, but having them on site the day of review is a preferred practice.

Emergency Shelter Physical Inspection (If applicable)

Any spaces the grantee has billed Emergency Shelter expenses for, or used as match must have a habitability review conducted by MHDC staff during a site visit. This will include shelters and housing on the compliance site. MHDC staff 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.

If any physical findings are made, the grantee will be notified in the email report of the finding(s) and given 30 days to complete the repair/replacement.

- The resulting compliance status will be determined by the HUD Programs Supervisor on a case by case basis.
- Notification will include details regarding any major health and safety items found during the inspection, as well as corrective action steps that will be required of the grantee and the deadline for these actions to be completed.

- If there are other items noted for correction that are not major health and safety issues, the grantee will be notified that a corrective action plan will be required within 30 days of the notification.
- Any physical findings require that repairs are made and must be documented with a photo and invoice/work order showing completion.
- If the grantee is unable to complete the repair within that timeframe, (i.e., weather related delay or excessive financial burden) an extension may be granted with approval from HUD Programs Manager.

Exit Interview

At the conclusion of the site visit, the reviewer will discuss any observations made during the compliance visit with agency staff present. The grantee will be given the opportunity to discuss any findings as well as any other questions and concerns with the site visit. This discussion will be summarized in a written exit interview document in order to ensure that grantee representative is in agreement with the outcome of the visit, as well as to document any follow-up actions required by MHDC and/or grantee. 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

Regardless of any findings all grantees will receive a compliance report. Once the report has been sent to the grantee a written response is not required unless otherwise noted, or the grantee 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 detailed written response addressing each of the observations and/or findings and then sent to MHDC within 30 days. The CAP must also include indication of any corrective action taken or contemplated and a targeted date for completion. The grantee 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 grantee found out of compliance until they submit a CAP and it is approved by MHDC.

DESK REVIEW PROCESS

The purpose of the 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 Emergency Solutions Grant (ESG) Program. During a desk review will MHDC staff will review expenses billed to ESG that have already been reimbursed, ESG expenses that have not yet been submitted for reimbursement will not be audited.

Scheduling

MHDC staff will contact all three of the grantee's main contacts from the Site Contact form at least two weeks in advance of the proposed review date via email. If MHDC staff is unsuccessful in scheduling a desk review after three attempts have been made the grantee will be notified that they have 15 days to schedule the review, 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 date is set MHDC staff will send a confirmation email that includes upload instructions for the digital review.

Day of Review

The morning of the review the grantee will be provided via email highlighted copies of the ESG-212 forms from any approved payment requests, and a list of client ID pulled from any submitted HMIS/Comparable Database reports. The highlighted lines will indicated which reimbursed expenses supporting documentation (proof of need and proof of payment) must be shown for. The client ID's provided indicate which case files must be pulled for review.

All requested documentation should be assembled in an orderly fashion, scanned, and submitted and electronically uploaded to: www.mhdc.com/bigfile, Attn. HUD Programs Department **within 2 weeks**.

Uploading files to MHDC's Big File System

1. Open Internet Brower
2. Go to <https://www.mhdc.com/bigfile/>
3. Click the "Click Here" button to upload files to MHDC General
4. Add files via the below two options (multiple files can be added in one upload)
 - a. Click "my computer" and select files from your computers file explorer
 - b. Click on file(s) from any open file explorer window
5. Add Identifying Information
 - a. Put in Full Name
 - b. Put in Email Address
 - c. Put in Message
 - i. "Attn. HUD Programs Department – Reviewers Name – Grant Number"
6. Click "Add More Files" (if needed)
7. Click "Upload" when all files are added
8. You will receive a confirmation email once your file(s) have been uploaded

Tips for a Successful Upload

- 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 (full SSN) must be redacted prior to scanning and sending the documents.

Exit Interview

After the final day of the grantees upload window MHDC staff will begin reviewing the submitted documentation. Following the conclusion of the desk review the grantee will be sent an exit interview email highlighting any observations made during the desk review and provide the grantee the opportunity to reply to any findings as well as any other questions and concerns highlighted during the review. 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

Regardless of any findings all grantees will receive a compliance report. Once the report has been sent to the grantee a written response is not required unless otherwise noted, or the grantee 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 detailed written response addressing each of the observations and/or findings and then sent to MHDC within 30 days. The CAP must also include indication of any corrective action taken or contemplated and a targeted date for completion. The grantee 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 grantee found out of compliance until they submit a CAP and it is approved by MHDC.

COMPLIANCE VIOLATIONS

Common Compliance Errors

- Missing required forms and/or forms completed incorrectly
- Not having proof of payment and proof of need for expenses billed during the grant period
- 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
- Not having completed ESG-205 and ESG-207 forms on file for Emergency Shelter Programs
- Fair Market Rent and Utility Allowance calculation missing

Out of Compliance

Reference the ESG-23 Compliance Guide for details regarding violations that will result in a grantee being out of compliance, which will require MHDC to suspend ESG funding and assess removing points for future applications.

If the Compliance Officer finds that the grantee is out of compliance, the Compliance Officer will record that the grantee is out of compliance. Until the Compliance Officer 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, in most instances, submit a Corrective Action Plan (CAP) detailing the reason(s) for the out of compliance status and how the findings will be corrected. Depending on the reason(s) for the out of compliance status, grantees 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 Programs Department and State Initiatives 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 the 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)
- Being out of compliance
- Funds not drawn quarterly
- Grant not fully closed out by deadline