



EMERGENCY SOLUTIONS GRANT

SHELTER AWARD MANUAL

2014-2015

Indiana Housing & Community Development Authority

Lt. Governor Sue Ellspermann, Chairman
Jacob Sipe, Executive Director

30 South Meridian Street, Suite 1000, Indianapolis, IN 46204
Telephone (317) 232-7777, Toll Free in Indiana (800) 872-0371, Facsimile: (317) 232-7778

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2014-15 ESG SHELTER AWARD MANUAL

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Chapter 1

PROGRAM OBJECTIVES

On May 20, 2009, the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 was passed into law, which amended and reauthorized the McKinney-Vento Homeless Assistance Act. The Emergency Solutions Grant (ESG) program is one of the primary McKinney-Vento Act programs affected by the HEARTH Act. HUD released interim regulations for ESG in December 2011 for fiscal year 2012 and the 2nd round of fiscal year 2011 ESG funding. Some of the primary changes include a change of name to Emergency Solutions Grant (formerly Emergency Shelter Grant), expansion of the definition of homelessness and chronic homelessness, a substantial increase and emphasis on prevention/rapid re-housing resources and greater focus on program performance.

The ESG Program is a categorical grant allocated according to population and other demographic factors to eligible jurisdictions nationwide. IHCD is the designated recipient for ESG funds directed to the State of Indiana program.

As a result of HEARTH Act changes, IHCD has created three separate ESG programs, the ESG Shelter Program, the ESG Rapid Re-housing/Homeless Prevention program, and the ESG Outreach Program.

The objectives of the ESG Shelter program are:

- to increase the number and quality of emergency shelters and transitional housing facilities for homeless individuals and families;
- to help operate these facilities and provide essential social services

ESG funds assist in providing shelter and services for the homeless but also aid in the transition of this population to permanent housing. Supplemental rapid re-housing funds (financial assistance and services) aid in this transition.

The ESG program is designed as the first step in the continuum of assistance to prevent homelessness and to enable the homeless population to move steadily toward independent living. The Continuum of Care model is based on the understanding that homelessness is not caused by simply a lack of shelter, but involves a variety of underlying needs. The fundamental components of a Continuum of Care system are:

- Outreach and assessment to identify homeless person's needs;
- Immediate shelter as a safe, decent alternative to the streets;
- Rapidly re-housing homeless persons into permanent housing or permanent supportive housing for the disabled homeless, following a "housing first" mentality.

How is ESG Funding Allocated?

The State of Indiana receives a formula amount of ESG funding each year from the U.S. Department of Housing and Urban Development. In order to receive the funds IHCD submits and obtains approval of a Consolidated Plan. The plan provides the framework for a process used

by States to identify housing, homeless, community and economic development needs, and resources to develop a strategic plan to meet those needs. During this planning process, citizens have an opportunity to provide input and to help shape the community's priorities.

The Indiana Housing and Community Development Authority (IHCDA) is responsible for the state's allocation of ESG funding. IHCDA then allocates funds to eligible Subrecipients. For specific information on IHCDA's allocation of ESG and other formula funding, please review the state's consolidated plan at www.in.gov/ihcda.

Chapter 2

PROGRAM REQUIREMENTS

This section describes the basic program requirements and responsibilities under the ESG program. As a subrecipient of ESG funding and a subrecipient through IHCD, you are responsible for demonstrating compliance with all of the program requirements and the ESG and HEARTH Regulations at 24 CFR Parts 91 and 576.

1) Keeping Accurate Financial and Service Delivery Records

Maintaining accurate records is an important aspect of quality management of ESG projects. Measurement of project performance relies on the tracking of information about services and activities. It is important therefore, that full and precise information about program activities and services provided with ESG funds is gathered and maintained. We require consistent reporting on expenditure of funds, program activities and measurable outcomes. In order to report fully on program outcomes and activities, you should consistently gather demographic information on the population being served by the program and the types of activities being provided to participants.

ESG regulations require that records be maintained for a period of at least five years after the end of the grant term.

2) Documentation of Homelessness

Documentation of participants' homeless situation is an equally important aspect of ESG project management. ESG subrecipients are required to maintain adequate documentation of homeless status to determine the eligibility of persons served. Written documentation of homelessness should be in each client's file. It must be written, signed, dated and placed in the participant's files. Simply knowing that each individual you serve is homeless is not sufficient.

The HUD Homeless Documentation form was created for use as a guide for proper documentation of homelessness. It is not required that this specific form be used, however it is required that it is documented from where the participant was referred, 3rd party verification obtained when possible, and to have a space for client and staff signatures. The HUD homeless documentation form can be found on IHCD's ESG Web site: <http://www.in.gov/myihcd/2450.htm>.

HUD has expanded the definition of homelessness to be the following:

1. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - a. Has a primary nighttime residence that is a public or private place not meant for human habitation;
 - b. Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government program); or
 - c. Is exiting an institution where (s) he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
2. Individual or family who will imminently lose their primary nighttime residence, provided that:

- a. Residence will be lost within 14 days of the date of application for homeless assistance;
 - b. No subsequent residence has been identified; and
 - c. The individual or family lacks the resources or support networks needed to obtain other permanent housing.
3. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
- 1. Are defined as homeless under the other listed federal statutes;
 - 2. Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application;
 - 3. Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; **and**
 - 4. Can be expected to continue in such status for an extended period of time due to special needs or barriers
4. Any individual or family who:
- a. Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that related to violence against the individual or family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
 - b. Has no other residence; and
 - c. Lacks the resources or support networks e.g., family, friends, faith-based or other social networks, to obtain other permanent housing

3) Termination of Participation and Grievance Procedure

ESG subrecipients may terminate assistance provided by ESG-funded activities to participants who violate program requirements. The termination, however, must allow for the due process of the terminated participant's rights.

Subrecipients must have in place a procedure that governs the termination and grievance process. These procedures should describe the program requirements and the termination process, as well as the grievance procedure that might, for example, allow participants to request a hearing regarding the termination of their assistance.

It is important that subrecipients effectively communicate the termination and grievance procedures to participants and ensure that the procedures are fully understood. For example, the subrecipient staff might verbally explain the procedures to participants upon entry, intake, or orientation to the ESG-funded program and make the procedures readily available to participants either with written information or by posting the policy in a public place. IHCDA recommends having the program participant sign a form that states they have knowledge of the policy and procedure and understand it. Posting the policy on a bulletin board in a common area within the facility is an effective way to ensure that the procedures are available for participants to access at any time.

4) Participation of Homeless Persons

Subrecipients are required to involve participants in the operation of the ESG-funded program. This involvement includes the participants' employment or volunteering in project activities such as construction, renovation, maintenance, general operation of facilities, or

provision of services. For example, a shelter might involve participants in ongoing maintenance tasks or other operations of the facility such as staffing the reception desk. This involvement can include paid and/or volunteer work.

5) Ensuring Confidentiality

To ensure the safety and security of ESG project participants fleeing domestic violence situations, ESG subrecipients are required to develop and implement procedures to guarantee the confidentiality of records concerning project participants. In addition, the address and location of family violence shelter facilities receiving ESG funding may not be publicly disclosed except with the written authorization of the person(s) responsible for the shelter facility's operation. To comply with this requirement, subrecipient organizations should, for example, keep written records or files pertaining to families under lock and key with only particular personnel granted access to those files.

6) Building & Habitability Standards

IHCDA requires the following basic habitability standards for ESG funded shelters:

- **Inspections.** Current fire and health inspections must be in place during the contract period.
- **Structure and Materials.** The shelter building should be structurally sound to protect residents from the elements and not pose any threat to health and safety of the residents.
- **Access.** The shelter must be accessible, and there should be a second means of exiting the facility in the case of emergency or fire.
- **Space and Security.** Each resident should have adequate space and security for themselves and their belongings. Each resident must have an acceptable place to sleep.
- **Interior Air Quality.** Each room or space within the shelter/facility must have a natural or mechanical means of ventilation. The interior air should be free of pollutants at a level that might threaten or harm the health of residents.
- **Water Supply.** The shelter's water supply should be free of contamination.
- **Sanitary Facilities.** Each resident should have access to sanitary facilities that are in proper operating condition. These facilities should be able to be used in privacy, and be adequate for personal cleanliness and the disposal of human waste.
- **Thermal Environment.** The shelter/facility must have any necessary heating/cooling facilities in proper operating condition.
- **Illumination and Electricity.** The shelter/facility should have adequate natural or artificial illumination to permit normal indoor activities and support health and safety. There should be sufficient electrical sources to permit the safe use of electrical appliances in the shelter.
- **Food Preparation.** Food preparation areas, if any, should contain suitable space and equipment to store, prepare and serve food in a safe and sanitary manner.
- **Sanitary Conditions.** The shelter should be maintained in a sanitary condition.
- **Fire Safety-Sleeping Areas.** There should be at least one working smoke detector in each occupied unit of the shelter facility. In addition, smoke detectors should be located near sleeping areas where possible. The fire alarm system should be designed for a hearing-impaired resident.
- **Fire Safety-Common Areas.** All public areas of the shelter must have at least one working smoke detector.

Sanctions for Noncompliance

If it is determined that a subrecipient is not complying with the requirements of the ESG regulations or other applicable Federal laws, IHCD may apply one or more of a variety of sanctions on the subrecipient. These include but are not limited to requiring that previously committed ESG funds are returned or the determination to not provide future grant funding to the subrecipient.

Chapter 3

ESG ELIGIBLE ACTIVITIES

There are three eligible activities under the ESG Shelter program:

1. **Homeless Assistance: Essential Services**
2. **Homeless Assistance: Operational Costs**
3. **Rapid Re-housing Financial Assistance & Services** (for those that qualify for the limited version of Regional RRH Program)

1) **Homeless Assistance: Essential Services**

ESG funds may be used to provide essential services to individuals and families who are in an emergency shelter as follows:

1. Case Management- the cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant, including component services and activities consisting of using the I-HOPE tool, Arizona Self Sufficiency Matrix, working with local Rapid Re-housing program, conducting the initial evaluation, verifying and documenting eligibility, counseling, developing, securing, and coordinating services and obtaining Federal, State and local benefits; Monitoring and evaluating program participant progress; Providing information and referrals to other providers; Providing ongoing risk assessment and safety planning with victims of domestic violence, dating violence, sexual assault, and stalking.

2. Child Care- The costs of child care for program participants, including providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities, are eligible. 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.

3. Education Services- When necessary for the program participant to obtain and maintain housing, the costs of improving knowledge and basic educational skills are eligible. Services include instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED). Component services or activities are screening, assessment and testing; individual or group instruction; tutoring; provision of books, supplies and instructional material; counseling; and referral to community resources.

4. Employment Assistance and Job Training. The costs of employment assistance and job training programs are eligible, including classroom, online, and/or computer instruction; on-the-

job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential. The cost of providing reasonable stipends to program participants in employment assistance and job training programs is an eligible cost. Learning skills include those skills that can be used to secure and retain a job, including the acquisition of vocational licenses and/or certificates. Services that assist individuals in securing employment consist of employment screening, assessment, or testing; structured job skills and job-seeking skills; special training and tutoring, including literacy training and prevocational training; books and instructional material; counseling or job coaching; and referral to community resources.

5. Outpatient Health Services. Eligible costs are for the direct outpatient treatment of medical conditions and are provided by licensed medical professionals. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate health services are unavailable within the community. Eligible treatment consists of assessing a program participant's health problems and developing a treatment plan; assisting program participants to understand their health needs; providing directly or assisting program participants to obtain appropriate medical treatment, preventive medical care, and health maintenance services, including emergency medical services; providing medication and follow-up services; and providing preventive and non-cosmetic dental care.

6. Legal Services. (A) Eligible costs are the hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing. Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community. (C) Eligible subject matters are child support, guardianship, paternity, emancipation, and 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, and the resolution of outstanding criminal warrants. (D) Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling. (E) Fees based on the actual service performed (*i.e.*, fee for service) are also eligible, but only if the cost would be less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services. (F) Legal services for immigration and citizenship matters and issues relating to mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.

7. 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 use, and homelessness are eligible costs. These services must be necessary to assist the program participant to function independently in the community. Component life skills training are budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.

8. Mental Health Services. (A) Eligible costs are the direct outpatient treatment by licensed professionals of mental health conditions. (B) ESG funds may only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community. (C) Mental health services are the application of therapeutic processes to personal, family, situational, or occupational problems in order to bring about positive resolution of the problem or improved individual or family functioning or circumstances. Problem areas may include family and marital relationships, parent-child problems, or symptom management. (D)

Eligible treatment consists of crisis interventions; individual, family, or group therapy sessions; the prescription of psychotropic medications or explanations about the use and management of medications; and combinations of therapeutic approaches to address multiple problems.

9. Substance Abuse Treatment Services. (A) Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are provided by licensed or certified professionals. (B) ESG funds may only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community. (C) Eligible treatment consists of client intake and assessment, and outpatient treatment for up to 30 days. Group and individual counseling and drug testing are eligible costs. Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.

10. Transportation. Eligible costs consist of the transportation costs of a program participant's travel to and from medical care, employment, child care, or other eligible essential services facilities. These costs include the following: (A) The cost of a program participant's travel on public transportation; (B) If service workers use their own vehicles, mileage allowance for service workers to visit program participants; (C) The cost of purchasing or leasing a vehicle for the recipient or subrecipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle; and (D) The travel costs of recipient or subrecipient staff to accompany or assist program participants to use public transportation.

11. Services for Special Populations. ESG funds may be used to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under paragraphs (a)(1)(i) through (a)(1)(x) of this section. The term *victim services* means services that assist program participants who are victims of domestic violence, dating violence, sexual assault, or stalking, including services offered by rape crisis centers and domestic violence shelters, and other organizations with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.

Ineligible Essential Services Activities:

- Salary of case management supervisor when not working directly on participant issues/clients
- Advocacy, planning, and organizational capacity building
- Staff recruitment or training, including conferences
- Transportation costs not directly associated with service delivery.

2) Homeless Assistance: Operational Costs

The legislation and regulations specify various eligible operating costs related to the provision of emergency housing.

Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel (natural gas for the building itself; not vehicle fuel), equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter. Where no appropriate emergency shelter is available for a homeless family or individual, eligible costs may also include a hotel or motel voucher for that family or individual.

Limitations on Funding Operational Costs

Staff salaries (including fringe benefits) paid under the operating costs category is limited to 10 percent of the grant. Maintenance and security salary costs are not subject to the 10

percent standard. For example, a subrecipient receiving a \$25,000 ESG grant would be able to pay only \$2,500 (or 10 percent of that amount) for operational staff costs.

Ineligible Operational Costs:

- Recruitment or on-going training staff
- Depreciation
- Costs associated with the organization rather than the shelter program (advertisements, pamphlets about organization, survey, etc.)
- Staff training, entertainment, conferences, or retreats
- Public relations or fund raising
- Bad debts/late fees
- Mortgage payments
- Financial Audits
- Vehicle maintenance or fuel

- 3) **Rapid Re-Housing (Short Term):** Funds awarded through the ESG-Shelter Application may be used to provide housing relocation and stabilization services, short- term financial assistance, and to pay for rental arrears as necessary to assist in rapidly re-housing homeless individuals or families into permanent housing. This activity is *only* available to those shelters in regions that do not have an ESG funded Rapid Re-housing program. Rapid re-housing assistance, may be provided to program participants who meet the criteria of the “homeless” definition listed in Section B, 1 (a & d only). The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in § 576.105, and area-wide systems coordination requirements and procedures established under § 576.400.

a) **HOUSING RELOCATION & STABILIZATION – FINANCIAL ASSISTANCE:**

1. **Rental Application Fees-** ESG funds may pay for the rental housing application fee that is charged by the owner to all applicants.
2. **Security Deposits-** ESG funds may pay for a security deposit that is equal to no more than 2 months’ rent.
3. **Last Month’s Rent-** If necessary to obtain housing for a program participant, the last month’s rent may be paid from ESG funds to the owner of that housing at the time the owner is paid the security deposit and the first month’s rent. This assistance must not exceed one month’s rent.
4. **Utility Deposits-** ESG funds may pay for a standard utility deposit required by the utility company for all customers for the following utilities: gas, electric, water, and sewage.
5. **Utility Payments-** ESG funds may pay for up to 2 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service. A partial payment of a utility bill counts as one month. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water, and sewage.

6. **Moving Costs-** ESG funds may pay for moving costs, such as truck rental or hiring a moving company. This assistance may include payment of temporary storage fees for up to 3 months, provided that the fees are accrued after the date the program participant begins receiving assistance and before the program participant moves into permanent housing. Payment of temporary storage fees in arrears is not eligible.
- b) **RENTAL ASSISTANCE:**
 1. **Rental Arrears-** Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears.
 2. **First Month's rent-** Payment of first month's rent only. Assistance cannot exceed one month of rental payment.
- c) **HOUSING RELOCATION & STABILIZATION - SERVICES:**
 1. **Housing Search and Placement.** Services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, include the following:
 - i. Assessment of housing barriers, needs, and preferences;
 - ii. Development of an action plan for locating housing;
 - iii. Housing search; Outreach to and negotiation with owners;
 - iv. Assistance with submitting rental applications and understanding leases;
 - v. Assistance with obtaining utilities and making moving arrangements; and
 - vi. Tenant counseling.
 2. **Housing Stability Case Management.** ESG funds may be used to pay cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a program participant who resides in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 12 months during the period the program participant is living in permanent housing. Component services and activities consist of:
 - i. Using the centralized or coordinated assessment system as required under § 576.400(d), to evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance;
 - ii. Counseling;
 - iii. Developing, securing, and coordinating services and obtaining Federal, State, and local benefits;
 - iv. Monitoring and evaluating program participant progress;
 - v. Providing information and referrals to other providers;
 - vi. Developing an individualized housing and service plan, including planning a path to permanent housing stability; and
 - vii. Conducting re-evaluations required under § 576.401(b).
 3. **Mediation.** ESG funds may pay for mediation between the program participant and the owner or person(s) with whom the program participant is living, provided that the mediation is necessary to prevent the program

participant from losing permanent housing in which the program participant currently resides.

4. **Credit repair**. ESG funds may pay for credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. This assistance does not include the payment for modification of a debt.

Chapter 4

REPORTS & HMIS

Reports

ESG subrecipients are required to submit a semi-annual and annual report to the ESG Program Coordinator. Please *e-mail* these reports to the ESG Program Coordinator.

Any forms and requirements will be e-mailed to your organization by the ESG Program Coordinator and will be posted online prior to the due date. These dates are subject to change *with* notification from the ESG Program Coordinator.

- **Semi-Annual Report is due January 14, 2015**
- **Annual & Close Out Report is due July 31, 2015**
- **Last 2014-15 Claim is due July 31, 2015**

All reports are due in the IHCD office or submitted by e-mail by close of business (5pm EST) on the date noted. One point will be deducted from the next ESG application for each day late.

Homeless Management Information System

The Homeless Management Information System (“HMIS”) is a secure, confidential electronic data collection system used to determine the nature and extent of homelessness. **The Subrecipient is required to enter data into HMIS on a regular and consistent basis, which is defined as data entry within two weeks from the time of intake.*** IHCD will regularly monitor HMIS usage to verify consistent data entry for applicable shelters. Data must be entered for the ESG funded shelter program and all other residential programs serving homeless individuals and families. The HMIS data elements to be collected are determined by HUD. The HMIS system is used to report to HUD on an annual basis and to aid in local and statewide policy and planning.

While domestic violence shelters are exempt from the HMIS requirement, they are required to maintain records of the required data elements in a separate, confidential system. Victim service providers who do not currently operate a client-level database comparable to HMIS must do so by January 1, 2015. To sign up for DV Client Track, please contact Jill Robertson at jirobertson@ihcda.in.gov. Victim service providers within the Balance of State Continuum of Care can choose to opt into Client Track. The data provided into the system will be restricted to each organization and will be in compliance with the Violence Against Women’s Act. The system will collect client-level data over time including, but not limited to all of HMIS’s universal data elements, and generate unduplicated aggregate reports based on the data. Information entered into this comparable database will not be entered directly into or provided to an HMIS.

Failure to enter data on a regular and consistent basis may result in the termination of the ESG agreement.

Statewide Point-in-Time Homeless Count

The Subrecipient is required to participate in the annual Statewide Point-in-Time count in collaboration with its regional Continuum of Care by submitting appropriate data upon request.

Chapter 5

AWARD MONITORING

The ESG Program Coordinator is required to monitor 25% of the total ESG Subrecipients every year. New subrecipients will be monitored within the first year of the contract with Indiana Housing and Community Development Authority.

All shelters who will be subject to on-site monitoring will receive at least two weeks notification prior to the visit confirming the date and time of the monitoring and a monitoring checklist. The checklist contains a list of subjects for review and documents that will need to be made available at the time of monitoring. Some shelters may be required to submit desktop monitoring information. IHCD A will send letters to those shelters detailing the items needed for the desktop monitoring.

Upon completion of the review, IHCD A will send a letter detailing all concerns and findings discovered at the monitoring visit. The letter will be sent within 30 days of the monitoring visit unless an investigation of findings requires more time. If there are findings or concerns discovered, the letter will request the agency to submit a specific resolution or correction within a certain period of time.

In addition, IHCD A staff may be available throughout the program year to conduct interim monitoring to help new subrecipients or agencies with new staff ensure their continued compliance with the ESG program. Please contact IHCD A to schedule an interim monitoring.

Chapter 6

FINANCIAL MANAGEMENT

Before a subrecipient may first request reimbursement for ESG funds expended on specific activities/budget line items, the following items must be received by IHCDA:

- Signed/executed award agreement;
- Completed budget page;
- Authorized signature form; and
- Requested documentation in response to conditional funding (if applicable)

Match

Each ESG Subrecipient must match dollar-for-dollar the ESG funding provided by HUD with funds from other public or private sources. A subrecipient may comply with this requirement through matching funds or voluntary efforts provided by any recipient or project sponsor.

Matching funds must be provided after the date of the grant award to the subrecipient. Funds used to match a previous ESG grant may not be used to match a subsequent grant award. No federal funds can be used for match, with the exception of Community Development Block Grant (CDBG) and Community Service Block Grant (CSBG) funds.

All ESG Subrecipients are required to contribute 100% match to their ESG program. For example, if the ESG award is \$10,000, the subrecipient must demonstrate \$10,000 as match. The following items may be used as match:

Type of Match	Documentation required
Cash/Grant	Award letter
Value or fair rental value of any donated material or building	Documentation of value of donated material or building. Documentation of previous year's match.
Value of any lease on a building	Documentation of value of lease on a building
Any salary paid to staff to carry out the program of the subrecipient	Timecards of staff member. Proof of salary payment (cancelled checks / bank statements). Summary list of all salaries counted as match. List should contain staff name, hours worked and total monetary value of time worked.
Value of the time and services contributed by volunteers to carry out the program of the subrecipient. (Note: Volunteers providing professional services such as medical or legal services are valued at the reasonable and customary rate in the local community.)	List containing all volunteer names, number of hours worked and total value of time contributed.

Examples of Possible Sources of ESG Match

Below are some examples of match that could be used as ESG match. Please note that in order for the match to be counted, it the source must be eligible and its use must be an eligible ESG activity. Match can be provided by the subrecipient itself OR any other community agency, but must directly benefit the ESG participants and be provided during the award term in order to be counted. This list is not exhaustive.

In-Kind	Cash
211 Helpline: Time conducting I-HOPE assessments or other eligible expenses.	CDBG, CSBG
AIDS/HIV-related services provided to ESG participants	City or County funds
Alcohol and substance abuse services	Community Action Agencies
Bookkeeping/Administrative services for ESG program (but not billed to ESG)	Donations received as a result of the Neighborhood Assistance Program
Budgeting, credit repair service provided to participants in the community (but not billed to ESG)	ICJI grants, as eligible
Case management (not billed to ESG)	Local Foundations
Child care	Private donations
Clothing, Household, Hygiene items donated	Program income
Community Center - educational meetings related to housing, transportation vouchers, other eligible financial assistance	United Way
Donation Inventory Management	Township Trustees(s) assistance provided to ESG participants
Education, GED, classes (parenting)	
Employment assistance & Job Training	
Emergency Shelter/ Transitional Housing - services provided in program, not billed to ESG	
Faith Based Community; Ecumenical/Ministerial associations	
Food donated to participants by local churches (food stamps <i>cannot</i> be counted)	
Furniture donated	
Health care provided by	
Housing Food kit, Move-in kit preparation	
Housing placement	
Hygiene Kit preparation	
Legal Services	
Life skills Training not billed to ESG	
Mental health services (CMHC's)	
Minority Health Coalitions	
Motel Stays	
Move in Kits donated	
Office space donated	
Street Outreach: Engagement, case management, emergency mental health services, transportation, services to special populations	
Outpatient Health services - Community Health Centers, other medical centers	
Rent, not paid with ESG	
Renovation of shelter facility, benefiting ESG participants	
School Corporations- eligible services provided to ESG participants	
Transportation	
Utilities, not paid with ESG	

Utility Companies- any amount that is waived from arrears or deposits off of amount due	
Volunteer - professional - local, customary rate	

Budget Modifications

At some point during the program year, the subrecipient may need to reallocate funds budgeted among their approved activities.

Budget modification requests are reviewed by the ESG Program Coordinator to determine if the subrecipient has administered the grant in a timely and responsible manner, if the proposed modification presents new problems in meeting federal or state regulatory or policy requirements, or if the request in any way changes the factors involved in the initial evaluation of the proposal for funds.

There are two types of budget modifications permitted with the Emergency Solutions Grant.

- 1) **Line item modification:** Subrecipients can modify the amounts *among* line items within Essential Services and Operations as they deem necessary. No Budget Modification request to IHCD A is required for line item modifications.
- 2) **Budget modification:** Subrecipients are limited to *one* budget modification each program year. This modification includes all changes made to the totals of Essential Services and Operations. Rapid Rehousing funds awarded via the shelter agreement may not be moved to Essential Service activities or shelter Operations and vice versa. The request to IHCD A must be in letter format and submitted with an original signature of the Subrecipient’s Chief Executive Officer or Executive Director. This letter may be emailed to the ESG Program Coordinator. The letter must explain the circumstances and rationale for the requested budget change. The request must also contain a Budget Modification form completed online. Once submitted, the ESG Program Coordinator will review the request and notify the subrecipient of approval or denial in letter format via email. If approved, the letter will be accompanied with an amended award agreement, which must then be printed, signed and returned to IHCD A by mail. Once this is received, IHCD A will sign the form as well and send the executed copy back by e-mail.

Claims

Claims for reimbursement will be submitted through IHCD Online electronic claims system via <https://ihcdaonline.com/>. Supporting documentation must be submitted electronically through IHCD Online. The fiscal year is July 1, 2014-June 30, 2015. Subrecipients may submit claims monthly, for up to 12 months.

If you have questions regarding a specific claim, contact the online claims system at claims@ihcda.in.gov. The subject line of your email should contain your agency name, the award number, and the claim number, as well as any appropriate additional information (i.e. Homeless Shelter, ES-014-069, Claim 1, documentation clarifications).

Detailed instructions on claim access, submission, and claims policy information can be found via <https://ihcdaonline.com/>.

Claim Process

All claims are paid on a reimbursement basis. Subrecipients incur eligible costs and then request reimbursement by IHCD. There will be up to 12 claims per fiscal year. Each claim represents one month of bills that were *incurred or paid* during that month. Example: Claim #1 (July) will contain all eligible ESG expenses for July. All of the expenses listed must have either been incurred at some time in July or paid in July. Subrecipients cannot claim more or less than one month's expenses in one claim. After one month is claimed, the Subrecipient cannot reclaim expenses for that same month later in the fiscal year. Similarly, if a Subrecipient skips one month, and claims the month following the skipped month, the skipped month cannot be claimed at a later time. It is allowable to claim your award in less than 12 months (12 claims).

Reimbursements for eligible ESG expenses as provided and approved on ESG claim voucher will be directly deposited into the subrecipient bank account within 10 business days from IHCD approval.

Subrecipients must submit request for reimbursement for no less than seventy-five percent (75%) of total award no later than March 1, 2015.

The subrecipient must submit each claim for eligible expenses within sixty (60) days after the calendar month in which the expenses are incurred or paid by the Subrecipient. For example, the July 2014 claim must be submitted no later than last day of September 2014.

The one exception to the 60 day deadline is the last claim. The last claim must be submitted no later than July 31, 2015.

Claim components:

Financial Narrative- The Financial Narrative is an excel form that is separate from the online claim system. The narrative details the expenses being claimed. The Subrecipient must list the vendor name and the amount of the expense that is being claimed to ESG under the appropriate eligible category.

Supporting Documentation- This documentation includes copies of the actual receipt or bills that are being claimed for reimbursement or a copy of the check sent to the vendor. If a bill/invoice is submitted, the check number and date paid must be written/stamped on it. The organization will be contacted if there is any issue with the claim.

Claiming Salaries - Salaries can be budgeted in Essential Services and/or Operations. All salaries in Essential Services can be for staff time spent providing *direct services* to homeless clients,

such as case management. All salaries claimed in Operations, can be for staff time spent operating the building and/or shelter program. Salaries can be claimed only to the amount budgeted for in the Award Agreement. On the claim financial narrative, list the employee's name in the corresponding activity column, and the amount claimed to ESG in the amount column.

Additionally, IHCDA is now requiring timesheets with the staff name and hours spent on ESG, to be included every time staff time is claimed. Please include the type of eligible activity that the staff was doing for ESG. IHCDA also requires pay stubs to be submitted with each claim that includes payment for staff. The pay stubs can have personal information blacked out but should have the date paid, hours worked, and pay rate easily identifiable.

Closeout of ESG Funds:

All ESG Subrecipients will be required to complete and submit a grant closeout form as part of their Annual Progress Report due July 31, 2015. This form will be distributed to subrecipients close to the end of the fiscal year. All outstanding claims must be submitted by July 31, 2015. All unclaimed funds remaining after this date will be closed out and no longer available to the subrecipient. Any subrecipient who does not claim all funds by the end of the program year will negatively affect the award amount the following program year.

Employee Dishonesty

Please notify IHCDA in writing immediately upon discovering any incidence of employee dishonesty. If any ESG funds were misspent they would need to be repaid. Please indicate the amount of misspent ESG funds in the notification letter and have documentation that shows the specific incident; for example, a copy of the falsely used check. IHCDA will then respond with a written request for return of the misspent funds. IHCDA will also request a copy of the new policies/procedures that will be put into place to ensure that such an incident doesn't happen again. Depending on the severity of the incident, future funding could be affected. The agency will also be added to the next ESG monitoring round.

To repay the funds, a check will need to be written to Indiana Housing and Community Development Authority. Please see the guidance in the Claims Manual for further details on the repayment process.

Chapter 7

CIVIL RIGHTS /ACCESSIBILITY

As a recipient of federal funds, you are required to maintain compliance with civil rights and fair housing laws. The information in this chapter is provided to educate you on your requirements and as a resource tool to assist you in facilitating access to housing for your clients. If you have specific questions about any of the laws please contact IHCD for clarification.

The Fair Housing Act states that it is illegal to discriminate against any person because of race, color, religion, sex, handicap, familial status, or national origin in:

- the sale or rental of housing or residential lots;
- advertising the sale or rental of housing;
- the financing of housing;
- the provision of real estate brokerage services; and
- the appraisal of housing.

The Fair Housing Amendments Act of 1988 Final Committee Report to the House of Representatives (100-711) dated June 17, 1988 provides the background information to the Fair Housing Law and Committee intentions when submitted to Congress. The Fair Housing Amendments became Public Law 100-430 on September 13, 1988 to amend Title VIII, commonly called The Civil Rights Act of 1968. This legislation revised certain procedures and implemented new protections and enforcement. On Monday, January 23, 1989, the Federal Register contained the Final Rule for implementation of the Fair Housing Amendments Act of 1988. The effective date of this legislation was March 12, 1989 with the specific provisions for new construction effective March 13, 1991.

Fair Housing legislation is clear in regard to discriminatory practices and penalties. The law does not intend to prohibit property owners, managers, and administrators from valid inquiries into an applicant's ability to meet lease requirements and/or program eligibility requirements as set forth in Federal or State programs or in a Tenant Selection Criteria. However, there are certain areas that owners, managers, and administrators must clearly understand in regard to legitimate questions and disallowed inquires. These are discussed below:

1. Independent Living - An owner, manager, or administrator should not attempt to assess whether an applicant is capable of independent living but only whether the applicant meets essential eligibility requirements. If an applicant requires supportive services but does not ask that they be provided, the need for supportive services should not be considered a factor in determining eligibility. If the provision of supportive services is part of the housing program, then these services should be provided in a non-discriminatory manner. However, no provider is required to take any action which would fundamentally alter the nature of the program in order to accommodate the disability of an applicant or tenant.

2. Restriction of Children/Handicapped in Housing: Evacuation Safely - There can be no restriction as to where persons may reside in housing with the exception of Federal or management priorities for certain adapted or accessible units. Accepting or rejecting applicants on the basis of the ability to evacuate safely is not allowed.
3. Legal and Illegal Questions - The Fair Housing Law clearly defines legal and illegal questions for all applicants of all housing in the United States. It is unlawful to make an inquiry to determine whether an applicant for a dwelling, a person intending to reside in that dwelling after it is sold, rented or made available, or any person associated with that person, has a handicap or to make inquiry as to the nature or severity of a handicap of such a person.

However, the following inquiries can be made, **provided these inquiries are made to all applicants, whether or not they have handicaps:**

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy;
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with handicaps or to persons with a particular type of handicap;
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with handicaps or to persons with a particular type of handicap;
- Inquiry to determine whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance;
- Inquiry to determine whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance.

A manager or owner is never required to make available a dwelling to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals, or whose tenancy would result in substantial physical damage to the property of others.

Subrecipient Required Actions

ESG subrecipients are required to make ESG funded facilities and services available to all on a nondiscriminatory basis, and publicize this fact. The procedures that a subrecipient uses to convey the availability of such facilities and services should reach persons with handicaps, or persons of any particular race, color, religion, sex, age, familial status or national origin within their service area who may qualify for them.

If not, the subrecipient must establish additional procedures that will ensure that these persons are made aware of the facilities and services. Subrecipients must adopt procedures to disseminate information to anyone who is interested regarding the existence and location of handicap accessible services or facilities.

All ESG Subrecipients are required to post Fair Housing Opportunity poster and Handicap accessibility poster if applicable. If a shelter cannot provide handicap accessibility services, then they must provide a procedure to refer individuals to accessible services or facilities.

Civil Rights Laws

Introduction

The civil rights laws, regulations, and executive orders are designed to protect individuals from discrimination on the basis of race, national origin, religion, color, sex, age and handicap status. These laws, regulations, and executive orders, as they apply to the ESG program, protect individuals from discrimination in housing, the use of public facilities and services, benefits created by ESG projects, and employment and business opportunities.

The following is a summary of the regulations.

Title VI - Civil Rights Act of 1964

Title VI provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. It directs each federal department or agency that extends financial assistance to any program or activity through grants, loans, or contracts, except contracts of insurance or guaranty, to issue rules or regulations to be approved by the President to carry out the purposes of the Title. Title VI authorizes the termination or the refusal to grant or continue federal assistance under any program or activity involving a recipient receiving an express finding of a failure to comply, but only after due notice, an opportunity for a hearing, and a determination that compliance cannot be secured by voluntary means.

Title VII – Civil Rights Act of 1964 (as amended)

This provision prohibits discrimination in employment on the basis of sex.

Title VIII – Civil Rights Act of 1968

Title VIII prohibits blockbusting, or discrimination in the sale or rental of dwellings, the financing of housing, or advertising. Title VIII makes it unlawful to deny any person access to, membership, or participation in any multiple listing service or real estate brokers' organization for discriminatory reasons. The law is applicable in stages and ultimately applies to all dwellings except those which are specifically exempt. Title VIII generally does not apply to the sale or rental of a single family house by a private individual owner who does not own more than three such single-family houses at any one time. After December 31, 1969, the sale or rental of any such single-family home is exempted from the application of Title VIII only if it is sold or rented without the use of a broker and without discriminatory advertising. The act does not apply to rooms or units in dwellings containing living quarters occupied by not more than four families living independently of each other and the owner occupies one of such quarters as his or her residence.

Also exempted is the sale or rental of dwellings owned or operated by religious organizations, for other than a commercial purpose, to persons of the same religion unless membership in such religion is restricted on account of race, color or national origin. Neither does Title VIII prohibit a private club, not open to the public and providing lodging which it owns or operates for other than commercial purposes, from limiting rental or occupancy to its members.

Section 3: Housing and Urban Development Act of 1968

Section 3 provides that to the greatest extent feasible, training and employment opportunities shall be made available to low-income residents of project areas and that contracts be awarded to small businesses located within the project area or owned in substantial part by project area residents.

Section 109: Housing and Urban Development Act of 1974

Section 109 provides that no person in the United States shall on the ground of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part under this title.

Section 504: Rehabilitation Act of 1974

Section 504 provides that no otherwise qualified handicapped individual in the United States, as defined in Section 7(6), shall, solely by reason of this handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Age Discrimination Act of 1975

The Act provides that no person in the United States on the basis of age shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Executive Order 11063

Executive Order 11063 provides that no person on the basis of race, color, religion, sex or national origin, shall be discriminated against in:

- Housing (and related facilities) provided with federal assistance.
- Lending practices, with respect to residential property, when such practices are connected with loans insured or guaranteed by the federal government.

Executive Order 11246, as amended by Executive Order 11375

Executive Order 11246, as amended by Executive Order 11375, provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in any phase of employment during the performance of federal or federally assisted construction contracts in excess of \$25,000.

Executive Order 12138: Women Business Enterprise Policy

For purposes of this Order, affirmative action may include, but is not limited to, creating or supporting new programs responsive to the special needs of women business enterprises, establishing incentives to promote business or business-related opportunities for women business enterprises, collecting and disseminating information in the support of women business enterprises and ensuring to women business enterprises knowledge of any ready access to business-related services and resources. In implementing this Order an agency undertakes to use or to require compliance with numerical set-asides or similar measures. It shall state the purpose of such measure and the measure shall be designed on the basis of pertinent factual findings of discrimination against women's business enterprise and the need for such measure.

Minority and Women Business Participation

Minority-owned and women-owned business enterprises (MBE/WBE's) shall have the maximum feasible opportunity to participate in the performance of contracts under federal grant programs. Award recipients shall exercise their "best efforts" to ensure that MBE/WBE's are given the opportunity to participate in ESG-funded contracts, including contracts for services, supplies and construction activities. Indiana has adopted a goal of 11.47% participation by minority owned business enterprises and 5.93 for women-owned business enterprises in federally funded activities.

A minority- or women-owned business enterprise is defined for this program as a business which has been established for at least one year and is 51% owned, operated and controlled by minorities or women. Corporation or partnerships formed merely to qualify as an MBE or WBE for purposes of this program will not be considered minority or women-owned business enterprises.

Award recipients are required to maintain documentation supporting their "best efforts" to achieve the state goal of 11.47% minority owned business enterprise participation and/or 5.93% women-owned business enterprise participation on all ESG-funded procurement and contract solicitation. To document "best efforts" and attain the goals, the following steps should be taken to solicit bids from and encourage participation by minority- or women-owned business enterprises:

1. Where legal notice is required by law, include language notifying bidders of the 11.47% and 5.93% MBE/WBE participation goal on the project.
2. Contact IHCD or the Indiana Department of Administration Minority Business Development Division for a referral list of firms in the categories of work needed for the development including professional services, supply, and construction services.
3. Contact at least two (2) MBE/WBE firms from the referral list, notifying them of the impending bidding opportunity and how to participate.
4. If award recipients anticipate the use of subcontractors or additional purchasing contracts for supplies, then the referral list of qualified minority- and women-owned businesses should be disbursed to all prime contractors at this conference. Award recipients should supply a copy of the plans and specifications as well as a list of the organizations that will have plans and specification on file.

5. Award recipients must maintain documentation supporting their “best efforts” for monitoring and auditing purposes. **Award recipients must document solicitation of MBE/WBE firms through Certified Mail receipts, Certificates of Mailing, or receipts from hand-delivery of notices.**

Chapter 8

CONFLICT OF INTEREST

Conflicts Prohibited

No persons (as described in persons covered) who exercise or have exercised any functions or responsibilities with respect to ESG activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Persons Covered

The conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, subrecipients which are receiving ESG funds.

Exceptions

A request for an exception to this conflict of interest prohibition will be considered by IHCDA only after the subrecipient has provided the following:

1. A copy of the minutes from a public meeting denoting that the affected person has publicly disclosed the conflict of interest and has stated that he/she has withdrawn from functions or responsibilities with respect to the assisted activity in question.
2. An opinion from the subrecipient's attorney that the interest for which the exception is sought would not violate State or local law.

Once IHCDA receives minutes of the public meeting and an opinion from the subrecipient's attorney, IHCDA will respond in writing as to whether or not an exception to the conflict of interest prohibition has been granted.

Should IHCDA approve the subrecipient's request, a completed Uniform Conflict of Interest Disclosure Statement must be provided to IHCDA as well as filed with the State Board of Accounts and the Clerk of the Circuit Court of the county in which the governmental entity executed the contract or purchase within 15 days after the final action toward awarding ESG funds to the person in question.

IHCDA will approve an exception to this conflict of interest prohibition only after it has been determined that such an exception will serve to further the purpose of the Act and the effective and efficient administration of the ESG program.

UNIFORM CONFLICT OF INTEREST DISCLOSURE STATEMENT

Indiana Code 35-44-1-3

A public servant who knowingly or intentionally has a pecuniary interest in or derives a profit from a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D Felony. A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of the public servant or a dependent of the public servant who is under the direct or indirect administrative control of the public servant or receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant. "Dependent" means any of the following: the spouse of a public servant; a child, stepchild, or adoptee (as defined in I.C. 31-3-4-1) of a public servant who is unemancipated and less than eighteen (18) years of age; and any individual more than on-half (1/2) of whose support is provided during a year by the public servant.

The foregoing consists only of excerpts from I.C. 35-44-1-3. Care should be taken to review I.C. 35-44-1-3 in its entirety.

1. Name and Address of Public Servant Submitting Statement: _____

3. Title or Position With Governmental Entity: _____
 - a. Governmental Entity _____
 - b. County: _____
4. This statement is submitted (check one):
 - a. _____ as a "single transaction" disclosure statement, as to my financial interest in a specific contract or purchase connected with the governmental entity which I serve, proposed to be made by the governmental entity with or from a particular contractor or vendor; or
 - b. _____ as an "annual" disclosure statement, as to my financial interest connected with any contracts or purchases of the governmental entity which I serve, which are made on an ongoing basis with or from particular contractors or vendors.
5. Name(s) of Contractor(s) or Vendor(s): _____

6. Description(s) of Contract(s) or Purchase(s) -Describe the kind of contract involved, and the effective date and term of the contract or purchase if reasonably determinable. Dates required if 4(a) is selected above. If "dependent" is involved, provide dependent's name and relationship):_____
7. Description of My Financial Interest (Describe in what manner the public servant or "dependent" expects to derive a profit or financial benefit from, or otherwise has a pecuniary interest in, the above contract(s) or purchase(s); if reasonably determinable, state the approximate dollar value of such profit or benefit.):

(Attach extra pages if additional space is needed)

8. Approval of Appointing Officer or Body (To be completed if the public servant was appointed by an elected public servant or the board of trustees of a state-supported college or university):

I (We) being the _____ of Title of Officer or Name of Governing Body) _____ And having the power to appoint the above named public servant to the public position to which he or she holds, hereby approve the participation to the appointed disclosing public servant in the above described contract(s) or purchase(s) in which said public servant has a conflict of interest as defined in Indiana Code 35-44-1-3; however, this approval does not waive any objection to any conflict prohibited by statute, rule, or regulation and is not to be construed as a consent to any illegal act.

Elected Official	Office

9. Effective Dates (Conflict of interest statements must be submitted to the governmental entity prior to final action on the contract or purchase.):

Date Submitted	Date of Action on contract or Purchase

10. Affirmation of Public Servant: this disclosure was submitted to the governmental entity and accepted by the governmental entity in a public meeting to the governmental entity prior to final action on the contract or purchase. I affirm, under penalty of perjury, the truth and completeness of the statements made above, and that I am the above named public servant.

Signed: _____ (Signature of Public Servant) Date: _____

Within 15 days after final action on the contract or purchase, copies of this statement must be filed with the State Board of Accounts, Indiana Government Center South, 302 West Washington Street, Room E418, Indianapolis, Indiana, 46204-2738 and the Clerk of the Circuit Court of the county in which the governmental entity executed the contract or purchase. A copy of this disclosure will be forwarded to the Indiana Ethics Commission.

Chapter 9

LEAD BASED PAINT REQUIREMENTS

Background

The primary cause of childhood lead poisoning is deteriorating lead-based paint and lead-contaminated dust and soil in older housing units. Although lead was banned from residential house paint in 1978 by the Consumer Product Safety Commission (CPSC), an estimated 57 million older homes still contain some lead-based paint. Of these, some 3.8 million dwellings are thought to have both lead-based paint hazards and young children as residents.

The amount of lead-based paint in housing is significant. Tens of millions of housing units contain at least some lead-based paint. Children living in homes with lead-based paint become exposed to lead by directly eating chips of lead-based paint or chewing on protruding surfaces painted with lead-based paint. The more common route of exposure, however, is the ingestion of lead-bearing dust that is generated by the paint when it deteriorates, chinks, or is disturbed through renovation or even abrasion from the opening and closing of windows. Even in this less direct way, lead-based paint can be a source lead poisoning.

The most common route of exposure for children is through ingestion of lead-contaminated dust. This dust sticks to moist hands as a child plays or crawls across the floor, and is then ingested via finger sucking or other normal hand-to-mouth activity. A child can also be poisoned by eating lead-based paint chips and lead-contaminated soil, and by being exposed to other environmental sources of lead from inside and outside the home. Additionally, repair and renovation activities, such as repainting, that disturb lead-based paint can generate significant levels of leaded dust to which children can be easily exposed.

“Lead-based paint hazards” have been defined in the Residential Lead-Based Paint Hazard Reduction Act of 1992, commonly referred to as “Title X,” as any of six conditions which can present lead exposures sufficient to cause adverse health effects. These include:

1. lead-contaminated dust;
2. deteriorated lead-based paint;
3. intact lead-based paint on friction surfaces;
4. intact lead-based paint on impact surfaces;
5. intact lead-based paint on chewable surfaces accessible to young children; and
6. lead contaminated bare soil.

ESG Lead Requirements

Since the ESG program deals primarily with the operation of short-term emergency shelters and the delivery of essential services to homeless persons, ESG is governed by Subpart K of the Lead-Based Paint regulations. According to the regulations, most emergency shelters are exempt from the lead-based paint regulations. Thus emergency housing using efficiencies, studio apartments, dormitories, single room occupancy units, barracks, group homes, or room rentals in residential dwellings are all excluded from the lead based requirements. The only ESG-assisted

housing covered under the lead based paint requirements is longer-term transitional housing in an apartment with one or more bedrooms AND which has family residents who are part of a program requiring continual residence of more than 100 days.

The majority of ESG projects, with their relatively short stays in HUD-assisted housing, are exempt from the lead-based paint requirements. However, any ESG housing or services sites regularly frequented by children less than 6 years of age are encouraged to test for lead.

For the long- term transitional housing, IHCD requires all subrecipients to participate in educating the public on the hazards of lead poisoning. The EPA Lead brochures must be distributed to all households receiving long-term rental assistance. Documentation of this brochure must be maintained in each client file.

Essential (Support) Services and Operations

For eligible ESG Housing properties that receive federal assistance for essential supportive services or operations, a number of lead-based paint requirements apply. The subrecipient/subrecipient should conduct the following activities:

1. Visual assessment of all painted surfaces to identify deteriorated surfaces;
2. Complete paint stabilization of all deteriorated surfaces.
3. Incorporate ongoing lead-based paint maintenance activities into the regular building maintenance operations; and
4. Notification as described above.

Exemptions to the New Lead Based Paint Requirements

- Residential structures built after January 1, 1978;
- Emergency action activities;
- Existence of Lead-Based Paint Unlikely;
- Areas where state and local governments banned lead-based paint prior to January 1, 1978;
- Properties found not to have lead-based paint during earlier testing that meets the requirements of prior evaluations;
- Properties where all lead-based paint has been identified and removed using approved methods;
- Human Threat Unlikely;
- Unoccupied units that will be demolished;
- Property not suitable for human residential habitation
- Rehabilitation that does not disturb paint;
- Child Occupancy Unlikely;
- Zero-room dwelling units;
- Elderly and disabled housing; and
- Emergency housing assistance (such as for the homeless) unless the assistance is for long-term assistance that lasts more than 100 days. In the case where longer-term housing assistance lasts for more than 100 days, then rule does apply.

Long-term Rental Assistance

If there will be a child under the age of 6 residing in the unit receiving ESG long-term housing, the award subrecipient must conduct a visual assessment for the presence of lead-based paint. Award Subrecipients cannot provide long-term rental assistance to any unit with lead-based paint present.

Lead Hazard Evaluation

The interior and exterior surfaces and common areas of the rental property must be visually assessed to identify deteriorated paints. Note: A visual assessment is not considered an evaluation that requires a notification of lead hazard evaluation, since the assessment does not evaluate lead-based paint and/or lead hazards.

If the visual assessment reveals deteriorated paint, the award subrecipient should notify the owner of the unit with inspection results. The owner is required to have the deteriorated paint tested for lead based paint or to assume the presence of lead based paint is its stabilization activities.

Award subrecipient staff should instruct the owner to conduct paint stabilization before the unit is occupied to control possible lead-based paint hazards.

Owners must correct the deteriorated paint identified during the visual assessment process using safe work practices in order to participate in the long-term rental assistance program.

Lead Hazards Reduction

At the completion of any paint stabilization, the owner must sign the Lead Certification 8.11 of the HQS inspection form or a form with equivalent language. This section instructs the owner to provide certification to the administering agency if any correction of defective paint occurs at the unit.

- **Training/Supervision.** Workers performing paint stabilization must be trained in accordance with OSHA regulations at 29 CRF 1926.59. In addition, they must meet one of the following:
 - (a) Supervision by a certified abatement supervisor;
 - (b) Successful completion of an accredited abatement supervisor course in accordance with 40 CFR 745.225;
 - (c) Successful completion of an accredited lead-based paint abatement worker course in accordance with 40 CFR 745.225;
 - (d) Successful completion of the Lead-Based Paint Maintenance Training Program developed by the National Environmental Training Association for EPA and HUD;
 - (e) Successful completion of the Remodeler's and Renovator's Lead-Based Paint Training Program developed by HUD and the National Association of the Remodeling Industry; or
 - (f) Successful completion of an equivalent course approved by HUD.
- **Safe Work Practices.** The owner must use safe work practices when conducting paint stabilization. Safe work practices include safe work methods, occupant protection, worksite preparation, and cleanup.

- (a) Occupant Protection. Work should be performed in a vacant unit if possible. If residents must remain inside the dwelling during work, a barrier to the room where stabilization is taking place should be erected and residents should not be allowed to enter the work area until clearance has been completed.
 - (b) Worksite Preparation. The worksite should be contained using plastic sheeting extending five feet beyond the perimeter of the treated area in all directions on the floor. Ventilation systems should be turned off until work is complete.
 - (c) Cleanup. After paint stabilization is complete, the worksite should be cleaned to remove all lead-based paint dust. Cleanup must be accomplished by wet washing surfaces with a lead specific detergent or its equivalent. Other cleaning devices, such as vacuum cleaners with HEPA filters, can be used during cleanup. Waste and debris must be disposed of in sealed containers in accordance with Federal and state waste disposal requirements. Use of a HEPA vacuum is recommended.
- Exemptions to Safe Work Practices. Safe work practices are not required when treated areas are tested and found to be free of lead-based paint, or if the surface area being treated is smaller than a total of 2 square feet per room or 10 percent of the total surface area of interior components, such as window sills.
 - Occupant Protection. Property owners should protect residents and their personal belongings from exposure to lead-contaminated dust and debris during paint stabilization.
 - (a) Personal belongings should be relocated to an area outside the treatment area or covered with an impermeable covering with all seams and edges taped shut.
 - (b) Residents may need to be temporarily relocated during treatment if they are exposed to lead-based paint hazards.
 - (c) Worksite Preparation. The award subrecipient should instruct the owner to control the spread of dust and debris at the worksite. This preparation should ensure that leaded dust, lead-based paint chips and other debris are contained within the worksite until they can be safely removed. Protective measures include sealing off vents and doorways with poly sheeting; covering floors and furniture with poly sheeting and wrapping debris in poly before disposal.
 - Cleanup. After paint stabilization is complete, the worksite should be cleaned to remove lead-based paint dust. Cleanup must be accomplished by wet washing surfaces a lead-specific detergent or its equivalent. Vacuum cleaners with HEPA filters should be used during cleanup. Waste and debris must be disposed in sealed containers in accordance with Federal and state disposal requirements.

Clearance

- Clearance must take place following paint stabilization. Clearance helps to ensure that lead-based paint hazards are controlled and the unit is safe for habitation.
- Paint stabilization and other lead hazard reduction efforts are considered complete when clearance is conducted. Clearance must be performed to ensure that lead-based paint hazards have been controlled.
 - (a) Clearance consists of a visual examination, collection of dust samples, and laboratory analysis of the samples for lead.
 - (b) Clearance is performed after lead hazard reduction and clean-up are complete.
 - (c) Dwellings must meet the following clearance standards.

	Floors ($\mu\text{g}/\text{ft}^2$)	Interior Window Sills ($\mu\text{g}/\text{ft}^2$)	Window Troughs ($\mu\text{g}/\text{ft}^2$)
Lead in Dust (as measured by a dust wipe sample)	40	250	800

- Clearance Examiner. The administering agency is responsible for hiring a certified professional to conduct the clearance. This professional may be a certified risk assessor, lead-based paint inspector, or clearance technician. The clearance examiner must be independent from the individual or entity who conducted the paint stabilization or other lead hazard reduction, unless they are employees of the administering agency. Note: If agency employees are used, the same individual who conducted paint stabilization is not permitted to conduct clearance.
- Clearance Report. Prior to closing, and within 15 calendar days of the completion of the lead hazard reduction activities, the tenant must be notified of the clearance examination. The administering agency should ensure that the report is prepared and sent to the tenant. This report should include:
 - (a) Beginning and ending dates of the lead hazard reduction activities.
 - (b) Name and address of the firm conducting lead hazard reduction activities and the name of the supervisor assigned to the lead hazard reduction activities.
 - (c) The name, address and signature of each person conducting clearance sampling, the date of the clearance testing, and the certification number for each certified risk assessor or inspector who conducted sampling.
 - (d) The results of clearance testing and the name of each laboratory that conducted the analyses and the identification number of the laboratory.
 - (e) A detailed written description of the lead hazard reduction activities including methods used, location of rooms where activity occurred, and any suggested monitoring.
- Notify Tenants. The owner must provide a notice to tenants describing the results of the clearance examination. The award subrecipient should instruct the owner to notify tenants of clearance results.
- Staff Training. As a result of the new cleanup and clearance requirements, the administering agency will need to evaluate their program design and incorporate these new requirements.
 - (a) All program staff should have a basic understanding of the proper clearance procedures;
 - (b) Staff conducting the clearance examination must complete one of the acceptable training courses listed under paint stabilization; and
 - (c) Program staff should understand the components of the clearance report and understand the procedures for notifying the buyer of the results.

Chapter 10

PROCUREMENT PROCEDURES

The Code of Federal Regulations (<http://www.access.gpo.gov/nara/cfr/cfr-table-search.html>) establish standards and guidelines for the procurement of supplies, equipment, construction, and services to ensure that they are obtained as economically as possible through an open and competitive process, and that contracts are managed with good administrative practices and sound business judgment. The regulations include:

- Standards that prohibit conflicts of interest;
- Procedures for open competition with consistent technical solicitations;
- Affirmative efforts to hire minority- and women-owned enterprises;
- Maintenance of selection documentation; and
- Contract administration system that provides sufficient monitoring.

Purchases of services from contractors or vendors by nonprofit subrecipients with ESG funds are subject to the regulations in 24 CFR Part 84, while purchases by public agencies with ESG grant funds are subject to the regulations in 24 CFR Part 85.

The guidelines on procurement are summarized as follows:

- Subrecipients are allowed to use their own procurement procedures as long as those procedures conform to the provisions of the regulations;
- Subrecipients must maintain a system to handle disputes, protests, and other matters arising out of its contracts; maintain a code of conduct to prevent conflicts of interest (personal, financial, and organizational); and use solicitations which are clear and accurately describe the materials, products, or services being procured
- Subrecipients must use some form of cost or price analysis in connection with each of its procurements. They must be able to justify procurements awarded on a non-competitive basis and justify the awarding of procurements by bid on the basis of other than the lowest bid.
- Subrecipients must initiate positive efforts to use small and minority-owned businesses to the maximum extent possible; include all applicable contract provisions in contracts; and not use the cost-plus-percentage of cost contracts.

Chapter 11

FREQUENTLY ASKED QUESTIONS (FAQs)

1. Question:

Can ESG subrecipients charge their participants program fees?

Answer:

Under ESG, recipients and subrecipients may charge fees that are reasonable and appropriate as a condition of staying in a shelter. The policy of charging fees must be written in the recipient's or subrecipient's policies and procedures, and must be applied consistently (including allowing exceptions, if and when appropriate). If individuals or families are unable to stay in emergency shelter because the fee is too high, HUD recommends that the recipient consider whether or not the fee being imposed is reasonable and whether exceptions should be made.

In addition, if a recipient or subrecipient charges clients fees for using ESG-funded shelter or services, the fees collected are considered program income and must be used as matching funds as specified under 24 CFR 576.201.

Program income is defined in 24 CFR 576.2 and 24 CFR 85.25 as gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. If a recipient or subrecipient charges fees for the use of an ESG-funded shelter, the fees received are directly generated by a grant supported activity and therefore qualify as program income. Under 24 CFR 576.407(c), program income is to be used as match.

2. Question:

What is the value of volunteer time that can be used for match for ESG?

Answer:

Under the Emergency Solutions Grants (ESG) program Interim Rule, there is not a fixed or standard hourly rate for volunteer services. Instead, under ESG, volunteer services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the recipient's or subrecipient's organization. If there are no employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market. Recipients/subrecipients should also develop a standardized form that documents the time the individual spent and the value of the services he/she provided.

For additional guidance on the level of documentation required to show the use of matching funds please review the matching requirements at 24 CFR § 576.201, the record keeping and reporting requirements at 24 CFR § 576.500(o), and calculating the amount of noncash contributions at 24 CFR § 576.201(e) of the ESG interim rule. According to these sections of the ESG interim rule, recipients are required to keep records of the source and use of the contributions made to satisfy the matching requirement in 24 CFR § 576.201. The records must include the following:

- The particular fiscal year grant for which each matching contribution is counted. Requirements: The matching contribution must be provided after the date that HUD signs the grant agreement and must be expended within the expenditure deadline.
- How the value placed on third-party, noncash contributions was derived. Requirement: You must use a method reasonably calculated to establish the fair market value.

- Document that the matching funds were used in accordance with both the other federal program's requirements and the requirements that apply to ESG grant funds, except for the expenditure limits in 24 CFR § 576.100. This would include, but is not limited to, documenting a participant's eligibility and, when applicable, documenting compliance with shelter and housing standards.

Chapter 12

REFERENCE MATERIALS & RESOURCES

http://www.in.gov/ihcda/	Indiana Housing & Community Development Authority
http://www.in.gov/myihcda/2357.htm#H	IHCDA-Partner website-ESG specific
http://www.hudhre.info/index.cfm?do=viewResource&ResourceID=4517	Emergency Solutions Grant (ESG) Program Interim Regulations
http://www.access.gpo.gov/nara/cfr/cfr-table-search.html	Code of Federal Regulations
http://www.access.gpo.gov/nara/cfr/waisidx_04/24cfr576_04.html	ESG Regulations
http://www.indianahousingoptions.org/home.asp	Indiana Housing Opportunity Planner & Evaluator
http://www.hud.gov	Official HUD site
http://www.hudhre.info/esg/	Homeless Resource Exchange
http://www.endhomelessness.org	National Alliance to End Homelessness
http://www.hud.gov/offices/fheo/index.cfm	HUD Fair Housing Equal Opportunity Link
http://www.indianahousingnow.org	Indiana Housing Now Search Engine
14.231	Emergency Solutions Grant's Code of Federal Domestic Assistance (CFDA) Number
http://www.hud.gov/offices/fheo/promotingfh/928-1.pdf	Equal Housing Opportunity/ Fair Housing Poster

