



**COUNTY OF RIVERSIDE
DEPARTMENT OF PUBLIC SOCIAL SERVICES (DPSS)
HOMELESS PROGRAMS**

**CONTRACT ACCOUNTING AND ADMINISTRATIVE HANDBOOK
FOR HUD FUNDED
SUPPORTIVE HOUSING PROGRAMS**

**A GUIDE FOR
DPSS HUD PROJECT SPONSORS**

Revised September 8, 2006

CONTRACT ACCOUNTING AND ADMINISTRATIVE HANDBOOK

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Introduction

Purpose	This handbook provides project administration guidelines and financial reporting requirements for Project Sponsors under contract with Riverside County Department of Public Social Services to operate Housing and Urban Development grant-funded homeless assistance programs. These programs include, but are not limited to, Supportive Housing, Shelter Plus Care, and Section 8 Moderate Rehab, which are all included in HUD Super Notice of Funding Availability (NOFA) Application Process. This handbook does not supersede any law, regulation, or policy issued by the U.S. Government or the Department of Housing and Urban Development with regard to these programs. You will find some of these requirements as issued by the U.S. Government in the Appendices of this handbook.
Background	<p>Assistance to homeless individuals was authorized by the McKinney-Vento Homeless Assistance Act of 1987 as amended by the Housing and Community Development Act of 1992, approved October 28, 1992. The Act established numerous programs to promote the development of housing and supportive services to assist homeless persons in the transition from streets and shelters to permanent housing and to achieve maximum self-sufficiency.</p> <p>Additionally, the 2001 HUD Appropriations Act added Homeless Management Information System (HMIS) as a new eligible activity. The Act permits HUD to make "a grant for the costs of implementing and operating HMIS for the purposes of collecting unduplicated counts of homeless people and analyzing patterns of use of assistance funded under this Act. Project Sponsors will participate in HMIS when it is available. DPSS will establish separate HMIS Agreements with HUD Project Sponsors and other homeless service providers.</p> <p>HUD believes the best approach for alleviating homelessness is through a community-based process that provides a comprehensive response to the different needs of homeless individuals and families. To this end, HUD has developed a concept to enable communities to shape a comprehensive and coordinated housing and service delivery system called a Continuum of Care. HUD incorporated the basic tenets of Continuum of Care in the distribution of its homeless assistance funding beginning in 1994. Since that time, many communities have developed partnerships and continued to develop local Continuum of Care systems.</p> <p>DPSS, a HUD Grantee, has partnered with your organization through a contract to bring homeless housing and services to help alleviate all homeless sub-populations within Riverside County.</p>

DPSS Contacts

Program Questions	Homeless Programs Unit	
	Homeless Programs Specialist	951-358-5638
Contract Questions	Contracts Unit	
	Contracts Analyst	951-358-3211

Fiscal Questions	DPSS MRU (Management Reporting Unit)	
		951-358-6548
		951-358-8387

HUD Regulations and Reference Materials

Project Sponsors may view, download, or print HUD regulations by visiting the following Web Site: <http://www.hud.gov/offices/cpd/homeless/library>.

Accounting System

Standards and Controls

The Sponsor will need to demonstrate accountability and proper stewardship of the funds entrusted to you to provide services. The Sponsor's financial system must comply with:

- Generally Accepted Accounting Principles (GAAP)
- Industry standards
- Specific standards and requirements by grantors and investors

The Sponsor must :

- implement internal financial controls
- provide adequate reporting by staff and Board members
- provide independent audit reports to the public (as applicable)

Billing Claims

Submitting Claims

After setting up your accounting system, implement a method by which you can receive reimbursement for your expenditures. Ensure that what you are claiming meets the requirements of the regulations. It is important that you retain a copy of the regulations provided to you when you originally applied for your grant. Although regulations may change during the course of your grant, the regulations that were in effect at the time your grant was approved will usually apply until your grant expires or is renewed.

Claim Form

Expense claims should be submitted no later than 30 days after the end of the month in which services were provided on the ***DPSS 3106 HUD Programs Claim Form, Appendix 1*** with the required supporting documentation.

Reimbursements

Expense reimbursements should be itemized on the claim form to the extent that a line item number identifies them.

- Example: Any costs identified as Supportive Services should be totaled and entered on line item 1050.

Reimbursement Time Frame

Generally, reimbursement payments (warrants) are sent to you within thirty (30) days after receipt of your claim unless your claim(s) contains errors. If your claim(s) contains errors, someone will contact you. We will send you back a letter indicating the differences. Please make the corrections within thirty (30) days. However, we ask that you return corrections to DPSS as soon as possible to expedite payment.

Reimbursement Delays

The most common cause for a delay in reimbursement is lack of clarity in the documentation submitted with the Claim Form. If we need to contact you because your claim is not clear, there will be a delay in your reimbursement. Please contact the fiscal staff member assigned to your grant if you have any questions about how to assure clarity

in your completion of the Claim Form and supporting documentation.

Cash Match

You are required to document the cash match required by HUD (20 % of the total budget for Supportive Services, 25% of the total budget for Operations, and dollar for dollar match for construction, acquisition, or rehabilitation. However, the Sponsor's match commitments, if higher than the minimum required, indicated in the Technical Submission will be binding and must be documented as well.

Supportive Housing Program Only

Cash match documentation may be submitted with monthly billing claims, however, documentation must be submitted to DPSS quarterly. DPSS will verify utilization of the cash match through a monthly desk review and on-site monitoring visits.

Matching funds provided by the project sponsor must be money provided to the project by one or more of the following:

- Project Sponsor
- Federal Government
- State and local government (subject to maintenance of effort requirements)
- Private resources

Ineligible Match

Non-cash resources such as in-kind contributions of goods or services cannot be used to fulfill matching fund requirements.

Supportive Services Match (Shelter Plus Care Only)

The applicant must match the aggregate amount of Shelter Plus Care rental assistance with an equal amount of supportive services. The documentation requirement for Supportive Services match is the same as for any expense that is part of the project.

- The match is overall, not year-by-year.
- The match is not component-by-component, but overall.
- Each participant need not receive the same amount of services as rental assistance.
- ~~Costs that already have been reimbursed by the grant may not be used as match.~~

Comment [DB1]: Can this be deleted? S+C only pays for leasing, so its not possible to use a previously reimbursed grant cost as a supportive service match.

Supporting Documentation

The general rule for supporting documentation is that for any program cost that is to be reimbursed (or used as match), provide the invoice which documents that a cost was incurred, and a receipt, or a copy of a check, or a check stub to substantiate the amount paid. Supporting documentation must be **legible, clear, and organized**. DPSS must be able to tie your request to the amounts claimed after each line item on the Claim Form. Costs can only be reimbursed if they have been included in the Technical Submission.

- Documentation for like line items should be clipped together and identified with a summary sheet or label identifying the Line Item Number or the Activity as listed on the Claim Form.

- A spreadsheet itemizing the expenses, or at a minimum, an adding machine tape showing the expenses with a matching amount on the claim form is helpful. The clearer the information is that you provide, the quicker we will be able to process the claim.

Examples of Supporting Documentation

Utility Cost:

- The Invoice is the utility bill.
- Proof of payment is a check, or a receipt from the utility company.

Salaries:

- The Invoice is the time sheet/card signed by the employee and the supervisor, and a record of employee activities (**Sample Activity Sheet, Appendix 2**) that documents the hours attributed to the grant. HUD has informed us that a straight percentage of time allocated is not acceptable documentation of salary charged to the grant.
- Proof of payment is the payroll register, or copies of the employee's pay check.

Employee Benefits:

- The Invoice is the premium notice from the health, dental, vision, or workers' compensation insurance company that documents the coverage period for the employees.
- Proof of payment is the check, or if paid in cash, a copy of the receipt.

Groceries:

- The Invoice is the receipt.
- Proof of payment is a copy of the check.

For receipts containing both grant and non-grant items, subtract all items not covered by the grant and the sales tax associated with those items. Groceries that are not consumed by residents in the facility are generally covered under Supportive Services. However, sometimes staff will pick up items at the grocery store that should be funded through Operations. If non-grocery items are purchased note which line item the items(s) are to be charged.

Indirect Costs

DPSS, with HUD's approval, has elected to allow Direct Costs only. If your current contract with DPSS includes an allowance for Indirect Costs, it will be allowed until the end of the term of your organization's contract if:

- DPSS has been provided a copy of the approval of the cognizant agency for the indirect cost allocation, which meets the requirements under OMB Circular A-122.
- The items in the allocation are approved line items in the most recent Technical Submission.

Identifying Line Items

Most of the line items are self-descriptive, but sometimes it is difficult to figure out where to claim an expense. Here are some explanations of the line items that usually cause the greatest difficulty. If after you have checked the **Desk Guide, Appendix 3** and still have questions about a line item that does not appear here, please call Fiscal or the DPSS Homeless Program Unit.

1030 Operating Cost

Operating costs are those costs associated with the day-to-day operation of supportive housing and for which a cash payment is needed. Operating costs differ from supportive service costs in that operating costs support the function and the operation of the project. They do not support the operation of organization except as related to the HUD-funded project. Examples are:

- Utilities
- Repairs (Repairs covered in the lease are not reimbursable)
- Maintenance
- Furnishings
- Fuel for transporting participants
- Salaries for staff not delivering services, such as a project manager or executive director.

1050 Supportive Services Costs

Supportive Services costs are those cost associated with providing direct services to the client, which include, but are not limited to the following:

- Childcare
- Salaries of employees providing direct services to clients
- Employment assistance and counseling
- Outpatient health services
- Case management
- Food
- Housing
- Placement assistance
- Nutritional counseling
- Assistance in applying for and securing benefits
- Transportation associated with the delivery of supportive services

Examples: Money for bus tokens to go to mental health counseling or the purchase of a van to transport homeless children to daycare.

It is the policy of Riverside County that tobacco and alcohol products will not be a covered expense.

Record Keeping

Files Following are recommended files that your organization should keep to facilitate HUD project monitoring and to help meet OMB Circular requirements.

Monitoring File	<ul style="list-style-type: none"> Copies of monitoring correspondence Related correspondence from DPSS Annual Progress Reports Semi-annual Reports (if applicable) Monitoring concerns, findings, and responses Evidence of corrective action
Financial File	<ul style="list-style-type: none"> Requests for advances or reimbursement Copies of audited financial statements Requests vouchers for homeless grant payments Line item budgets Certified cost allocation plan (if applicable)
Rehabilitation, New Construction, Acquisition File (if applicable)	<ul style="list-style-type: none"> Rehabilitation contract Plans and specifications Development plans Work write-ups Cost estimates Competitive bids Environmental report
Maintenance File	<ul style="list-style-type: none"> Any property inspection reports, i.e., fire inspections, code enforcement Related documentation Correspondence regarding follow-up to any local, federal, or station inspection.
Resident/Client/Tenant File	<p>(Note: This information <u>must</u> be completed for each program client enrolled in a HUD homeless program).</p> <ul style="list-style-type: none"> Application for program participation Beneficiary data Initial assessment/case history Service plan Residential rent computation, if applicable Reassessment(s) Program changes\date of release from program (including initial location or address) Date of release from program (including initial location or address) Documentation of termination or appeals Follow-up documentation on program residents (to determined program success)

**Program
Procedure File**

Program regulations
Program guidance and procedures
Resident intake and discharge procedures
Procedures for resident rent calculation
Procedures relative to resident supervision
Procurement procedures
Other information and directives received from DPSS

Homeless Certification Criteria

**Homeless
Certification
Requirements**

One of the requirements for funding under the Supportive Housing, Shelter Plus Care, and Section 8 Moderate Rehab program is that recipients of housing services, transitional or permanent, must be homeless. For the purposes of the three programs addressed in this handbook, a person is considered homeless only when he or she resides in one of the places described below:

1. Places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings;
 - Supportive services only projects provide services such as outreach, food, health care, clothing to persons who reside on the streets. In most cases, it is not feasible to require the homeless persons to document that they reside on the street. It is sufficient for the project sponsor's staff to certify that the persons served, indeed, reside on the street. The outreach or service worker should sign and date a general certification verifying that services are going to homeless persons and indicating where the persons reside.
 - The project sponsor should obtain information to indicate that a participant is coming from the street. This may include names of other organizations or outreach workers who have assisted them in the recent past who might provide documentation.
 - If you are unable to verify that the person is coming from residing on the street, have the participant prepare or you prepare a written statement about the participant's previous living place and have the participant sign the statement and date it. ***Merely obtaining a self-certification is not adequate.***
 - If the participant was referred by an outreach worker or social service agency, you must obtain written verification from the referring organization regarding where the person has been residing. This verification should be on agency letterhead, signed, and dated.

2. An emergency shelter;
 - The project sponsor should have written verification from the emergency shelter staff that the participant has been residing at the emergency shelter for homeless persons. The verification should be on agency letterhead, signed and dated.
3. Transitional or supportive housing for homeless persons who originally came from the streets or emergency shelters;
 - The project sponsor should have written verification from the transitional housing facility staff that the participant has been residing in the transitional housing. The verification should be on agency letterhead, signed and dated.
 - **Additionally**, the project sponsor should have written verification that the participant was living on the streets or in an emergency shelter prior to living in the transitional facility or was discharged from an institution or evicted prior to living in the transitional housing facility and would have been homeless if not for the transitional housing.
4. Any of the above places, but is spending a short time (up to 30 consecutive days) in a hospital or other institution;
 - The project sponsor should have written verification from the institution's staff that the participant has been residing in the institution for 30 days or less. The verification should be signed and dated.
 - **Additionally**, the project sponsor should have written verification that the participant was residing on the street or in an emergency shelter prior to the short-term stay in the institution.
5. Within 1 week of being evicted from a private dwelling unit and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing;
 - The project sponsor must have evidence of the formal eviction proceedings indicating that the participant is being evicted within the week before receiving SHP assistance.
 - If a person's family is evicting him or her, a statement describing the reason for eviction should be signed by the family member and dated. In other cases where there is no formal eviction process, persons are considered evicted when they are forced out of the dwelling unit by circumstances beyond their control. In those instances, the project sponsor must obtain a signed and dated statement from the participant describing the situation. The project sponsor must make efforts to confirm that these circumstances are true and have written verification describing the efforts and attesting to their validity. The verification should be signed and dated.

- The project sponsor must also have information on the income of the participant and what efforts were made to obtain housing and why, without the SHP assistance, the participant would be living on the street or in an emergency shelter.

6. Within a week from being discharged from an institution, such as a mental health or substance abuse treatment facility or a jail/prison, in which the person has been a resident for more than 30 consecutive days and no subsequent residence has been identified and he or she lacks the resources and support networks needed to obtain housing.

- The project sponsor must have evidence from the institution's staff that the participant is being discharged within the week before receiving SHP assistance. The project sponsor must also have information on the income of the participant and what efforts were made to obtain housing and why, without the SHP assistance, the participant would be living on the street or in an emergency shelter.

7. If fleeing a domestic violence housing situation and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.

- The project sponsor must have written verification from the participant that he/she is fleeing a domestic violence situation. If the participant is unable to prepare the verification, prepare a written statement about the participant's previous living situation and have the participant sign the statement and date it.

Chronically Homelessness Certification

HUD has established a category of "chronically homeless," which is defined as "an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years." **To be chronically homeless a person must have been on the streets or in an emergency shelter (i.e., not transitional housing) during these stays.** Project Sponsors are required to track chronically homeless individuals and enter the number of participants in the Annual Progress Report (APR).

Homeless Certification Requirements for Disability

In addition to the requirement that clients be homeless, the Shelter Plus Care Program and the permanent housing component of the Supportive Housing Programs may only serve people who also have a disability. A disability may be physical or mental, including developmental, or an emotional impairment due solely to alcohol or drug abuse. Persons living with HIV/AIDS are considered disabled for the purposes of these programs. Persons who meet the above definitions of disability are eligible to participate in these programs as long as the disability:

- Is expected to be of long-continued and indefinite duration;
- Substantially impedes his or her ability to live independently; and
- Is of such a nature that the disability could be improved by more suitable housing

conditions.

Documentation of both the Homeless status and the Disability status are required. Acceptable documentation is as follows:

- Project sponsors are required to complete a **Homeless Status Documentation Worksheet, Appendix 4**, and return it with appropriate supporting documentation (see SHP Desk Guide) to the DPSS Homeless Programs Unit each month with your claims for every new client and/or family that receives Supportive Services or moves into a facility funded by the Supportive Housing, Shelter Plus Care, or Section 8 Moderate Rehab programs.
- Project sponsors must have written verification from a qualified source that the person has a disability

Rental Assistance

**Participant
Rent Charges**

Supportive Housing Program projects are not required to charge rent. However, if a local project receiving SHP funds decides to charge rent, specific federal guidelines apply.

**Rent
Calculations**

All Shelter Plus Care program recipients and Supportive Housing Program recipients who charge their participants rent must charge rent in accordance with Section 3(a) of the Housing Act of 1937. The **Resident Calculation Worksheet, Appendix 5** and the most current Housing Authority Utility Allowance must be used to determine the amount of rent that can be charged to program participants. Please refer to the Desk Guide for additional information.

**Participant
Income Review**

A regular review of participant income (at least annually) must be conducted for all residents being charged rent. If there is a change in family composition, or a decrease in resident income, the resident may request an interim review of income and the rent adjusted accordingly. Residents who receive an increase in income need not have their rent increased until the scheduled (annual) reexamination.

Reporting

- A. Reporting due dates are determined by a project's operating start date. Each year is funded separately, and funds cannot be automatically rolled over from one year to another. Additionally, funds may only be rolled over within the same multi-year grant contract; funds may not be rolled over from one contract to another. Sponsors must contact the DPSS Homeless Programs Unit if rollover from one year to another in multiple year grants is required. Please note that different programs have different operating start dates:

Operating Start Date	<ol style="list-style-type: none"> 1. Supportive Housing Program operating start date begins on the first of the month in which participants begin to receive services. Start dates begin after completion of acquisition, new construction, or rehabilitation activities. Please refer to the SHP Desk Guide. 2. Shelter Plus Care Project Sponsor's contract "Agreement Term" date is the operating start date for the project. This date cannot precede the Grant Agreement date between the County of Riverside and HUD.
Annual Progress Report	<ol style="list-style-type: none"> B. All SHP, S+C, and SRO Sponsors are required to review their programs annually and report the outcomes to the DPSS Homeless Program. The standard format for this process is the Annual Progress Report (APR), Appendix 6. <ol style="list-style-type: none"> 1. Through the APR, Sponsors report on how their project has met its objectives for the following goals: <ol style="list-style-type: none"> a. Increased residential stability; b. Increased skill level and/or income; and b. Greater self-determination 2. Specific performance measures for each of the three goals must be established based on the needs and characteristics of the homeless population to be served.
Semi-Annual Report	<ol style="list-style-type: none"> C. The Semi-Annual Statistical Report (SASR, also referred to as the Semi-annual Report) is no longer required by Project Sponsors unless requested in writing by DPSS. DPSS will provide appropriate forms if this report is requested.

Assessment and Monitoring

- A. Riverside County is on record as the applicant and grantee for the HUD grant funds you receive. As such, the Riverside County DPSS is responsible for ensuring that the funds received by Project Sponsors are utilized according to federal law and policy, and that goals established in the Project Application, Technical Submission, and Contract are being met. To ensure that the County and Project Sponsors comply with HUD and all applicable policies, DPSS will conduct on-site program, financial, and contract compliance monitoring visits at least annually.
- B. DPSS requires Sponsors to submit supporting documentation related to fiscal claims prior to reimbursement. This requirement allows DPSS to validate the use of funds at the time of payment for nearly 100% of expenditures, thereby minimizing the need for corrective actions either as a result of monitoring or an annual audit.
- C. Reviews will be conducted, at least annually, by representatives from the Homeless Programs Unit (lead), the Sponsor's liaison from the Fiscal Unit, and the Contracts Administration Unit. The purpose of the monitoring visit is to assess how well the

Sponsor is implementing its grant and/or to offer technical assistance in the following areas:

1. Documentation of homelessness
2. Contract compliance
3. Progress in achieving program goals
4. Client rent calculations
5. Documentation of services provided
6. Review of internal controls
7. Financial accounting
8. Reporting systems
9. Cash receipts
10. Expenditures of cash disbursements, and
11. HMIS implementation and documentation

D. In preparation for the on-site monitoring visit, the monitoring team will contact the Sponsor to arrange a mutually convenient date for the visit, explain the purpose of the monitoring visit, and provide an advance copy of the monitoring tool.

E. The County will follow a monitoring plan and conduct a Monitoring Visit Entrance Meeting and Exit Meeting. During the Entrance meeting, the monitoring team will meet Project Sponsor key personnel and provide an overview of the review process. At the Exit meeting, the County will review and comment on areas which might be a finding or a concern during the visit.

F. DPSS will prepare Monitoring Report for the review not later than thirty (30) days after the visit. The Sponsor will be given, if appropriate, thirty (30) days to respond to the report, including a corrective action plan for review and approval by DPSS.

Self-Monitoring Tools

G. The ***Supportive Housing Program Self-Monitoring Tools at Appendix 7*** are provided to assist your organization in maintaining or improving the effectiveness of its projects.

Future Applications and Project Renewals

If your organization wishes to renew its contract with Riverside County DPSS, you will need to apply through the HUD Super NOFA (Notice of Funding Availability) process during the final year of your active grant.

Your renewal application will be submitted as part of the County's Consolidated Application (unless there have been significant problems with your project). Problems that could prevent a program from being submitted for renewal, or receiving a low ranking score include, but are not limited to, failure to meet program goals, mismanagement of funds, or failure to serve the population targeted in the Technical Submission.

During the application process, all applications are evaluated and ranked by an established committee. The criteria for ranking projects is established annually based upon needs caused by gaps in the Continuum of Care. Renewal applications are generally ranked high in the evaluation process because failure to renew them would re-create gaps in service that the projects are intended to fill. However, if projects are not performing according to the commitments made in the Technical Submission or the contract with the County of Riverside, there may be justification on the part of the committee to lower the ranking.

The County, with the ranking committee's recommendation, reserves the right to reduce the length of time for which projects are funded. For example, the maximum length of time for a supportive housing program grant to be funded is three operating years. That may be reduced to one or two years to allow for the funding of other worthy projects.