

# HOME-American Rescue Plan (HOME-ARP)

---

## Supportive Services Policies & Supportive Services Procedures Manual



## TABLE OF CONTENTS

---

<b>INTRODUCTION</b> .....	<b>1</b>
Background .....	1
Intent .....	1
<b>SUPPORTIVE SERVICES</b> .....	<b>2</b>
Qualifying Populations .....	2
Disclaimer .....	2
<b>SUBRECIPIENTS / NON-PROFIT ORGANIZATIONS</b> .....	<b>3</b>
Application & Selection .....	3
<i>Risk Assessment</i> .....	3
Written Agreements with Subrecipients .....	4
<i>Insurance Requirements</i> .....	4
<i>Affirmative Marketing</i> .....	5
<i>Agreement Termination</i> .....	6
Disbursement of funds .....	6
Internal Controls .....	7
<i>Record Retention</i> .....	8
<i>Confidentiality</i> .....	8
Length of Service / Maximum Funding .....	8
Federal Requirements .....	8
<i>Code of Conduct</i> .....	8
<i>Code of Ethics</i> .....	9
<i>Conflict of Interest</i> .....	9
<b>PARTICIPANTS</b> .....	<b>10</b>
Qualifying Populations .....	10
Screening Procedure .....	10
Eligible Services .....	10
Length of Service .....	13
Maximum Funding .....	13
Duplication of Services .....	13
Termination of Assistance .....	13
<b>MONITORING &amp; REPORTING</b> .....	<b>14</b>
Monitoring Goals .....	14
Program Monitoring Process .....	14
<i>Entrance Conference</i> .....	15
<i>Monitoring Visits</i> .....	15
<i>Quarterly Reports</i> .....	16

Source Documentation ..... 16

Review of Records ..... 17

*Salaries, Revenue & Other Operating Expenses* ..... 17

*Review of Overall Accounting* ..... 18

Monitoring Reports and Appeals ..... 18

*Monitoring Report* ..... 18

*Response to Monitoring Report* ..... 19

*Response to Subrecipient Response* ..... 19

*Appeals* ..... 19

Exit Conference ..... 20

**ATTACHMENT A – AFFIRMATIVE MARKETING PLAN ..... 21**

**ATTACHMENT B – Q&A ..... 24**

**END NOTES ..... END NOTES**

## INTRODUCTION

---

### BACKGROUND

The Tri-Cities HOME Consortium (“Consortium”) was originally formed in 1996 under the HOME Investments Partnership Program (“HOME”) in order to serve people experiencing, or at risk of experiencing, homelessness within Kennewick, Richland, and Pasco. On March 11, 2021, President Biden signed the American Rescue Plan (“ARP”) into law, which provides over \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses.

Of the \$1.9 trillion allotted by the ARP plan, Congress appropriated \$5 billion in funds to be administered through the HOME Program to perform activities that **must** primarily benefit qualifying individuals and families (“QPs” or “Participants”) who are homeless, at risk of homelessness, or in other vulnerable populations in order to address the need for homelessness assistance and supportive services. This program is known as HOME-ARP (“Program”).<sup>1</sup>

The Tri-Cities HOME Consortium received \$2,394,949 through the HOME-ARP Program to be used within the Cities of Kennewick, Richland, and Pasco. The City of Richland (“Lead Entity”) receives and administers HOME-ARP funds on behalf of the three cities. The Consortium will distribute funds each year to eligible applicants until all funds have been expended. All HOME-ARP funds must be spent by September 30, 2030.

### INTENT

This HOME-ARP Policies & Procedures document outlines how the Tri-Cities HOME Consortium intends to distribute its HOME-ARP funds as well as the Subrecipient / non-profit selection process, eligible services, requirements for Subrecipients to receive funds, and monitoring requirements. The Consortium has elected to utilize these funds for the following approved activities:

- **Supportive Services** – 43%
- **Development of Affordable Rental Housing** – 32%
- **Non-Profit Operating and Capacity Building** – 10%
- **Administrative Costs** – 15%

## SUPPORTIVE SERVICES

---

The HOME-ARP Supportive Services Program is designed to assist qualifying individuals and families by providing the services necessary to help those persons regain stability quickly in temporary or permanent housing after experiencing a housing crisis and/or homelessness. Eligible activities are outlined later in this document (*see Eligible Services*).

The objectives of the HOME-ARP Supportive Services Program are:

1. Assist qualifying, vulnerable individuals by providing them with the services necessary to regain stability quickly
2. Reduce the length of time Participants experience homelessness
3. Help Participants obtain and maintain permanent housing
4. Limit returns to homelessness after Participants exit the HOME-ARP Supportive Services Program

All HOME-ARP Supportive Services Program resources are to be used to benefit Qualifying Populations (*see Qualifying Populations below*). There is a total of \$1,035,000 available to be used for Supportive Services within Kennewick, Richland, and Pasco. All funds must be expended by September 30, 2030.

### QUALIFYING POPULATIONS

All HOME-ARP funds used for Supportive Services must benefit individuals and families in qualifying populations (“QPs”). ARP defines qualifying individuals and families as those that are:

1. Experiencing homelessness<sup>ii</sup>
2. At risk of homelessness<sup>iii</sup>
3. Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD<sup>iv</sup>
4. Part of other populations where providing supportive services or assistance would prevent homelessness or would serve those with the greatest risk of housing instability

***To qualify for funds from the HOME-ARP Program, ALL qualifying populations must have access to apply for placement on the waiting list for an activity or project.***

### DISCLAIMER

The information in this document is current based on guidance issued by HUD as of September 13, 2021<sup>v</sup>. This document will be updated when additional information and guidance are released.

## SUBRECIPIENTS / NON-PROFIT ORGANIZATIONS

---

### APPLICATION & SELECTION

Interested organizations (“Subrecipient” if selected) are required to participate in a mandatory orientation prior to the application process. Selection will happen on an annual basis through a competitive Request for Application (“Application”). The application to be considered a Subrecipient will be available for 30-days following the orientation.

1. Applications are publicized and identify all evaluation factors and their relative importance
2. Applications are completed electronically; all responses are considered to the maximum extent practical
3. HOME-ARP applications are reviewed and Subrecipients are chosen by all three Consortium Member Cities
4. Selections will be made and funds distributed based on our Risk Assessment, the number of qualified applicants, the amount requested, and the amount of funds available
5. Prospective projects may also be identified by the Consortium
6. Funds are awarded to the organization(s) whose application(s) is/are most advantageous to the program, with price and other factors considered

***The potential Subrecipient must make services available to all four of the HOME-ARP targeted populations.***

A preference for serving one specific HOME-ARP targeted population may be requested in the application. The potential Subrecipient must be able to serve clients located in Richland, Kennewick, and Pasco.

### RISK ASSESSMENT

Risk assessment will be based on a standardized Risk Assessment form. This form will be used to determine if the Subrecipient Applicant is low, medium, or high risk. This is calculated by the following questions:

1. Is the Subrecipient new to the HOME-ARP Program?
2. Is the activity new for the Subrecipient?
3. Has this activity been completed successfully in prior years?
4. Does the Subrecipient have unresolved audit findings?
5. Are the Subrecipient staff responsible for the HOME-ARP Program new or inexperienced?
6. Have all prior monitoring issues or findings been corrected?
7. Have performance goals been met in prior years?
8. What is the type of Activity?

Being high risk does not necessarily disqualify applicants from being awarded HOME-ARP funds; however, priority is given to applicants that are low risk.

## WRITTEN AGREEMENTS WITH SUBRECIPIENTS

The Consortium must approve a project before HOME-ARP funds can be committed and before an Agreement may be executed with the Subrecipient. The written Subrecipient Agreement (“Agreement”) forms the basis for the contractual obligation between the parties to fund and implement the activity or program. The Agreement will denote responsibilities attributable to each party and shall outline in exact measure the scope of services to be provided, the methods of accountability, and a schedule for payment. The written agreement must specify type of supportive services offered (McKinney Vento, homelessness prevention, housing counseling, etc.).

Execution of the Agreement binds the Subrecipient for a specified period of time and may be revised only upon written authorization from the Consortium. Compliance with the stipulations within these Policies & Procedures is a requirement of the Agreement. The Agreement remains in effect during any period that the Subrecipient is operating or implementing a program in which HOME-ARP funds are being invested.

*An environmental review **must** be complete, and a written Agreement **must** be executed with the Subrecipient prior to the release of HOME-ARP funds by the Consortium.*

## INSURANCE REQUIREMENTS

The Subrecipient and its employees, volunteers, contractors, and consultant shall provide to the Consortium, and carry throughout the life of the Agreement: Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, and other coverage as may be appropriate or required by State or Federal law.

Insurance is to be placed with insurers with a current rating by the Housing Agencies, of at least Class VI for financial status and at least B+ for performance from the A.M. Best Company, or a rating of at least A from Demotech, Inc.<sup>VI</sup> This insurance shall include the following<sup>VII</sup>:

- Commercial General Liability: Commercial General Liability Insurance shall be written on Insurance Services Office (“ISO”) occurrence form CG 00 01<sup>VIII</sup> and shall cover liability arising from premises, operations, independent contractors, personal injury, and advertising injury. The insurance shall include the Consortium, its members, officers, officials, employees, and agents with respect to performance of services, and shall contain no special limitations on the scope of protection afforded as an additional insured. If the liability coverage is written as a claim made policy, then evidence of an extended reporting period or “tail” coverage for a three-year period after project completion must be purchased, or otherwise maintained for the three-year period.
  - Employers Liability Coverage: If this agreement is over \$50,000 then Employers Liability Coverage shall also be maintained. Coverage shall include limits of not less than \$1 million per occurrence, and \$2 million aggregate.

- Comprehensive Automobile Liability Insurance: Business Automobile Liability Insurance with a minimum combined limit no less than \$1 million per accident for bodily injury and property damage shall be maintained. Coverage shall include owned, hired, leased, and non-owned automobiles. Coverage shall be written on ISO form CA 00 01<sup>ix</sup> or a substitute form providing equivalent liability coverage. If deemed necessary, the policy shall be endorsed to provide contractual liability coverage.
- Professional Legal Liability: Subrecipient shall maintain Professional Legal Liability or Professional Errors and Omissions coverage appropriate to the Subrecipient’s profession and shall be written subject to limits of not less than \$1 million per claim and \$1 million policy aggregate limit. The coverage shall apply to liability for a professional error, act or omission arising out of the scope of the work for this agreement. Coverage shall not exclude bodily injury, hazards, or property damage related to the work in this agreement, including testing, monitoring, measuring operations, or laboratory analysis where such services are rendered as part of the agreement.
- Worker’s Compensation (Industrial Insurance): Workers’ Compensation Insurance as required by Title 51 RCW<sup>x</sup> shall be maintained and Subrecipient shall provide evidence of coverage if required.

Subrecipient shall furnish the Consortium with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements prior to the commencement of the work. The insurance policies are to contain, or be endorsed to contain, the following provisions for Commercial General Liability insurance, Comprehensive Automobile Liability Insurance, and Professional Legal Liability:

- The insurance coverage shall be primary as respect to any insurance or self-insurance covering the Consortium, its members, elected and appointed officers, officials, employees, and agents.
- Any insurance, self-insurance, or insurance pool coverage maintained by the Consortium and its members shall be excess of the Subrecipient’s insurance and shall not contribute with it.
- The insurance shall not be cancelled by either party, unless 30 days prior written notice has been given by certified mail, return receipt requested, to the Consortium.

#### AFFIRMATIVE MARKETING

ALL HOME-ARP funded programs and projects must be affirmatively marketed to attract eligible persons without regard to race, color, national origin, sex, religion, familial status, or disability. Affirmative marketing procedures must include requirements detailed in 24 CFR Part 92, §92.351<sup>xi</sup>. A detailed affirmative marketing plan must be submitted to the Lead Entity at the start of a project.

The Consortium is committed to providing equal access and opportunity to all persons. The three cities will not discriminate and will require that all contractors, subcontractors, recipients, Subrecipients, owners, landlords, and vendors not discriminate against any person on the basis of race, color, national origin, gender, sex, religion, disability, or familial status. For more information on the Consortium’s Affirmative Marketing Plan, see *Attachment A*.



Actions to provide information and attract eligible persons in the community that otherwise would not be aware of these projects or funding opportunities may include displaying advertisements in Spanish and English in local newspapers; hosting neighborhood meetings; direct mailing to social service agencies or businesses that employ or are frequented by lower income persons; providing information to housing authorities, advertising in periodical newsletters or utility bill inserts; distributing flyers or brochures at community events to businesses that have ties to the agricultural community; providing community service announcements on television, radio networks, and City reader-boards for special events / activities; and maintaining contacts with community agencies and people who have agreed to act as interpreters and mentors for non-English speaking residents.

#### AGREEMENT TERMINATION

The Lead Entity or the Subrecipient may terminate an Agreement for default for any of the following reasons:

- Failure to deliver the supplies and/or services
- Failure to perform work in a timely manner
- Violation of an Agreement clause, such as the prohibition against gratuities
- Repeated violations of labor standards or other violations

A default clause must be included in the agreement that provides for termination without negotiation when the Subrecipient fails to perform as specified in the agreement. Agreements terminated for the convenience of the HOME-ARP Subrecipient likewise require immediate work stoppage; however, termination costs are negotiated until a satisfactory settlement is reached.

The HOME-ARP Subrecipient shall terminate an Agreement for convenience or default only by a 30-day written notice to the Lead Entity. The notice shall state the following:

- That the Agreement is being terminated for the convenience of the HOME-ARP Subrecipient or that it is being terminated for default, under the Agreement clause authorizing the termination
- If terminated for default, the acts or omissions constituting the default, the Consortium's determination that failure to perform is not excusable, the HOME-ARP Subrecipient's right to charge excess costs of re-procurement to the contractor, and the contractor's appeal rights shall be listed
- Whether the Agreement is terminated in whole or in part
  - For partial termination, identify the specific items being terminated
- The effective date of termination
- Any special instructions

#### DISBURSEMENT OF FUNDS

The Subrecipient may request HOME-ARP funds only when a written agreement has been fully executed, when the funds are needed for payment of specific, allowable costs, and only in amounts needed to pay costs that are identified as HOME-ARP eligible. The Subrecipient shall be reimbursed for eligible project costs after the Lead Entity has reviewed and approved invoices, statements, other billings, and supportive documentation. The Subrecipient is permitted to request reimbursement for

costs associated with administering the Program as outlined in the Agreement.

To access funds, the Subrecipient must submit the following documents (additional instructions will be provided during the mandatory orientation):

- Invoice and Disbursement Request Form
- Subrecipient invoice
- Invoice from contractor(s) and/or subcontractor(s) (when applicable)
- Client specific back-up documentation for client specific reimbursement, such as:
  - Presumed eligibility self-certification form
  - Public Service Participation Report
  - Self-Certification of Annual Income
- Any other applicable back-up documentation, such as:
  - Expense Reports
  - Payroll Summaries
  - Time sheets
  - Et Cetera

## INTERNAL CONTROLS

Subrecipient **must** have written Policies & Procedures<sup>xii</sup> that define board and staff qualifications and duties, lines of authority, separation of functions, and access to assets and sensitive documents.

Subrecipient must have written accounting procedures for approving and recording transactions. Financial records must periodically be compared to actual assets and liabilities to check for completeness and accuracy.

A good internal control system should include several basic features, regardless of the organization's size. The features include:

- The Subrecipient's plan to safeguard resources by segregating duties
- A system of authorization and recording procedures that provide effective accounting control over assets, liabilities, revenues, and expenses
- An established system of procedures followed by each organizational component in performing its duties and functions
- Personnel capable of performing their responsibilities
- An effective system of internal reviews

Internal controls can help provide assurance that operations comply with Federal requirements. For example, responses to question such as those below can affect the outcome of an audit:

- Are there payroll records to support charges to Federal funds?
- Are there procedures to verify that charges are allowable under grant provisions?
- Are there adequate procedures to verify that Program Participants are eligible?
- Are corrective actions recommended and implemented as a result of self-monitoring activities?

## RECORD RETENTION

The Lead Entity and Subrecipient will retain program and project records for at least six years after each project's completion date. The period for maintaining records may be extended due to any of the following:

- Records that are the subject of audit findings must be retained for at least three years after such findings have been resolved; the six-year minimum record retainage requirement still applies
- If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later

## CONFIDENTIALITY

The Subrecipient agrees to participate with the Consortium in any project evaluation or performance report – as designated by the Consortium or the appropriate Federal agency – and to make available all information required by such evaluation process, provided that compliance is maintained with applicable confidentiality laws.

Access to personally identifiable information will be restricted to only the staff that need to access the data to carry out their duties. Staff will be held accountable for ensuring privacy and confidentiality of the data.

## LENGTH OF SERVICE / MAXIMUM FUNDING

There is no maximum funding per Subrecipient. Funding is available for up to 12 months. Subrecipients may reapply each year until funding has been expended.

## FEDERAL REQUIREMENTS

### CODE OF CONDUCT

The Subrecipient shall maintain written Standards of Conduct governing the performance of the employees engaged in the award and administration of Agreements.

No member of the Subrecipient organization shall participate in the selection, award, or administration of an Agreement supported by Federal funds if a real or apparent conflict of interest would be involved. An example of such a conflict is if the employee, officer, or agent, any immediate family, his / her partner, or an organization which employs or is about to employ any of the parties indicated above has a financial or other interest in the firm selected for an award.

The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to Agreements with Subrecipients. The Subrecipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary

actions to be applied for violations of such standards by officers, employees, or agents of the Subrecipient.

#### CODE OF ETHICS

A Subrecipient's oversight body is expected to demonstrate a commitment to integrity and ethical values. Subrecipients must have a written Code of Ethics reflecting this commitment for members of their Board of Directors.

#### CONFLICT OF INTEREST

The general rule<sup>xiii</sup> is that no employee, board member, officer, agent, consultant, or staff member of a Subrecipient receiving funds under a HOME-ARP Program may have during their tenure or for one year thereafter:

- Responsibilities with respect to the HOME-ARP activities
- Participate in decision-making processes
- Have access to inside information with regard to the activities that could result in a personal or financial interest or benefit from a HOME-ARP-assisted activity

Agencies must maintain a written Code of Conduct that governs the purchase of materials, product, supplies, and services, as well as the awarding and administering of Subrecipient Agreements. Personnel involved in the procurement process must be trained to recognize situations that create a conflict of interest or the appearance of a conflict of interest. The Subrecipient personnel should:

- Be familiar with the Subrecipient's Code of Ethics, Code of Conduct, and potential conflict of interest issues
- Not take gifts or gratuities from persons or organizations associated with the procurement process
- Assure the proposal evaluators or member of their immediate families do not have financial interest in the companies

Additional guidance regarding Conflict of Interest is found at 2 CFR 200.112, §200.317, and §200.318. Procurement must comply with the conflict of interest provisions in the HOME regulation outlined in 24 CFR 92.356.

## PARTICIPANTS

---

### QUALIFYING POPULATIONS

As described in the Supportive Services section above, qualifying individuals or families (“QPs”) are those that are experiencing homelessness; are at risk of homelessness; are fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or are part of other populations where providing supportive services or assistance would prevent a family’s homelessness or would serve those with the greatest risk of housing instability.

**To qualify for funds from the HOME-ARP program, ALL qualifying populations must have access to apply for placement on the waiting list for an activity or project.**

### SCREENING PROCEDURE

An individual applying for or requesting services from a Subrecipient must be from one of the four qualifying populations and cannot be receiving the requested service through another program. The agency providing Supportive Services must establish a waiting list or utilize the Coordinated Entry System. Applicants shall be chosen in chronological order.

*ALL qualifying populations must have access to apply for placement on the waiting list for an activity or project. Priority may be given to a specific qualifying population if outlined and approved in the Agreement.*

The Subrecipient must follow all applicable fair housing, civil rights, and non-discrimination requirements. This includes, but is not limited to, the Fair Housing Act, Title VI of the Civil Rights Act, Section 504 of Rehabilitation Act, HUD’s Equal Access Rule, and the Americans with Disabilities Act, as applicable.

### ELIGIBLE SERVICES

Eligible services include McKinney-Vento supportive services, homelessness prevention services, and housing counseling services<sup>xiv</sup>. The Subrecipient is able to provide the following services with funds they receive from the HOME-ARP Supportive Services program:

- The costs of childcare for Program Participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities. The children must be under the age of 13 unless they are disabled. Disabled children must be under the age of 18. The child-care center must be licensed by the jurisdiction in which it operates in order for its costs to be eligible.<sup>xv</sup>
- Education services
  - Health education
  - Substance abuse prevention
  - Literacy, English as a Second language, and GED
  - Instruction or training in consumer education
  - Component services or activities, such as:

- Screening, assessment, and testing
  - Individual or group instruction
  - Tutoring
  - Provision of books, supplies, and instructional material
  - Counseling
  - Referral to community resources
- Employment assistance and job training
  - Employment screening assessment or testing
  - Training and tutoring
    - Skills to obtain and retain a job including vocational licenses and/or certificates
    - Classroom, online, and/or computer instruction
    - On-the-job instruction
    - Services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential
    - Job seeking skills
    - Literacy training and pre-vocational training
    - Books and instructional materials
  - Counseling or job coaching
  - Referral to community resources
- Housing search and counseling services
  - Development of action plan for locating housing
  - Housing search
  - Tenant counseling
  - Securing utilities
  - Moving arrangements
  - Outreach and negotiation with owners
  - Assistance with submitting rental applications
  - Payment of rental application fees
  - Credit counseling
- Legal services – fees charged by licensed attorneys and by person(s) under the supervision of licensed attorneys, for advice and representation in matters that interfere with homeless individuals or family’s ability to obtain and retain housing, including:
  - Child support
  - Guardianship
  - Paternity
  - Emancipation
  - Legal separation
  - Orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking
  - Appeal of veterans and public benefit claim denials
  - Landlord-Tenant disputes
    - Payment for mediation between Program Participant and owner where Participant is living

- The resolution of outstanding criminal warrants
  - Requesting reconsiderations and appeals of veterans and public benefit denials
  - Immigration and citizenship matters
- Life skills training – the costs of teaching critical life management skills that may never have been learned or have been lost during the course of physical or mental illness, domestic violence, substance abuse, and homelessness are eligible. These services must be necessary to assist the Program Participant to function independently in the community
  - Budgeting of resources and money management
  - Household management
  - Conflict management
  - Shopping for food and other items
  - Nutrition
  - Public transportation
  - Parent training
- Mental health services, trauma counseling, and victim services
  - Direct outpatient treatment of mental health conditions that are provided by licensed professionals
  - Crisis intervention
  - Counseling
  - Individual, family, or group therapy sessions
  - Prescription of psychotropic medications or explanations about the use and management of medications
  - Combinations of therapeutic approaches to address multiple problems
- Outpatient health services
  - Understanding health needs
  - Assisting with medical treatment
  - Preventive medical care
  - Preventive and non-cosmetic dental care
- Outreach services
  - Addressing urgent needs such as meals, blankets, clothes, or toiletries
  - Providing people with information and referrals to homeless and mainstream programs
- Substance abuse treatment services
  - Intakes and assessments
  - Outpatient treatment
  - Group and individual counseling
  - Drug testing
  - Inpatient detoxification
- Transportation services
  - Participants travel on public transportation
  - Mileage allowance for Service Workers to visit Participants and to conduct housing inspections
  - Car repair
- Case management

- Conducting initial evaluation
- Developing, securing, and coordinating services
- Obtaining benefits
- Monitoring and evaluating program progress
- Information and referrals
- Ongoing risk assessments
- Developing individualized housing and service plan
- Credit repair
  - Credit counseling
  - Budgeting (does not include payment or modification of debt)
- Landlord / Tenant liaison
  - Landlord outreach
  - Physical inspections
  - Rental application fees and security deposits
  - Mediation services for housing issues

### **LENGTH OF SERVICE**

Agreements with Participants are not to exceed 12 months. A Program Participant may take part in the designated Program(s) for up to 12 months, until the service is no longer necessary, or until the Participant is no longer considered one of the Qualifying Populations. If the Participant still has financial need at the end of the 12-month agreement, if the Program still has funds available, and if the Participant still meets the requirements of the Program, the Participant may request an Agreement extension. Agreement extensions are not guaranteed; however, they may be available on a case-by-case basis with express approval of the Consortium.

### **MAXIMUM FUNDING**

Participants may receive services and/or financial assistance from multiple Subrecipients within the HOME-ARP program. Total assistance may not exceed \$5,000 per Participant / family. Exceptions may apply upon pre-approval by the Consortium.

### **DUPLICATION OF SERVICES**

Some Participants may require assistance from more than one Subrecipient within the HOME-ARP program. A Participant may utilize multiple Subrecipients for different services, but they may not receive assistance from multiple Programs for the same type of service. For example, a Participant may receive credit counseling and drug and alcohol treatment from two different Subrecipients but, they may not receive credit counseling from two Subrecipients of the HOME-ARP Program.

### **TERMINATION OF ASSISTANCE**

Participant assistance may be terminated if they reach the maximum funding of \$5,000 or time allotment of 12 months, if they are no longer considered a Qualified Population, or if they are not in compliance with the Program requirements set forth by the Subrecipient.



## MONITORING & REPORTING

---

HUD requires monitoring of Subrecipient agencies on an annual basis. Monitoring is an ongoing process of reviewing performance using documented data to make judgments about Subrecipient performance, and to assist in improving that performance. Agreement compliance monitoring performed by Consortium staff is different from an annual audit. Monitoring is not an audit of the Subrecipient, but rather is focused on the Program that is federally funded.

The Lead Entity is responsible for monitoring HOME-ARP Subrecipients to ensure compliance with all Federal, State, and local rules, regulations, and laws. This is accomplished through phone conversations, written correspondence, desk monitoring, and on-site monitoring visits. Technical assistance is offered throughout the year to both new and existing Subrecipients.

### MONITORING GOALS

The goal of monitoring is to review:

- Subrecipient agencies to determine if services are being delivered in accordance with Agreement requirements as to type of services and number of units of service
- Records to determine if systems are in place to properly document the provision of services, client eligibility, and compliance with all Agreement requirements
- Subrecipient agencies to determine if expenditures of allocated funds are being used in accordance with the Agreement and programmatic requirements
- Records of Subrecipient agencies to determine if systems are in place to properly document financial transactions, the use of allocated funds, the use of program income, and any other Agreement, Federal, State, or local requirements. In some cases, it may be necessary to perform a follow up monitoring visit or conduct monitoring more frequently than once per year

Substandard performance, as determined by the Consortium, will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the Consortium, Agreement suspension or termination procedures will be initiated. (*See Agreement Termination below for additional information*)

### PROGRAM MONITORING PROCESS

Consortium staff will contact the Subrecipient to arrange for a monitoring visit. The Subrecipient will be informed which records will be reviewed initially. These records should be ready for review upon arrival, within the working space set up for the Lead Entity, and should be in an understandable format. Alternatively, the Lead Entity may conduct a desk-top review and may require the Subrecipient to submit documents to the Lead Entity's office. During these visits, the Lead Entity will:

- Meet staff responsible for preparing reimbursement requests, payroll, and maintaining accounting records
- Review records selected for monitoring and discuss record keeping methods with the staff that maintain them. Copies of certain documents and records may be made for purposes of

preparing the report. Records to be reviewed by the Lead Entity may include, but are not limited to:

- Time and attendance reports (time sheets or timecards)
- Payroll register
- Cash receipts journal
- Check disbursement journal or check register
- Bank statements, canceled checks, and/or direct deposit verification
- General ledgers
- Invoices and purchase orders
- Bank reconciliation
- Any additional item (vouchers, documents, financial reports, records, etc.) needed to verify transactions

#### ENTRANCE CONFERENCE

After Subrecipients have been selected, the Consortium will meet with the Subrecipient staff that manage the Program and with other interested persons to answer any questions regarding the monitoring process. The Lead Entity will discuss record keeping methods and programmatic procedures with the staff who will maintain them.

#### MONITORING VISITS

The Consortium will monitor the performance of the Subrecipient against the goals and benchmarks described in their HOME-ARP application and approved budget. Monitoring visits by the Consortium may be scheduled or unannounced. The Consortium reserves the right to inspect all files and other documentation necessary to monitor performance in accordance with applicable laws and in compliance with HUD guidelines.

The Lead Entity will review the records that were selected for monitoring and discuss record keeping methods and programmatic procedures with the staff who maintain them. Copies of certain documents and records may be made for purposes of preparing the report. Records which will be reviewed by the Lead Entity include, but are not limited to:

- Reports sent to the Consortium for the period under review, with supporting documents
- Daily logs, time sheets, and other documents used to prepare reports
- A list of clients served and those that did not receive assistance with the written reason for denial during the Agreement period
- A sample of client records, drawn from a list of assisted clients; the client records should include eligibility documentation and records of services provided

Subrecipients must agree to provide all requested documentation to the Lead Entity within five (5) business days to maintain compliance with the HOME-ARP Program and related laws, rules, regulations, and policies.

All Subrecipient records, with respect to any matters covered by this Agreement, shall be made available

at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within thirty (30) days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this agreement and may result in the withholding of future payments.<sup>xvi</sup>

## QUARTERLY REPORTS

Subrecipients are required to submit Quarterly Reports within fifteen (15) calendar days of the end of each quarter during the fiscal year, as specified within the Subrecipient’s written Agreement with the Consortium. Reports **must** include the number of homeless / non-homeless households assisted with supportive services and housing counseling as well as the race, ethnicity, household size, and household type of each household assisted. The quarterly report template will be provided to each Subrecipient at the pre-project meeting. The Quarterly Report must include backup documentation as requested.

These reports are important for the Consortiums ability to track the Subrecipient’s performance with regard to implementing the program or activity. The reports provide the status of the Subrecipient’s progress towards achieving the goals stipulated in their Application and any issues that have arisen during the reporting period, demographic data on clients served, and use of funds. Additional reporting may be requested by the HOME Consortium.

Specific due dates for the Quarterly Reports will be included in the written agreement with the Consortium; however, the general time frame for submittal is the following:

	<b>DATE</b>	<b>DUE BY</b>
Quarter 1	January 1 <sup>st</sup> – March 31 <sup>st</sup>	April 15 <sup>th</sup>
Quarter 2	April 1 <sup>st</sup> – June 30 <sup>th</sup>	July 15 <sup>th</sup>
Quarter 3	July 1 <sup>st</sup> – September 30 <sup>th</sup>	October 15 <sup>th</sup>
Quarter 4	October 1 <sup>st</sup> – December 31 <sup>st</sup>	January 15 <sup>th</sup>

## SOURCE DOCUMENTATION

All accounting records must be supported by source documentation. Supporting documentation is important to retain for all program expenditures. Documentation must specifically prove that expenditures charged to the grant are:

- Incurred only during the period of the Agreement between the Consortium and Subrecipient
- Were actually paid out (or properly accrued within 15 days of dispersal request for reimbursement)
- Allowable and reasonable
- Approved by a responsible official in your organization

Source documentation must explain the basis of the costs incurred. For example:

- With respect to staff time charged to the grant, you must have time sheets signed by the employee and supervisor that explicitly state the hours charged to the grant
- Attendance sheets should be available at all times to verify that the time charged to the grant is accurate
- Utility costs should be supported by bills from the utility company
- This information must be available at all times to verify that costs charged to the HOME-ARP Program are accurate

## REVIEW OF RECORDS

The Consortium will check the Subrecipient's records against submitted records and reports (*this list is not exhaustive*):

- To determine that:
  - Amounts in Subrecipient's records match amounts submitted to the Consortium
  - Reports are presented in a timely manner (by the date specified in the Agreement)
  - Reports are accurate and completed in a satisfactory manner
  - Proposed goals and timeline for completion are being met
  - Project / Activity is following HOME-ARP program Policies & Procedures
  - Only expenses agreed upon in the Agreement are billed to the HOME-ARP Program
  - Files are complete and maintained in an orderly fashion
- To ensure there is sufficient documentation that:
  - Participant eligibility is based on Qualified Population status
  - The provision of services and scope of work meet the terms of the Agreement
  - HOME-ARP Program agreements are dated and signed by the applicant and Subrecipient prior to the commitment of funds

## SALARIES, REVENUE & OTHER OPERATING EXPENSES

The Lead Entity will verify salaries by:

- Reviewing time and attendance reports for time billed to HOME-ARP and verification of reports by supervisor
- Checking that there is a clear audit trail between the time and attendance reports, payroll register, general ledger accounts, and Federal and State reports
- Testing computation for gross amounts, deductions, and net payments
- Verifying canceled checks for amounts and endorsements
- Comparing employees' time from timecards to the time reported on reimbursement requests
- Verifying that the costs requested for reimbursements are allowable and reasonable under the terms of the Agreement
- Verifying invoices and payments
- Verifying that purchase of equipment matches general ledger account and financial reports
- Ensure that purchased equipment is allowable

- Verifying calculation of depreciation (if applicable)
- Make physical inspection of equipment (if applicable)

The Lead Entity will verify:

- That amounts disbursed by Consortium reconcile with funds received by the Subrecipient
- The amounts and use of any program income or CHDO proceeds received

The Lead Entity will verify other operating expenses by:

- Examining invoices and related canceled checks
- Reviewing invoices for approvals and account distribution
- Determining if the costs are allowable
- Verifying Subrecipient's line-item costs to amounts requested for reimbursement
- Verifying that amounts requested for reimbursement agree with posting to general ledger accounts

## REVIEW OF OVERALL ACCOUNTING

The Lead Entity will:

- Review the process used to record the various transactions and determine if it is effective
- Review the actual transactions and their supporting documentation, determining eligible reimbursement expenses. In order for an expenditure to be considered eligible for reimbursement, the following requirements must be met:
  - The expenditure must be for the current funding period
  - It must be an expenditure related to HOME-ARP activity
  - It must be an expenditure permitted by the Agreement
- Review the overall Subrecipient performance to determine if it is within compliance according to the terms and conditions of the Agreement
- Determine if the prior year's monitoring findings have been corrected and are not being repeated

## MONITORING REPORTS AND APPEALS

Within thirty (30) days after the completion of the monitoring visit or desk-top review, a written report of the results of the monitoring visit will be forwarded to the Subrecipient. If the program and fiscal monitoring were performed concurrently, the reports for both will be combined under a single cover letter.

## MONITORING REPORT

The monitoring report contains:

- A detailed list of areas reviewed
- A detailed list of findings, if any

- A recommendation will accompany each finding explaining how the deficiency can be corrected
- A detailed list of concerns, if any
- Depending on the nature of the concern, a recommendation may be included on how to eliminate the concern
- Observations, if any, made regarding the Subrecipient's operation
- If findings are severe, the letter accompanying the report may place a hold on further reimbursements to the Subrecipient until the findings are cleared or may require the suspension of the activity until satisfactory corrective actions are made and approved by the Lead Entity

#### RESPONSE TO MONITORING REPORT

Within thirty (30) days after receipt of the monitoring report, the Subrecipient must submit a written response to the monitoring report. The response should include:

- A response to each individual finding and concern, if applicable
- Copies of any documentation to back up the response to the findings (copies of corrected employee monthly time reports, etc.)

#### RESPONSE TO SUBRECIPIENT RESPONSE

Upon receipt of the Subrecipient's response to the monitoring report, a review of the response will be conducted to determine if the findings have been satisfied. A written response to the Subrecipient's response will be sent, to include the following:

- Those findings which have been satisfied will be noted as closed; if all findings are closed, the Subrecipient's monitoring for the year under review is considered to be complete
- Findings which are not satisfied will remain open and will require further response or action on the Subrecipient's part
- The Subrecipient will be given an adequate period of time to take any further action needed to correct the findings and respond in writing
  - If these actions are satisfactory, the findings are noted as closed and the monitoring is considered to be complete
  - If these actions are not satisfactory, further correspondence is required until such time as all findings are closed and the monitoring is concluded
  - The close of the Agreement does not necessarily close the monitoring or the corrective actions required

Correspondence will continue until all findings are closed.

#### APPEALS

In the event that the Subrecipient and the Lead Entity cannot come to an agreement on one or more findings of the Consortium's monitoring visit, an appeal may be made in writing to the Planning and Development Manager<sup>xvii</sup>. The appeal should state clearly the finding being appealed, and the basis for the appeal. HUD does not accept appeals of decisions by the Consortium regarding monitoring issues.

## EXIT CONFERENCE

The Lead Entity will meet with the Subrecipient to discuss the results of the monitoring. The Lead Entity may invite staff and/or board members as they deem appropriate. The purpose of the exit conference is to:

- Discuss findings, if any, and methods of correcting each individual deficiency
- Discuss concerns, if any, and methods of correcting concerns
- Discuss any observations made regarding the Subrecipient and offer technical assistance where applicable
- Answer any questions Lead Entity or staff may have

## ATTACHMENTS A: AFFIRMATIVE MARKETING PLAN

---

The Consortium is committed to providing equal access and opportunity to all persons to encourage participation in the housing programs offered in the Cities of Kennewick, Pasco, and Richland. The three cities will not discriminate, and will require that all contractors, subcontractors, Subrecipients, owners, landlords, and vendors will not discriminate against any person on the basis of race, color, national origin, gender, sex, religion, disability or familial status.

Actions to provide information and attract eligible persons in the community to the housing programs will include the following:

- Advertisements will be placed in the Tri-City Herald and Tu Decides, LaVoz, or other Hispanic publication. They may also be placed in the Giant Nickel. The circulation of these newspapers in Benton and Franklin Counties reaches a combination of Caucasian and minority readers in proportion to demographic characteristics of the populations in Benton and Franklin Counties.
- Direct mailings or inclusion as a utility bill insert of program opportunities and Fair Housing Laws will be distributed to the public.
- Brochures and flyers will be distributed to social service agencies such as: Benton Franklin CAC, Tri-Cities Community Health LaClinica, and Benton Franklin Housing Network.
- Brochures and flyers will be distributed to businesses with ties to the agricultural community such as: Lamb Weston, Simplot, and Welch Foods.
- Brochures and flyers will be distributed to the 4 local libraries and Housing Authorities.
- Brochures and flyers will be distributed at City and community events, as applicable.
- Community service announcements and press releases for special events and activities will be placed on local radio stations and on television stations.
- All announcements, program advertisements, solicitations, brochures, and flyers will display the Equal Housing Opportunity logo or slogan.
- Fair Housing and Equal Opportunity posters in Spanish and English will be displayed at each respective City Hall.
- Fair Housing and Equal Opportunity posters in Spanish and English will be distributed to each Subrecipient.
- Community contacts will be made to agencies that serve minority and disabled persons such as Washington State Migrant Council, Hispanic Chamber of Commerce, Washington State Department of Developmental Disabilities, Washington State Department of Human Resources, Columbia Industries, and Benton Franklin Human Services Coalition.
- Community contacts will be maintained with people who have agreed to act as interpreters and mentors for non-English speaking residents.

All Subrecipients funded with HOME-ARP dollars will be required to provide an Affirmative Marketing and Minority Outreach Plan to the Lead Entity. Subrecipients and owners who do not implement the plan could lose HOME-ARP funding for the project.

The plan at a minimum will include the list above and the following:



- A timeline for affirmative marketing and minority outreach efforts
- Actions that will be taken to promote the inclusion of all persons in the housing programs
- The names and types of commercial media that will be used to advertise the program
- Displaying a Fair Housing and Equal Opportunity poster at their business location
- Actions that will be taken to inform and solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach, such as notifying community organizations, places of worship, employment centers, fair housing groups, counseling centers or agencies, etc.

Records will be maintained describing the actions taken by the Consortium, Subrecipients and owners for a period of six (6) years following program completion and will be available for public and HUD review<sup>xviii</sup>. The Lead Entity will assess the success of affirmative marketing actions and determine if any corrective or additional strategies are needed to better inform all persons of housing opportunities at least annually.

## **AFFIRMATIVE MARKETING / MINORITY OUTREACH PROGRAM (§92.351)**

### AFFIRMATIVE MARKETING

Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons to the available Supportive Services without regard to race, color, national origin, sex, religion, familial status, or disability. Each participating jurisdiction must adopt and follow affirmative marketing procedures and requirements for Supportive Services projects. If participating jurisdiction's written agreement with the project owner permits the rental housing project to limit tenant eligibility or to have a tenant preference in accordance with §92.253(d)(3), the participating jurisdiction must have affirmative marketing procedures and requirements that apply in the context of the limited / preferred tenant eligibility for the project.

The affirmative marketing requirements and procedures adopted must include:

- Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the participating jurisdiction's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners, and written communication to fair housing and other groups)
- Requirements and practices each Subrecipient and owner must adhere to in order to carry out the participating jurisdiction's affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of fair housing poster)
- Procedures to be used by Subrecipients and owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing program or the housing without special outreach (e.g., through the use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies)
- Records that will be kept describing actions taken by the Consortium and by Subrecipients to affirmatively market the program in order to reach a broad population and to assess the results of these actions

- A description of how the participating jurisdiction will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met

#### MINORITY OUTREACH

The Consortium will prescribe procedures acceptable to HUD to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all Agreements entered into by the Consortium with such persons or entities, public and private, in order to facilitate the activities of the Consortium to provide affordable housing<sup>xix</sup>

## ELIGIBLE SERVICES CONT.

---

### Q & A

- Can we utilize Supportive Services funds to purchase bedding for the new twin bed?
  - **Yes**, bedding / blankets are considered an urgent need.
- Can we utilize Supportive Services funds to purchase a twin-size bed?
  - **No**, unless medically necessary, furniture (including beds) is not considered an eligible Supportive Service Expense.
- Can Supportive Services funds be used to purchase beds / furniture?
  - **No**, unless medically necessary, furniture (including beds) is not considered an eligible Supportive Service Expense.
- Are security deposits eligible?
  - **Yes**, security deposits are eligible.
- Are PUD deposits eligible?
  - **Yes**, utility deposits are eligible.

### INCLUDED SERVICES

In response to questions from Subrecipients, the following items are eligible Supportive Services:

- Security deposits are eligible.
- Utility Deposits are eligible.
- Fees associated with obtaining birth certificates are eligible as they are often needed to secure housing.
- Fees associated with obtaining a driver's license is eligible.
- Bedding / blankets are considered an urgent need.

### EXCLUDED SERVICES

In response to questions from Subrecipients, the following items are **NOT** eligible Supportive Services:

- Storage unit rent is not an eligible supportive service.
- Unless medically necessary, furniture (including beds) is not considered an eligible Supportive Service Expense.

## END NOTES

---

- I [www.hud.gov/program\\_offices/comm\\_planning/home-arp](http://www.hud.gov/program_offices/comm_planning/home-arp)
- II [eCFR :: 24 CFR 91.5 – Definitions](#); 24 CFR 91.5  
  
[42 USC 11302: General definition of homeless individual \(house.gov\)](#) section 103(a) of the McKinney-Vento Homeless Assistance Act  
  
[42 USC 11360: Definitions \(house.gov\)](#) As amended, 42 U.S.C. 11302(a) McKinney-Vento
- III [eCFR :: 24 CFR 91.5 – Definitions](#) and [The McKinney-Vento Homeless Assistance Act As Amended by S.896 The Homeless Emergency Assistance and Rapid Transition to Housing \(HEARTH\) Act of 2009 \(hud.gov\)](#) Title IV – Housing Assistance; Subtitle A – General Provisions; Section 401 Definitions
- IV Unlike other HUD “homeless” definitions, the HOME-ARP “homeless” QP is not required to “have no other household... (or) lack resources or support network.”  
  
*(<https://www.hud.gov/sites/dfiles/CPD/documents/HOME-ARP/HOME-ARP-Webinar-Presentation-05-17-22.pdf>)*
- V US HUD CPD Requirements for the Use of Funds in the HOME-ARP Program
- VI [G 7401 \(hud.gov\)](#) HUD G 7401.5 Chapter 1. General Insurance Requirements; Subsection b. Authorized Insurance Companies  
  
*<https://apps.hud.gov/offices/adm/hudclips/guidebooks/7401.5G/74015gc1GUID.pdf#:~:text=Although%20HUD%20does%20not%20set%20mandatory%20standards%20for,company%20in%20the%20NA-3%20category%20%28Insufficient%20Operating%20Experience%29>*
- VII [G 7401 \(hud.gov\)](#) Chapter 1. General Insurance Requirements, Section 1-3 B
- VIII Insurance Services Office (“ISO”) form CG 00 01 is the Commercial General Liability Insurance form. Subrecipients are responsible to obtain this form from their insurance provider.
- IX Insurance Services Office (“ISO”) form CA 00 01, or Business Auto Coverage Form. Subrecipients are responsible to obtain this form from their insurance provider.
- X [Title 51 RCW: INDUSTRIAL INSURANCE \(wa.gov\)](#)
- XI [eCFR :: 24 CFR 92.351 -- Affirmative marketing; minority outreach program.](#)
- XII [eCFR :: 2 CFR 200.303 -- Internal controls.](#) Section 2 *CFR 200.303XII*
- XIII [eCFR :: 24 CFR 570.611 -- Conflict of interest.](#)

---

XIV Housing counseling is independent, expert advice customized to the need of the consumer to address the consumer's housing barriers and to help achieve their housing ([eCFR :: 24 CFR 5.100 -- Definitions](#) and [eCFR :: 24 CFR 5.111 -- Housing counseling](#)).

XV [eCFR :: 24 CFR 576.102 -- Emergency shelter component](#). Section 24 CFR 576.102(a)(1)(ii)

XVI Managing CDBG: A Guidebook for Grantees on Subrecipient Oversight. Section VIII B. 6 Audits & Inspections

XVII Kerwin Jensen, [kjensen@ci.richland.wa.us](mailto:kjensen@ci.richland.wa.us)

XVIII Washington State Archives: Local Government Common Records Retention Schedule: [GS50-01-39 Rev. 1](#).

*Project Files must be retained “for 6 years after completion of project, then (transferred) to Washington State Archives for appraisal and selective retention.” This requirement can be found at 1.1 Administration (General) on page 9 of 197 of [local-government-common-records-retention-schedule-core-v.4.2-\(august-2021\).docx \(live.com\)](#)*

XIX 61 FR 48750, Sept. 16, 1996, as amended at 78 FR 44678, July 24, 2013. Section 85.36(e) of this title describes actions to be taken by a participating jurisdiction to assure that minority business enterprises and women business enterprises are used, when possible, in the procurement of property and services.