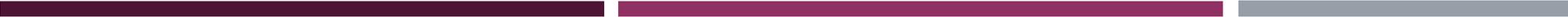

ESG SUB-RECIPIENT GUIDEBOOK





Congratulations! You have been awarded a Emergency Solutions Grant (ESG) to assist in improving the quality of life for low-income residents facing homelessness in our community.

This guide was developed to help your agency manage the Emergency Solutions Grant (ESG) confidently throughout the year without feeling or becoming overwhelmed.

Please be aware this guide presents only the basics of what the City requires of your organization, it does not encompass all ESG federal regulations which, can be found in 24 CFR 570 and 24 CFR 200.

BILLING PROCEDURES

Invoices must be sent to Sandra Villatoro on at least on a quarterly basis, monthly invoices are preferred,

All invoice submissions must include:

1. Appendix B Budget Cost Control Reporting Statement.
2. The city has provided an excel template for organizations to use showing itemized list of reimbursements and how much was paid and the ESG portion – please use budget template showing how much is being invoiced to the different components
3. Backup documents

Make certain you have the above information on your invoice. Incomplete invoices will not be processed.

Final invoices for the ESG year must be received no later than July 15 of every year.

REMEMBER: Your program will be at risk to lose the funds if invoices are not received by July 15th

BACKUP DOCUMENTATION

Backup documentation is required for payment. Invoices sent without backup documentation will be sent back to the organization and will not be paid. The following are required in order for payment:

Backup for non-salary program related expenses includes:

- Original receipt (paper or electronic) or invoice
- An indication on the invoice how much of the receipt is to be paid
- Proof of payment

Backup for program employee salary expenses includes:

- Employee timesheet signed by the supervisor for the reporting period – for all staff time being charged against the grant.
- Fringe benefits will be paid on a proportional basis to time spent on ESG.
- General ledger, payroll registers or copy of the paystubs.

Client Services Funds:

Homeless Prevention/ Rapid Rehousing:

1. If paying rent arrearages, the following documents are needed:
 - Current signed lease
 - W9 for landlord
 - Payment receipt

- Rental ledger or other documentation showing arrearage.
 - Source documents that show the condition of why client needs assistance is preferred, such as:
Eviction letter and “Notice to Quit” letter.
- Case notes from case manager that state client verbally certified the following or self-certification from client that states:
 - Participant has insufficient financial resources and support networks; e.g., family, friends, faith-based or other social networks, immediately available to attain housing stability.
- Note, client services funds must be used for clients who are at 30% or below AMI. This will be required to be noted in the spreadsheet.

2. If paying for security deposits for move in or monthly rental costs (e.g. first month’s rent and short-medium term rent), the following documentation is needed.

- Signed lease for new move in unit.
- W9 for landlord
- Payment receipt
- Rental ledger or other documentation showing arrearage. This is for assistance needed to clear record and relocate to another home (Homeless Prevention); or

If moving into a rental unit from being literally homeless, certification from case manager or client noting client’s homelessness status (Rapid Re-housing only).

- Subrecipient must confirm that participant has insufficient financial resources and support networks; e.g., family, friends, faith-based or other social networks, immediately available to attain housing stability (Homeless Prevention only)
or
 - Certification/ documentation of homeless status is sufficient if client is literally homeless (Rapid Rehousing).

Note, that client services funds must be used for clients who are at 30% or below AMI. This will be required to be noted in the spreadsheet.

For Homeless Prevention and Rapid Re-housing expenses further details will be provided in the ESG written standards to be provided at a later date.

3. If paying for utility payments. Similar documentation as above is required for intake paperwork/ client self-certification. Also, the following is required.

- Copy of shut off notice
- Proof of payment
- And agency paid. Payments can only be made directly to the utility company not client.

Other Client Service Funds:

1. If the organization is providing travel expenses to another location where the client will reside, we need the following:
 - Documentation showing the resident is from Lowell
 - Receipts for travel
 - Copy of cleared expenses on bank statement or credit card if applicable

QUARTERLY REPORTING

Quarterly Reports, Appendix E will be due on the dates listed below. Prior to submitting the first report, please ensure with Balance of State COC and Lowell that you are using the right component. By doing this first thing, we can ensure we don't need you to resolve the issue after issuance of final reimbursement.

Quarterly reports are due via on the 15th of every month at the quarter end

October 15th

January 15th

April 15th

June 30th

- Only submit one report per program, per quarter
- If you have spent your entire grant in a prior quarter, your organization **should still submit a report**

ELIGIBILITY DETERMINATIONS*

Each grantee is responsible for conducting eligibility determinations for each ESG client. The grantee must follow the priority rules set forth in the ESG Written Standards. Additionally, each household must earn up to 30% of the Area Median Income (AMI). AMI changes every year but the current limits will be found on the Grantee Compliance Docs. Organizations can use the self income verification form for CDBG grantees. Finally, each organization is responsible for ensuring you save the documentation. The income of each participant must be determined during your agency intake process.

Eligible residents must be placed in different priority levels based on component:

- Highest priority for homeless prevention funds should be given to those households who has documentation showing they will be homeless within 21 days of their application.
- For Rapid Rehousing funds- highest priority should be those residents that are currently homeless and will reside in a unit within a month
 - Units can be located anywhere within the Balance of State COC
- The income of each participant must be determined during your agency intake process
- All units must meet HUD's minimum standards and requirements for habitability, sanitation, lead-based paint, and rent reasonableness and meet the FMR of the metropolitan statistical area that the unit is located.
- Each client must be placed in COC HMIS or compatible VSP HMIS system

**Please refer to the Grantee Compliance Document Page on the City of Lowell website which will have updated income verification forms*

MONITORING VISIT OVERVIEW

The City of Lowell is required to conduct monitoring visits during the program year. These visits typically occur during the second quarter to allow for any written requests for any programmatic changes needing to occur. During a monitoring visit the City will be looking for:

Intake forms (Income verification forms) documenting income and race for the program participants reported on the quarterly report.

- Evidence that files are stored in a locked, confidential place
- Copies of each invoice sent to the department for reimbursement.
- Agency policies and procedures including handbooks, equal opportunity employment and conflict of interest disclosures
- Client files for review

If applicable, any complaints lodged against the agency related to the ESG funded program

HELPFUL RESOURCES

All the documents needed to ensure compliance with federal regulations will be listed at <https://www.lowellma.gov/1814/Grantee-Compliance-Docs>

The following resources will further help you manage your ESG program:

[ESG Requirements - HUD Exchange](http://www.hudexchange.info/programs/esg/esg-requirements/) (www.hudexchange.info/programs/esg/esg-requirements/)

[ESG Program Components - Overview - HUD Exchange](http://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/esg-program-components/overview/) (www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/esg-program-components/overview/)

[ESG Program Resources - HUD Exchange](http://www.hudexchange.info/programs/esg/guides/#tools-and-guidance) (www.hudexchange.info/programs/esg/guides/#tools-and-guidance)