



**NEW CASTLE COUNTY
DEPARTMENT OF COMMUNITY SERVICES
COMMUNITY DEVELOPMENT AND HOUSING DIVISION
EMERGENCY SOLUTIONS GRANT PROGRAM**

POLICY MANUAL FOR FUNDING APPLICATION

Deadline for Applications

Date: Monday, December 20, 2021

Time: 4:00 p.m. (No Exceptions)

**Only COMPLETED Applications will be accepted.
Please use Checklist provided on page 35 to ensure completion.**

Applications must be **received** before the deadline listed above through this email
ONLY:

CDBGESGHOMEGrantApp@newcastlede.gov

Please use the Email Message Option features to track and receive a receipt
of your email by selecting:

Request a delivery receipt for this message, **AND**
Request a read receipt for this message.

New Castle County
Department of Community Services
Community Development and Housing Division
77 Reads Way
New Castle, DE 19720
(302) 395-5600
www.nccde.org/housing

Introduction

The Emergency Solutions Grants Program (ESG) is authorized by the Homeless Emergency and Rapid Transition to Housing Act of 2009 (HEARTH Act). This manual of policy and procedure reflects both the Federal regulations of the HEARTH Act that governs the ESG, and the procedures used by the New Castle County (NCC) in administration of this grant as directed by the U.S. Department of Housing and Urban Development (HUD). In addition, standards for financial management and internal controls are reflected in the Uniform Grant Guidance (UGG), which supersedes OMB Circulars A-21, A-87, A-110, and A-122. The streamlined guidance can be found in the Code of Federal Regulations (CFR), 2 CFR 200. NCC is also responsible for the environmental regulations of 24 CFR Part 58. These Federal laws and regulations are hereby included by reference as part of these policies and procedures.

Changes may occur as statutory interpretations and clarifications become available from HUD or as NCC rules, procedures or guidelines are revised. No part of this policy guide shall override the rules set forth by Federal oversight of HUD. These policies supersede any previous ESG policies and are updated yearly.

In addition to the policies and procedure sections, this manual includes NCC Grant Forms and an Index of Reference Information in order to facilitate easy access in a format that will accommodate the users' needs and contribute to the proper implementation of the grant.

Questions and comments regarding the material contained in this manual may be referred to Nicole Waters, New Castle County, Community Development and Housing Division, 77 Reads Way, New Castle, DE 19720 or by telephone at (302) 395-5644.

Key Dates	
December 20, 2021	NCC Funding Application Deadline
March 2022	Tentative Date for Funding Award Notification
March 2022	Draft Availability Consolidated Plans: Public Comment Period Opens
April 2022	Spring Public Meetings
April 2022	End of Comment Period
April 26, 2022	County Council Resolution
May 15, 2022	Action Plan Submitted to HUD
July 1, 2022	Action Plan Programs Begin

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Page numbers may not match actual pages once downloaded. Please remember to review this entire document for completion prior to submission.

Section 1 - Applicability and Purpose

The HEARTH Act of 2009 authorizes the ESG. The grant is available to units of general local government or private nonprofit organizations. The ESG is designed to help improve the quality of existing emergency shelters for the homeless, to make available additional emergency shelters, to help meet the costs of operating emergency shelters and to provide certain essential social services to homeless individuals. These persons will have access not only to safe and sanitary shelter, but also to the supportive services and other kinds of assistance they need to improve their situations. The program is also intended to restrict the increase of homelessness through the funding of preventative programs and activities.

Emergency food and shelter programs are essential to meet the most immediate life-threatening needs of people with nowhere to go. Shelters must be open around the clock, throughout the year. They must offer refuge tailored to the special circumstances determined by environment and individual need.

In addition to providing for the immediate needs of shelter and food, important goals for an emergency shelter system are the provision of medical care; assurance that assistance will be available to all who need it; establishment of a decent standard of quality for services; a “prevention” program for the “at-risk”; program cost-effectiveness; financial assistance for rapid rehousing and avoidance of the institutionalization of emergency programs.

Section 2 – Summary Information

Notice of Funding Availability

The funds are made available to interested applicants each year through an *Annual Public Meeting Notice and Funding Proposal Kickoff Meeting*, which is advertised in the statewide newspaper, emailed to parties on our internal Stakeholder’s List and advertised on NCC’s website. Instructions on how to apply for these grant monies are provided during the meeting and included in the notice. A contact person is listed in the notice for the benefit of interested parties who may have questions about the program.

Actual amounts awarded will depend on applications and may vary.

Eligible Applicants

For NCC ESG, eligible applicants are: 1) Units of general local government located in NCC; and 2) Private nonprofit organizations located in NCC. Assistance may be provided under this part to a religious organization if the religious organization agrees to provide all eligible activities under this program in a manner that is free from religious influences and in accordance with the following principles:

- It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;
- It will not discriminate against any person applying for shelter or any of the eligible activities under this part on the basis of religion and will not limit such housing or other eligible activities or give preference to persons on the basis of religion; and
- It will provide no religious instruction or counseling; conduct no religious worship or services; engage in no religious proselytizing; and exert no other religious influence in the provision of shelter and other eligible activities under this part. Applicants that are primarily religious organizations are encouraged to contact NCC for specifics or refer to 24 CFR Part 576.23.

Application Guidelines

NCC will accept completed applications until 4:00 p.m. local time, Monday, December 20, 2021 through this email ONLY: CDBGESGHOMEGrantApp@newcastlede.gov

The basic elements of the threshold score are presented in the Application Narrative section of the ESG Application. The Narrative Exhibits must be included in the application in order for the project to be considered for maximum funding capability. The Exhibits are determined by NCC before the application process begins and may change periodically at their discretion according to funding focus and HUD guidelines. Using defined rating criteria; applications are reviewed and rated by a Review Panel comprised of professionals with knowledge and experience in homeless issues and grant management. Scores from each member are averaged for each proposal; the average score reflects the Panel's determination of the merit of the project.

Awards and Agreements

Sub-grantees will be notified in writing of the amount of the grant award. Included with the award letter will be a notice to provide an adjusted budget (if applicable) and information concerning the technical assistance meeting. Failure to adjust the budget and attend the technical assistance meeting will result in forfeiture of award.

Section 3 - Program Activities and Requirements

Categories of Eligible Spending

The three categories of eligible spending for NCC ESG funds are as follows:

- Emergency Shelter – shelter operations **or** essential services;
- Rapid Re-Housing - rental assistance, housing relocation and stabilization services; and
- Data Collection.

Although general guidelines for activities of the program are listed at 24 CFR 576.21, other possible costs may be eligible under the program provided they must:

- 1) Fit the statutory requirement of benefiting homeless persons and assisting their movement toward independent living;
- 2) Fit into one of the three eligible “spending categories” listed above; and
- 3) Are reasonable and customary to the area.

Eligible Activities

NCC’s ESG may be used to fund **ONE** of the following activities relating to emergency shelter for the homeless:

- **“Shelter Operational costs”** for maintenance, operations (including minor or routine repairs), rent, security, fuels and equipment, insurance, utilities, and furnishings.
- OR-**
- **“Shelter Essential Services costs”** for case management to include the cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant.

**NCC’s Rapid Re-Housing portion of ESG will be designated to the Rapid Re-Housing provider Family Promise of Northern New Castle County, Inc. only.
Other Rapid Re-Housing agencies need not apply.**

- **“Rapid Re-Housing Activities”**, defined as activities or programs designed to help shorten the length of homelessness and regain housing stability after experiencing a housing crisis, included but not limited to:
 - Rental assistance/ Rent payments;
 - Relocation and Stabilization: Security deposits and utilities; and
 - Relocation and Stabilization: Case management.
- **“Data Collection”** to pay the costs to the designated sub-recipient who manages data entered into the CMIS.

Ineligible Activities

NCC’s ESG funds shall not be used for activities other than those listed above. Examples of ineligible uses include:

- Acquisition or construction of an emergency shelter for the homeless;
- Staffing costs other than for case management;
- Administrative costs;

- Rehabilitation services performed by the staff of a grantee or recipient, such as preparation of work specifics, loan processing or inspections; and
- Mortgage payments for shelters, unless a waiver is approved by NCC.

Local Match Requirements

Recipients shall be required to **provide matching funds in an amount at least equal to their approved ESG funding amounts for eligible program activities**. Matching funds must be derived from sources other than the Program, and only funds provided after the date of the grant to NCC will be considered as eligible matching funds. In calculating the amount of matching funds, the following types may be included:

- Cash;
- The value or fair rental value of any donated material or building;
- The value of any lease on a building;
- Any salary paid to staff to carry out the program of the recipient; and
- The value of the time and services contributed by volunteers to carry out the program of the recipient at a current rate of \$5 per hour.

Note: Volunteers providing professional services such as medical or legal services are valued at the reasonable and customary rate in the community.

The provisions of matching funds as specified by the applicants in the proposal will be considered a commitment to provide NCC amounts and types of matching contributions as stated in the proposal, if the applicant is provided assistance under this grant solicitation. The provision of matching funds will be a contractual requirement of any assistance agreement. During the review process of proposals, NCC reserves the right to require additional information concerning matching fund commitments, as necessary to be reasonably assured that such resources will be available.

ESG funds will not be released until after sufficient matching fund requirements have been met.

Beneficiaries and Client Eligibility Guidelines

Every client served by ESG funds must qualify for assistance according to HUD standards. Service providers are responsible for determining eligibility status for homeless clients. This documentation may come from either the participant or a third-party information source and is typically obtained at intake, entry, or referral by another ESG service provider. Agencies will be required to complete NCC's Homeless Certification form for each person they serve under the ESG grant.

A copy of the documentation must be kept in the client file and made available to NCC or HUD for reimbursement, monitoring or risk analysis purposes. NCC provides guidance regarding client eligibility and documentation, which may be found in Documentation of Homelessness under Section 8.

Persons Who Are Homeless

Families and individuals who are homeless, or in danger of becoming homeless, are eligible to receive benefits from the ESG funds if they meet the definitions of “homeless” from the HEARTH Act of 2009:

➤ Four categories:

- People who are living in a place not meant for human habitation, in emergency shelter, in transitional housing, or are exiting an institution where they temporarily resided. The only significant change from existing practice is that people will be considered homeless if they are exiting an institution where they resided for up to 90 days (it was previously 30 days) and were in shelter or a place not meant for human habitation immediately prior to entering that institution.
- People who are losing their primary nighttime residence, which may include a motel or hotel or a doubled-up situation, within 14 days and lack resources or support networks to remain in housing. HUD had previously allowed people who were being displaced within 7 days to be considered homeless. The proposed regulation also describes specific documentation requirements for this category.
- Families with children or unaccompanied youth who are unstably housed and likely to continue in that state. This is a new category of homelessness, and it applies to families with children or unaccompanied youth who have not had a lease or ownership interest in a housing unit in the last 60 or more days, have had two or more moves in the last 60 days, and who are likely to continue to be unstably housed because of disability or multiple barriers to employment.
- People who are fleeing or attempting to flee domestic violence, have no other residence, and lack the resources or support networks to obtain other permanent housing. This category is similar to the current practice regarding people who are fleeing domestic violence.

Homeless Children and Youth

- In general, children and youth in foster care are not considered homeless. Many foster children are in the custody of a public agency, which is responsible for providing housing for foster children. The foster home or care facility, although temporary, serves as a fixed, regular and adequate nighttime residence.

- Throwaway youth (i.e. those whose parents or guardians will not permit them to live at home) are considered homeless if they live on the streets, in shelters or in other transitional or inadequate accommodations.
- Youth who have run away from home and live in runaway shelters, abandoned buildings, the streets or other inadequate accommodations are considered homeless, even if their parents have provided or are willing to provide a home for them.

Eligible Rapid Re-Housing Recipients

Persons defined as homeless under the following criteria are eligible for Rapid Re-Housing assistance:

- Lack a fixed, regular, and adequate nighttime residence, meaning:
 - An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
 - An individual or family living in a supervised 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, or local government programs for low income individuals); or
 - An individual who is exiting an institution where he or she 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;
- Any individual or family **who is living in an emergency shelter or other place described in paragraph (1)** and:
 - Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a 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;
 - Has no other residence; and
 - Lacks the resources or support

Client Files

Client files should not only document homelessness eligibility but should include a detailed record of the services provided to each client and the program funds that supported each service. ESG funding is directly related to project performance. Program outcomes can only be

measured if full and precise information about activities and services provided are gathered and maintained for reporting.

Note: Any demographic and service information requested on the Annual Performance Report should be a regular part of recordkeeping procedures for project sponsors. Client files should reflect dates, types, program costs, etc., of all services in order to document both efficient grant management and the success of the shelter project.

Confidentiality

42 U.S.C. 11375 (c)(5) requires service providers assisting clients in domestic violence situations to ensure that their records are kept confidential. NCC will not disclose non-public, personal information to any non-affiliated third party except as required by law, or with the client's written permission. Client information should not be accessible to any persons other than authorized Service Provider personnel, or authorized personnel from NCC and HUD for Compliance Monitoring and/or Audit purposes. The CMIS used for required homeless tracking statistics includes ample safety measures for confidentiality as well. Locations of domestic violence shelter facilities receiving ESG funds will not be publicly disclosed except with the written authorization of the person responsible for shelter operations.

Termination of Assistance or Rejection of Clients

Service providers may not just terminate ESG assistance to participants who violate program requirements. The agency must have a process in place that governs the termination and grievance procedures and must make this policy available to participants either by written handouts or posting of the policy used by the shelter.

Service providers may not deny clients into their program without conducting a case conference with representatives from HAD Centralized Intake and Intake Oversight staff.

Section 4 - Program Implementation

Project Planning

The activities necessary for carrying out the project will be outlined in the original ESG application and should be maintained throughout the period of the grant. Any additional, unplanned or unexpected activities may not be added to the budget without prior approval by NCC. Risk Management guidelines dictate that drifting from the original scope of the application is "high risk" in project management and indicates insufficient planning in grant spending that should trigger an on-site monitoring visit.

Performance Measures

The local government and recipient nonprofit organizations must keep unduplicated counts of the number of homeless individual families assisted and report them to the CMIS.

Further, the sub-grantees involved in the activities should develop standardized performance measures for significant outcomes, (*keeping in mind NCC's goal of ESG-funded programs is to increase permanent housing, stability and self-sufficiency in the homeless population*). Submitting this application implies understanding and agreement of the required data collection for this grant.

Note: This year the Annual Performance Report will be required under the application submission stage of funding. The data used to submit this document will be projections based on previous year's performance reports.

Approved Budget

Federal programs are governed by regulations that delineate types of spending allowed under each grant. The eligible activities for the ESG are listed above and at 24 CFR 576.21. During the application process, a Budget Worksheet is required to show how the recipient plans to spend the requested funds. These budgets are reviewed and must be approved by NCC before the activity is set up for drawing down funds. The Final Approved Budget is used by NCC throughout the grant period to monitor spending and the agency must adhere to the planned budget line items explicitly, unless an Amendment to the contract agreement is approved by NCC.

Spending Deadlines and Recapture

A normal spending cycle for the ESG is 12 months (with the exception of Rapid Re-Housing awards). Sub-grantees are expected to plan their budgets in a way that project goals are met by the end of the spending period with little or no budget adjustments. In the event that NCC determines a sub-grantee to be unable to spend all grant monies by the contractual deadline, funds may be recaptured and redistributed to a recipient that will be able to spend the funds in a timely manner on eligible activities. Any sub-grantee having funds recaptured by NCC in a grant cycle will have the same amount subtracted from any ESG award made to that applicant in the following grant period. Applicants for Rapid Re-Housing will be required to spend prior Rapid Re-Housing funds before spending newly awarded amounts. Sub-grantees that are slow to expend the funds may have funds recaptured and allocated to another grantee.

Reimbursement of Costs

Instructions and forms for requesting reimbursement for eligible expenses are supplied by NCC and reviewed at the technical assistance meeting. The ESG is built on a reimbursement basis and only costs that have already been paid will qualify. Receipts with proof of payment will be required before draws will be processed. According to ESG policy guidelines provided by HUD,

it is the responsibility of NCC “to minimize the time between when a recipient incurs grant expenses and when it seeks reimbursement from the Federal government” [24 CFR 85.20 (b)(7)].

Reimbursement Procedure

- Sub-grantees are responsible to use the reimbursement forms provided by NCC to ensure that funds will be extracted from the proper grant.
- Sub-grantees may choose to submit reimbursement requests on a monthly or quarterly basis. Other reimbursement schedules may be submitted to NCC for approval.
- Sub-grantees must adhere to the line items approved by NCC on the budget submitted with the Grant Application for all reimbursement requests.
- Sub-grantees are responsible to provide required documentation of program costs and client documents. Failure to provide required documentation will delay processing and prevent a timely reimbursement to the sub-grantee.

Documentation of Allowable Costs

- *Date of Service* – Only expenses incurred on or after the date of the contract agreement begin date are allowable. This includes utility receipts that may have service dates beginning before this date but ending within the grant period. If services begin before the date of the award, receipts must be pro-rated to reimburse costs only for the eligible days within the service period.
- *Proof of Payment* – Receipts submitted with draws for reimbursement must show proof of payment. This may come in the form of copied checks and paid invoices referencing the check number and/or bank statements showing the cleared check.
- Documentation that is insufficient or difficult to decipher will delay or halt the reimbursement process and may be grounds for the entire request to be returned to the sub-grantee for clarification and to be resubmitted properly at a later date.

NCC Forms

NCC provides most of the forms necessary for carrying out this grant. NCC forms are created to fit the needs of the administration process and, most importantly, to fit the reporting requirements from HUD. It is important for sub-grantees to cooperate with the use of the forms provided, understanding that they are purposeful and necessary. Different or varied forms of these documents created by sub-grantees have proven to be problematic. Draw statements for reimbursement and beneficiary forms will be sent electronically to the sub-grantee upon execution of the project contract. Forms needed for reimbursement and client eligibility determination will be covered during the technical assistance meeting and made available to the agency.

Financial Standards

Internal controls reflect the overall financial management of an organization. Standards for financial management systems of nonprofit organizations may be found in 2 CFR 200. The following areas should be included:

- *Budget Controls:* When budget controls are adequate, the sub-grantee will have a regular, on-going basis of comparison between actual expenditures and ESG-budgeted amounts for the activities. The ESG budget will cover intended activity expenses with very little necessity for adjustments during the grant period. The sub-grantee will also relate its financial information to recorded outcomes, since awards are more likely to be made when performance measures are in place and outcomes are tracked.
- *Accounting Controls:* Expenditures must be supported by invoices, contracts, purchase orders, etc., with each draw request
- *Wages* supported by more than one funding source must be documented by records that clearly show the time distribution and wage breakdowns between programs.
- *Financial records* relative to the ESG must be maintained for three (3) years from the last transaction with NCC.
- *Procurement Rules:* 2 CFR 200- 200.317 – 200.326 provides regulations that govern the procurement of supplies, equipment, construction and services to ensure that they are obtained economically and competitively. In summary, sub-grantees may use their own procurement procedures as long as they conform to the regulations. Important elements for sub-grantees to consider are: a system to handle contract disputes; a code of conduct preventing conflicts of interest; some form of cost analysis to ensure economic purchases; positive efforts to use small, minority- and woman-owned businesses to the maximum extent possible.
- *Property Standards:* The Federal regulations regarding property controls in 2 CFR 200 – 200.310 – 200.316 are for the purpose of tracking the assets purchased with grant funds to ensure that they are properly maintained, secure and being used for authorized purposes. NCC is required to do a periodic physical inventory on these items to verify their existence, current utilization and continued need. For this reason, agencies using ESG funds to purchase furnishings, vehicles or equipment for an activity should keep accurate records including the following: a complete description of the item purchased, a serial or other identification number, the source of funds and Grant Agreement number, the acquisition date and the cost.

Audit Requirements

The fiscal management system of a unit of local government, which receives ESG funds, must provide for audits in accordance with the requirements of 24 CFR Part 44. A private nonprofit

organization, which receives ESG funds, must provide for audits in accordance with the requirements of the UGG 2 CFR 200.

Records Maintenance

In addition to the three (3) year record retention policy in *Accounting Controls* above, sub-grantees must follow the guidelines for equipment/ inventory recordkeeping and for program outcomes. ESG funding should be directly related to service delivery through emergency shelters, transitional housing programs, or direct client services to the homeless through day shelters, soup kitchens, or community action agencies. Accurate results regarding these services to the homeless population should be systematically gathered and maintained in sub-grantee's files for regular reporting purposes. HUD requires NCC to report consistently on not only the proper and timely expenditure of grant funds, but also the types of program activities being funded and their evidence of measurable outcomes. CMIS will provide a wide variety of tracking capabilities to serve this purpose. Reliable agency data, client data, service data and outcomes data will be gathered through this system and used for annual HUD reporting.

Section 5 - Other Federal Requirements

Non-Discrimination Policy

Sub-grantee shall operate the project or program in accordance with the American With Disabilities Act, the Civil Rights Act of 1964 and 1968, the Fair Housing Amendments Act of 1988, Section 504 of the Rehabilitation Act of 1973, as amended (24 CFR, Part 8), and HUD regulations (24 CFR 570.601, 570.602 - Exhibit "A-Part IX "). No person in the United States shall on the ground of race, color, national origin, sex, religion, age, handicap or familial status, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Sub-grantee shall take appropriate measures, to the maximum extent possible, to enable participation under this contract agreement.

Environmental Review Requirements

The environmental effects of each application must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58.

Drug- and Alcohol-Free Facilities

Grantees, recipients, and project sponsors under each of the homeless housing programs will comply with the Drug-Free Workplace Act of 1988 (U.S.C. 701, et seq.) and HUD implemented regulations at 24CFR Part 21 apply to Homelessness Prevention and Rapid Re-Housing Program (HPRP) ESG.

Homeless Representation and Participation on the Board

According to Title 42 of the U.S. Code Section 11375 (d) each recipient is required to provide for the participation of not less than one (1) homeless individual or formerly homeless individual on the Board of Directors or other equivalent policy-making entity. Staff members may not be substituted for Board members to meet this requirement. According to Title 42 of the U.S. Code Section 11375 (c)(7), sub-grantees must also involve homeless or formerly homeless individuals and families in providing work or services pertaining to facilities or activities funded with ESG funds, to the maximum extent practicable.

Relocation and Displacement

Any ESG rehabilitation project that displaces residents is subject to the requirements of the Uniform Relocation Act. The costs of relocation assistance may be paid by ESG funds or other funding sources. See the requirements at 24 CFR 576.59 for more detailed information.

Conflict of Interest

Regulations at 24 CFR 576.57 prohibit any persons in a decision-making position for an organization to benefit from or obtain personal interest in ESG-funded activities. This exclusion must continue for one year following this person's association or employment with the agency. A Code of Conduct may insure compliance with this regulation that an organization has in place to prohibit such persons from being involved in decision making, or to otherwise avoid potential conflicts of this type.

Lead-Based Paint

The ESG deals primarily with the operation of short-term emergency shelters that can be defined as "zero-bedroom dwellings" according to the Lead-Based Paint (LBP) Hazard Regulations at 24 CFR Part 35, which is hereby included for reference. Therefore, ESG is governed by Subpart K of this regulation. Most emergency shelters are exempt from the regulations, such as studio apartments, dormitories, Single Room Occupancy (SRO) units, barracks and group homes. Any emergency shelters built prior to 1978 need only comply with the following simplified lead requirements:

- Provide the Lead Hazard Information Pamphlet available through HUD;
- Do a visual assessment of painted surfaces to identify deterioration;
- Complete paint stabilization by repainting deteriorating surfaces; and
- Incorporate ongoing LBP maintenance.

Housing that is not exempted by the definitions above, or housing where children under the age of six (6) reside frequently, is subject to all LBP regulations. Homeless prevention services are subject to lead regulations because the units assisted with these funds are not temporary residences and do not fall under the shelter exemption. Assistance for first month's rent cannot

be provided for housing units that are not known to be free of LBP contamination. A chart of LBP Requirements for ESG is in Section 5 of this manual.

Faith-Based Organizations

Religious or faith-based organizations are eligible, on the same basis as any other organization, to participate in the ESG. Grant funds may not be used for inherently-religious activities, such as worship or proselytizing; clients or prospective participants may not be discriminated against on the basis of religion or religious beliefs; and services may not be limited on the basis of religious participation. Religious activities must be offered separately, in time or location, from grant-funded activities, but program participants may voluntarily take part in religious activities offered by the organization. More information may be obtained through HUD's Final Rule on *Participation in HUD Programs by Faith-Based Organizations*, published in the Federal Register, Part IV on September 30, 2003.

Section 6 - Compliance Monitoring and Reporting

Delaware Community Management Information System (CMIS)

HUD requires recipients of Federal funds to collect unduplicated client data each year by CMIS. This is a computerized data collection tool specifically designed to capture client level system-wide information over time on the characteristics and service needs of men, women and children experiencing homelessness. The system is used not only for an accurate count of the homeless in Delaware, but also to assist them in getting the appropriate services faster, decrease duplicative intakes and assessments and streamline the referral process. The statewide integrated system has the ability to track the use of services throughout Delaware by people who are homeless and can provide agencies the ability to see what services have been accessed in the past and help to determine what referrals are needed. It also helps assess the costs versus benefits and determine where there is duplication of services and where there are gaps in the system. Participation in the CMIS is mandatory for those who receive ESG assistance from NCC.

Coordinated/ Centralized Intake Process

All organizations receiving ESG funding from NCC are required to participate.

Reporting Requirements

Sub-grantees will be required to report fiscal, program and client data to NCC within specific time frames. At a minimum, applicants are required to ensure that:

- Accounting systems shall meet and comply with generally accepted accounting principles. Expenditures shall be supported by source documentation (i.e. time sheets which indicate specific ESG time spent, itemized store receipts, copies of checks, etc.), which identify the source and use of ESG contract funds;

- Sub-grantees shall comply with NCC requirements to collect demographic information of all homeless and at-risk persons who seek assistance; and
- Sub-grantees must enter applicable client data into CMIS for each program year during which ESG funds are expended. This report documents the services provided, persons served, persons turned away and other demographic information needed for HUD reporting purposes.

Monitoring

NCC, as administrator of Federal HUD funds, is required to monitor sub-grantees for compliance with Federal laws governing grant programs.

Sanctions for Non-compliance

Upon breach, the County may, at its option, elect to exercise any or all of the following remedies:

- The County may terminate this agreement immediately. All finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the sub-recipient under this agreement shall become the County's property.
- Recipient shall reimburse all funds deemed by the County to have been improperly expended.
- The County may withhold any payments due the sub-recipient for the purpose of set-off.
- The sub-recipient shall reimburse the County for all damages sustained as a result of breach.
- The County may proceed in a Court of Equity for specific performance, injunction or other equitable remedy.

Section 7 – General Definitions

Applicant – any unit of general local government or public or private nonprofit organization submitting the necessary paperwork to be considered for funding as an ESG service provider.

Audit Trail – a complete record of expenditures including: request for purchase and by whom, how approved, source of funds used for expense, date of acquisition and cost.

Authorized Signature – the signature of an executive officer, agency director, or other responsible employee designated by a recipient agency as an “Authorized Person” on the *Authorized Signature Card for Requests for Payment and Witness Certification*.

Community Management Information System (CMIS) – The State of Delaware has instituted the use of CMIS in response to requirements of the United States Congress under the HUD Appropriations Act HR-2620. HUD has required implementation and operation of management information systems for purposes of collecting unduplicated counts of homeless people and analyzing patterns of use of assistance funded by the Federal government.

Conversion – a change in the use of a building to an emergency shelter for the homeless, where the cost of conversion and any rehabilitation costs *exceed 75% of the value* of the building *after* conversion. Any building converted to an emergency shelter that is assisted with ESG funds must meet local government safety and sanitary standards and must be maintained as a shelter for the homeless for not less than a *ten-year period*.

Emergency Shelter – any facility where the *primary purpose* of which is to provide temporary shelter for the homeless in general or for specific populations of homeless persons for a period of 90 days or less.

ESG – the Emergency Solutions Grants Program is defined and controlled under HUD regulations found at Title 24, Code of Federal Regulations, Part 576.

Essential Services – address the immediate needs of the homeless through day shelters or soup kitchens, or provide assistance from the shelter setting, which enables homeless persons to become more independent and to secure permanent housing. These services should focus on bringing clients to the next step of the continuum. After meeting immediate personal needs, shelter services should provide assistance that will strengthen a client’s ability to move into transitional, supportive or permanent housing.

Family - Includes, but is not limited to, regardless of marital status, actual or perceived sexual orientation, or gender identity, the following:

1. A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or,
2. A group of persons residing together, and such group includes, but is not limited to:
 - a. A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
 - b. An elderly family;
 - c. A near-elderly family;
 - d. A disabled family;
 - e. A displaced family; and,
 - f. The remaining member of a tenant family.

Grantee – the direct recipient of grant funds. In the ESG, NCC is the grantee responsible to HUD for proper execution of the grant program through sub-contracted providers of homeless services in New Castle County, Delaware.

Homeless – is defined in 24 CFR Parts 91, 582, and 583, hereby included by reference. The definition, in summary, individuals and families who lack a fixed, regular, and adequate nighttime residence and includes individuals who live in an emergency shelter or a place not meant for human habitation or leaving an institution where he or she temporarily stayed, or individuals and families who will imminently lose their primary nighttime residence, or unaccompanied youth and families with children who are defined as homeless under other federal statutes, or individuals and families who are attempting to flee some sort of abuse, i.e. domestic, dating, sexual, etc.

Homeless Prevention – activities designed to prevent the incidence of homelessness. Primarily, rental assistance when eviction is imminent, utility assistance when services are being terminated, first month’s rent, security or utility deposits for obtaining permanent housing, and some hotel/motel vouchers in the event that shelters are full.

HUD – the U.S. Department of Housing and Urban Development.

In-Kind – donated volunteer services or goods including staff time, shelter rent, shelter facilities or supplies of the same kind eligible under program guidelines.

Internal Controls – a combination of policies, procedures, personnel, defined responsibilities and records that allow an organization to maintain adequate oversight and control of its finances.

Major Rehabilitation – rehabilitation that involves costs *in excess of 75% of the value* of the building *before* rehabilitation. Buildings assisted at this level must be maintained as a shelter for the homeless for not less than a *ten-year period*.

Management by Expenditure – a term used by NCC to ensure that cash management regulations regarding timely disbursement of funds are followed. In addition to HUD’s “payment by reimbursement” rules for ESG, NCC promotes financial accountability by asking for consistent draw requests from sub-grantees within 60 days of program expenses to be reimbursed.

NCC – New Castle County, Department of Community Services, Community Development and Housing division, administrator of Federal funds to New Castle County, Delaware.

Private Nonprofit Organization – a secular or religious organization described in Section 501 (c) of the Internal Revenue Code of 1954, which is: 1) exempt from taxation under Subtitle A,

Title 26 of the Code, 2) has an accounting system and voluntary board, and 3) practices nondiscrimination in the provision of assistance.

Project Sponsor – any agency sponsoring an ESG funded project and holding a formal grant agreement with NCC for a designated contract period.

Rapid Re-Housing - activities designed to end the incidence of homelessness quickly. Primarily, the funds can be used for rental assistance, first month's rent, security or utility deposits for obtaining permanent housing, as well as relocation and stabilization services, which could include housing case managers who develop landlord relationships, assist with housing search and monitor progress on housing plans for mid-term assistance.

Rehabilitation – labor, materials, tools and other costs of improving buildings, other than minor or routine repairs. Buildings assisted at this level (other than major rehabilitation) must be maintained as a shelter for the homeless for not less than a ***three-year period***.

Renovation – rehabilitation that involves cost of ***75% or less of the value*** of the building ***before*** rehabilitation. Buildings assisted at this level must be maintained as a shelter for the homeless for not less than a ***three-year period***.

Service Provider – any entity that is successfully involved in providing needed services to Delaware's homeless. For the purpose of ESG, any entity that has successfully applied for grant funds and has been awarded a portion of the statewide ESG with which to support planned services to Delaware's homeless. Services are approved for ESG funding by NCC to be provided through emergency shelters, transitional housing projects, day-shelters, soup kitchens, community action agencies or other community organizations serving people who are homeless.

Transitional Housing – for the purpose of ESG assistance, housing that extends past the “3 days to 3 months” reasonable period for temporary housing (emergency shelter). HUD defines transitional housing as having the “purpose” of moving homeless individuals and families to permanent housing within 24 months [42 U.S.C. 11384(b)].

Units of General Local Government – a general purpose political subdivision of the State of Delaware as determined by Delaware Code.

Value of the Building – the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by NCC.

Section 8 – Reference Information

Documentation of Homelessness

An important aspect of ESG management is the documentation of participants' homelessness situation. ESG sub-grantees are required to maintain adequate documentation of homelessness status to determine the eligibility of persons served by the ESG. The documentation is typically obtained from the participant or a third party at the time of referral, entry, intake or orientation to the ESG-funded activity and a copy of the documentation should be maintained in the client file.

Definition of Homelessness

The United States Department of Housing and Urban Development (HUD) defines homelessness as:

- People who are living in a place not meant for human habitation, in emergency shelter, in transitional housing, or are exiting an institution where they temporarily resided. The only significant change from existing practice is that people will be considered homeless if they are exiting an institution where they resided for up to 90 days (it was previously 30 days) and were in shelter or a place not meant for human habitation immediately prior to entering that institution.
- People who are losing their primary nighttime residence, which may include a motel or hotel or a doubled-up situation, within 14 days and lack resources or support networks to remain in housing. HUD had previously allowed people who were being displaced within 7 days to be considered homeless. The proposed regulation also describes specific documentation requirements for this category.
- Families with children or unaccompanied youth who are unstably housed and likely to continue in that state. This is a new category of homelessness, and it applies to families with children or unaccompanied youth who have not had a lease or ownership interest in a housing unit in the last 60 or more days, have had two or more moves in the last 60 days, and who are likely to continue to be unstably housed because of disability or multiple barriers to employment.
- People who are fleeing or attempting to flee domestic violence, have no other residence, and lack the resources or support networks to obtain other permanent housing. This category is similar to the current practice regarding people who are fleeing domestic violence.

Homelessness Documentation for Rapid Re-Housing

HUD encourages that ESG recipients maintain adequate documentation to determine eligibility of persons served. The following are HUD recommendations for documentation:

- *Persons living on the street* – For activities that provide short-term shelter and/ or services, it is sufficient for the sub-grantee/ recipient staff to confirm that the persons served, indeed reside on the street or are otherwise homeless;
- *Persons living on the street or in short-term emergency shelter* – Information should be obtained to indicate that the person is living on the street or in a short-term emergency shelter. If unable to verify that the person is living on the street or in a short-term shelter, the staff person may prepare a written statement about the person’s previous living space. This statement should be signed and dated by the recipient;
- *Persons coming from transitional housing for homeless persons* – Signed and dated written verification from the transitional housing staff that the participant has been residing there. Also written verification should be obtained that the participant was living on the street or in an emergency shelter prior to living in the transitional housing facility, or was discharged from an institution or evicted from a private dwelling prior to living in the transitional housing and would have been homeless if not for the transitional housing;
- *Persons from a short-term stay in an institution who previously resided on the street or in an emergency shelter* – Written verification must be obtained from the institution’s staff that the person has been residing in the institution for less than 30 days and information on the previous living situation;
- *Persons fleeing from domestic violence* – Sub-grantee should obtain written verification from the participant that he/ she is fleeing a domestic violence situation. If unable to obtain verification, the sub-grantee may prepare a written statement about the person’s previous living situation for them to sign and date.

NCC will provide agencies with required Homeless Certification Forms at the technical assistance meeting.

NCC Homeless Persons Documentation Table

Persons seeking assistance from Federally-funded programs for the homeless must be qualified according to HUD standards before assistance may be provided. Program sponsors are responsible to document the qualification process and to keep client files showing how or where these verifications were obtained. Records may be monitored at any time for compliance.

Short-Term Emergency Shelter Services

Situation	Documentation Required for Assistance
A. Persons living on the street – not shelter clients	Short-term services such as outreach, food, healthcare, and clothing may be provided to persons living on the street. It is not feasible to require documentation for each person receiving say, food boxes. The provider may simply confirm that they are homeless.

Long-Term Emergency Shelter or Transitional Housing Service

Situation	Documentation Required for Assistance
B. Persons coming off the street or from short-term emergency shelter	Verify living situation. This may include names of organizations or outreach workers who have assisted them in the past; any assistance checks received by the client and where they are delivered, etc. If information regarding previous living situation is not available, the intake person may prepare a written statement and have the participant sign and date the form.
C. Persons coming from transitional housing for homeless persons	Obtain written, signed and dated, verification from the referring transitional housing staff that the person has resided at their facility. The verification must include confirmation of the person’s <u>prior</u> living condition, as well as, showing inevitable homelessness if not for the transitional housing availability.
D. Persons leaving a short-term institutional stay	Written verification from institutional staff regarding participant’s residency for less than 30 days at the facility, plus prior living situation confirmed as in ‘C’ above.
E. Persons fleeing domestic violence	Written verification from the participant that he/ she is fleeing domestic violence. If the participant is unable to prepare verification, the shelter staff may prepare a written statement about the prior living situation for the participant to sign and date.

NCC will provide agencies with required Homeless Certification Forms at Technical Assistance Meeting.

NCC Inventory Policy for ESG

2 CFR 200 outlines the Federal regulations that apply to equipment purchased with grant monies. A summary of these requirements follows:

www.ecfr.gov

2 CFR 200

Monitoring Guidelines

Introduction

The HEARTH Act of 2009 established funding through HUD, to support specialized housing services for the homeless. The intent of this program is to provide safe, decent and sanitary housing for homeless individuals, as well as connect those individuals with the supportive

services they need to improve their situation and maintain permanent housing. NCC administers these funds for the State of Delaware through the ESG.

NCC delegates the implementation to sub-grantees; however, as the HUD grantee for this program, NCC is responsible for ensuring the performance and compliance of all sub-grantees.

Purpose of this Manual

This manual provides guidance to sub-grantees that receive ESG funds. This guidance is to ensure that grants are being administered in compliance with applicable statutory and regulatory requirements. To ensure that ESG grants are managed well, NCC staff is expected to have regular contact with sub-grantees by phone or letter. The purpose of this contact is to provide technical assistance to grantees and to advise them of program deadlines and reporting requirements. In addition, NCC will use this contact and its access to Integrated Disbursement and Information System (IDIS) to track and remind sub-grantees of the status of obligations and drawdowns well before the applicable deadlines.

If sub-grantees have any questions about the ESG or this manual, they may contact Nicole Waters, New Castle County, Community Development and Housing Division, 77 Reads Way, New Castle, DE 19720 or by telephone at (302) 395-5644 or via e-mail at Nicole.Waters@newcastlede.gov.

Governing Regulations

The ESG is authorized by the HEARTH Act of 2009. This program is governed by regulations at 24 CFR Parts 91 and 576. The applicable statutory changes in the National Affordable Housing Act (Pub. L. 101-625, as amended November 28, 1990) govern the program as well.

The regulations for the ESG affirm that the grantee, NCC, is responsible for ensuring that their respective sub-grantees carry out ESG supported efforts in compliance with all applicable requirements. Grantees are responsible, whether they are providing services directly or through other sub-grantees, for making sure that compliance with program requirements occurs at all applicable levels. Grantees must have a process to ensure the compliance of their sub-grantees and enforce it via sanctions, if necessary. NCC is required to take appropriate action, including sanctions, against sub-grantees that are not in compliance with the program requirements 24 CFR 576 Subpart E.

Monitoring Objectives

NCC's monitoring efforts are guided by objectives that address both the agency's responsibilities and goals under the ESG. The objectives are as follows:

- **Track Program/ Project Performance** – Resources within the State for housing for homeless persons are limited. NCC will track sub-grantee performance to ensure that

both the level of service provided, and the individuals served correspond to the activities outlined in the sub-grantees grant agreement;

- ***Ensure Timely Expenditure of ESG funds*** – Funds must be spent within specific time periods or the State will lose these valuable housing resources. To ensure that funds are used in a timely manner, the contract agreements executed by sub-grantees establish specific periods of performance. NCC will monitor sub-grantee progress in spending their ESG funds to ensure that these funds will not be lost;
- ***Document Compliance*** – NCC is responsible for ensuring that ESG funds are used for eligible activities. If HUD determines that these funds were used for ineligible activities, NCC will be required to repay these funds out of its own resources. NCC will monitor the administration of ESG-funded programs and projects to assure that sub-grantees are complying with Federal requirements and properly documenting their activities;
- ***Prevent Fraud and Abuse*** – Fraud and misuse of Federal funds is a crime and NCC will monitor sub-grantee systems for administering ESG funds to ensure that adequate protections against fraud and misuse of funds are in place; and
- ***Identify Technical Assistance Needs*** – Sub-grantees encountering program or financial performance problems may need technical assistance to address weaknesses in program designs or to build their capacity to administer ESG funds. As part of NCC’s partnership with sub-grantees, it will work with them to identify technical assistance needs and obtain the help they need to improve their performance.

Monitoring Methods

Objective:

In accordance with HUD regulations, 24 CFR 85.40, staff will monitor sub-recipients to confirm federal awards for programs are used in compliance with laws, regulations, and ensure performance goals are achieved.

Statement:

A risk analysis is conducted to conclude if the sub-recipient is a “low risk” or “high risk” and what form of monitoring will be performed at program end. The risk analysis is located at the top of the monitoring checklist.

“Low- risk” sub-recipients include agencies with satisfactory past performance, no previous compliance issues, and agencies that administer “low-risk activities” (those awarded less than \$25,000 in annual funding). “Low-risk” sub-recipients will receive desk monitoring only.

“High-risk” sub-recipients will require a desk monitoring and an on-site monitoring at program end. “High-risk” sub-recipients that may require on-site monitoring might include:

- sub-recipients that are new to the program;

- sub-recipients that have experienced turnover in key staff positions or a change in goals or direction;
- sub-recipients with previous compliance or performance problems including failure to meet schedules, submit timely reports or clear monitoring or audit findings;
- sub-recipients carrying out high-risk activities (those awarded \$25,000 or more in annual funding); and,
- sub-recipients undertaking multiple Community Development Block Grant (CDBG) and ESG activities for the first time.

On-site monitoring of any sub-recipient, regardless of “risk” status, may be conducted at the request of the General Manager.

Procedure:

Desk Review Monitoring Preparation (Desk Audit):

All sub-recipients undergo a desk review monitoring or desk audit for each draw submitted for processing. Desk review monitoring is done prior to each draw approval and includes a review of the draw and supporting documentation to ensure funds are being spent according to budget; confirm beneficiary data is captured correctly; adequately assess performance and look for indicators of performance or compliance issue performance, and guarantee the agency is in accordance with the National Objective and Eligibility Citation outlined in their contract agreement.

On-Site Monitoring Preparation

Review of available data:

- Review of contracts, correspondence, draw forms and personnel forms. Applicable staff to review the sub-grantees’ scope of business and results.
- View environmental impact as well as financial management.
- Review contract for what is important. Establish what areas will be monitored. It is important to know whether the project involves Davis-Bacon construction wage compliance. If Davis-Bacon applies, coordinate the visit with the code inspector within the office.

Notification to the sub-grantee

- Sub-grantees receive a letter with at least two weeks’ notice detailing the monitoring type (remote or on-site), date and time. The letter shall include who will conduct the monitoring, what will be monitored and who should be present from the agency.

The On-Site Visit

Review the agency’s project descriptions, budget, status, eligibility, their performance requirements, what national objective and NCC objective(s) it falls under.

Conduct interviews with members of the staff about the program. Collect copies of publications, photographs, awards, letters of appreciation from beneficiaries etc. as they relate to the agency and the project, they administered using this specific funding. It may be necessary to visit related project sites, i.e., construction to insure work is as specified. Once the visit is complete, meet with officials and present preliminary conclusions to assure that information given is correct.

Post On-Site Visit

Following the visit, a programmatic monitoring report letter is to be sent to the agency's contact person reporting the results of the visit. The letter should contain:

- Grant (Contract Number) & Agency and Project Information
- Staff who monitored
- Date(s) of the visit
- Scope of monitoring
- Monitoring conclusions positive and negative.
 - i) Negative conclusions should be clearly labeled as a finding or a concern. Findings are deficiencies based on statutory or regulatory requirements. These are subject to HUD sanctions. Concerns are deficiencies not based on statutory or regulatory requirements and may not be subject to HUD sanctions.
 - ii) Provide the sub-grantee with specific steps they can take to resolve the findings and concerns as well as a due date of corrective action for each finding. There also may be a need to offer technical assistance.
- Corrective Action:

The corrective action should be designed to:

 - i) Prevent a continuance of the deficiency
 - ii) Mitigate any adverse effects or consequences of the deficiency
 - iii) Prevent a recurrence of the same or similar deficiency
- Follow-up should be no later than 30 days in the case of a major finding.
- Follow-Up Action:
 - 1) If the sub-grantee fails to meet the target date for completion, a telephone call and letter documenting non-compliance and consequences for failure to comply will be immediately executed to ensure necessary activity from the sub-grantee.
 - 2) If the sub-grantee response is received, their proposed corrective action should be reviewed within 15 days. The review should state if further action is needed in the case that the proposed action was not acceptable.

- 3) The sub-grantee may establish a new date subject to good faith.
 - 4) When the review indicates satisfactory corrective action, a letter should be sent stating that the finding(s) is closed.
- Documentation:
Retain all correspondence pertaining to a sub-grantee in the designated folder.

Upon completion of monitoring visit a Programmatic Monitoring Report is to be completed. A copy is signed by the agency, the monitor, and the NCC Community Development and Housing staff.

Final Monitoring Visit

At the completion of the activity, the Risk Analysis and Monitoring checklist is completed. This is placed in the sub-grantee file. All applicable items are to be completed and the form is to be signed by the monitor.

Eligible Activities Requirements

Sub-grantees are to use the ESG funds as originally planned and for eligible activities as described in 24 CFR 576.21. Any changes from planned expenditures should be documented in the sub-grantee's program files. If a sub-grantee proposed to spend funds for an eligible activity and, subsequently, expends funds for another eligible activity, appropriate NCC staff is to be notified in writing about changes in planned expenditures. Written permission is to be obtained from NCC.

One step in reviewing the uses of ESG funds for eligible activities is to determine whether costs have been properly classified. While ESG regulations do not list all eligible activities, items, or costs, there is a statutory requirement that activities benefit the appropriate population and that they will be provided at a reasonable cost. If there are questions about the classification of items or activities, sub-grantees should contact NCC for clarification.

Habitability Standards

All housing provided through HUD funds must meet certain Habitability Standards to ensure that facilities provide appropriate privacy, safety, sanitary and other health-related conditions for homeless persons. The written Habitability Standards establish the minimum standards, which any housing unit acquired or leased with these HUD funds must meet. If funded, these documents are provided at the technical assistance meeting and available on our website.

General Program Requirements

- Participant Eligibility – Sub-grantees must document that participants meet all required eligibility requirements including income eligibility, including the HUD definition of homelessness.
- Assistance in Obtaining Supportive Services – The ESG requires that recipients be given assistance in obtaining appropriate supportive services to promote self-sufficiency and to assist them in obtaining permanent housing [24 CFR 576.56 (a)].

Environmental Compliance

Before any ESG funds are used to acquire, rehabilitate, convert, lease, repair or construct properties to provide housing, NCC, as required in the applicable regulations, shall perform an Environmental Review, in accordance with 24 CFR Part 50, which implements the National Environmental Policy Act and related Federal laws and authorities. Because HUD may recapture ESG funds, if grantees commit any funds prior to conducting the Environmental Review and receiving the Authority to Use Grant Funds by NCC or HUD, NCC must ensure that their sub-grantees have not made such commitments.

Financial Regulations and OMB Circulars

- All OMB guidance regarding grants and agreements has been streamlined in 2 CFR 200, which can be accessed using the link below. Sub-recipients of NCC should pay special attention to the following subparts: D-Post Federal Award Requirements, E-Cost Principles and F-Audit Requirements.
- For the Electronic Code of Federal Regulations, please refer http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl or www.ecfr.gov.

Equipment and Record

Regulation 2 CFR 200 defines equipment and the equipment records that must be maintained by nonprofit organizations.

Financial Management Standards

The ESG requires that nonprofit sub-grantee's financial management systems must conform to the requirements of 2 CFR 200. Nonprofit sub-grantees should review these standards with their CPAs to ensure that the financial administration of the program funds meets all OMB standards.

Procurement

Purchases of services from contractors or vendors by nonprofit sub-grantees with ESG funds are subject to 2 CFR 200. This includes standards that prohibit conflicts of interest, procedures for open competition with consistent technical solicitations, affirmative efforts to hire minority and women-owned businesses, maintenance of selection documentation, and a contract administration system that provides sufficient monitoring. Purchases of services from contractors or vendors by public agencies with ESG funds are subject to 2 CFR 200.

Conflict of Interest

A conflict of interest may exist when a person affiliated with a sub-grantee's organization has a direct or indirect financial interest in the selection of contractors, vendors and beneficiaries assisted with program funds. Sub-grantees must follow the conflict of interest provisions contained in either 24 CFR 85 (for public agencies) or 24 CFR Part 84 (for nonprofit agencies).

In general, sub-grantees must have a code of conduct that prohibits any employee, officer or agent of the sub-grantee from participating in the decision-making process if that person or his/her immediate family, partner or any organization employing any of the above has direct financial interest or benefit in the entity selected. These persons also may not accept any form of gratuity, favors or anything of monetary value from any entities selected. Sub-grantees should develop standards for avoiding such conflicts, be they real, apparent or potential.

Audits

- Nonprofit sub-grantees are subject to the audit requirements of 2 CFR 200.
- States and local government sub-grantees are subject to 2 CFR 200. State and local governments will include ESG activities in their single audit and proceed as usual.

Other Federal Requirements

Sub-grantees' use of ESG funds must comply with the following additional requirements stated in the National Affordable Housing Act and at 24 CFR 576.57.

- The requirements of the Fair Housing Act (42 U.S.C. 3501-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063 and implementing regulations at 24 CFR Part 107; and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4).
- The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and the prohibitions against discrimination against otherwise qualified individuals with handicaps under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended by the Americans with Disabilities Act, and its implementing regulations at 28 CFR Part 36.
- The requirements of Executive Order 11246 and the regulations issued under the Order at 41 CFR Chapter 60.
- The requirements of Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701U (see 570.607 (b)).
- The requirements of Executive Orders 11625, 12432 and 12138. Consistent with HUD's responsibilities under these Orders, the sub-grantee must make efforts to encourage the use of minority- and women-owned businesses in connection with activities funded under this part.
- The requirement that the sub-grantee make known that the use of the facilities and services is available to all on a nondiscriminatory basis. Where the procedures that a

sub-grantee intends to use to make known the availability of such facilities and services are unlikely to reach persons with handicaps or persons of any particular race, color, religion, sex, age, familial status or national origin within their services area who may qualify for them, the sub-grantee must establish additional procedures that will ensure that these persons are made aware of the facilities and services. Sub-grantees must also adopt and implement procedures designed to make available to interested persons information concerning the existence and location of services and facilities that are accessible to persons with disabilities.

Lead-Based Paint

Sub-grantees must ensure that facilities meet the requirements at 24 CFR Part 35 in general for all expenditures of Federal funds.

Flood Insurance

Sub-grantees must ensure that facilities meet the requirements at 24 CFR 576.79.

Relocation

Sub-grantees must ensure that projects meet the requirements at 24 CFR 92.353.

Minimizing Displacement

Sub-grantees must ensure that projects meet the requirements at 24 CFR 576.59 (a).

Conflicts of Interest

Sub-grantees must ensure that projects meet the requirements at 24 CFR 576.57 (d) as stated now in 24 CFR 84.42.

Drug-Free Workplace

Sub-grantees must ensure that projects meet the requirements at 24 CFR 576.79 (h).

Primarily Religious Organizations

Sub-grantees' projects must meet the requirements at 24 CFR 576.23.

Confidentiality

The requirement of the National Affordable Housing Act (Pub. L. 101-625) contained in Section 832 (e)(2)(C) that grantees and sub-grantees develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted and that the address or location of any family violence project assisted will, except with written authorization of the person or persons responsible for the operation of such shelter, not be made public.

Section 9 – Proposal Forms

General Application Submittal Details

Deadline for Applications:
Date: Monday, December 20, 2021
Time: 4:00 p.m. (No Exceptions)

Only Completed Applications will be accepted.
Use the Checklist provided on page 35 to ensure completion.

To be considered for funding, applicants must submit a complete response to this application using the format provided.

Applications must be **received before** the deadline listed above through this email **ONLY**:

CDBGESGHOMEGrantApp@newcastlede.gov

Please use the Email Message Option features to track and receive a receipt of your email by selecting:

Request a delivery receipt for this message, **AND**
Request a read receipt for this message.

The following **must** be **included** for your application to be considered **complete**:

- 1) Application Cover Sheet
- 2) Summary of Funds Requested
- 3) Application Narrative
- 4) ESG Annual Report
- 5) Matching Funds Table
- 6) Methods of Involving Homeless Persons
- 7) Required Attachments Checklist & Everything Outlined on the Checklist

An official authorized to bind the applicant to its provisions must sign applications.

Verification of tax-exempt status – *Provide an IRS Determination letter, as well as a tax-exempt number.*

Please Note: If the language in this document is altered by anyone other than NCC staff, it becomes null and void, and therefore ineligible for funding consideration.

Required Attachments Checklist

Please attach the following to your application

1. Bylaws and/or constitution and discharge and program termination policies and procedure Attached
2. Articles of Incorporation/Certification of Incorporation (if not a local government) Attached
3. Documentation of 501(c)(3) status from the IRS Attached
 We are a public entity, not a nonprofit
4. Organizational chart of the Agency Board and staff - Must include a clearly identified current or former homeless person in order to comply with 24 CFR 576.405 (c) Attached
5. 1 copy of each: Recent independent or single audit, yearly financial statements and internal accounting procedures. Attached

Single audit required if agency has expended \$750,000 or more in federal funds in their first fiscal year after December 26, 2014. Prior to that, the threshold was \$500,000 annually. A Single audit is an audit which includes both the entity's financial statements and the Federal Award descriptions. Attached
6. Copy of all valid insurance documents Attached
7. IRS Request for Taxpayer Identification W-9 Form Attached
<https://www.irs.gov/pub/irs-pdf/fw9.pdf>
Download and complete the form and attach
Requestor's Name is New Castle County, 77 Reads Way, New Castle, DE 19720
8. Sage HMIS generated project performance reports (July 1, 2020–June 30, 2021) Attached
9. Board Resolution Attached
10. Copy of DUNS number <http://fedgov.dnb.com/webform> & evidence that your agency does not have Active Exclusions in the System for Award Management (SAM) database https://www.fws.gov/northeast/refuges/agreements/Documents/SAM_Exclusions_how_do_i_search_exclusions.pdf (**PLEASE PRINT AND ATTACH SCREEN SHOWING THERE ARE NO ACTIVE EXCLUSIONS AND INCLUDE WITH APPLICATION**).

**Emergency Solutions Grants Program
 FY2023 Application Packet- Program Starting July 1, 2022
 Application Cover Sheet**

Agency Name			
Federal ID #		*DUNS#	
Address			
Telephone	()	Fax	()
Executive Director Name & Email Address			

Contact Person for Application			
Email of Contact Person			
Telephone of Contact Person	()	Fax	()
Years in Operation			
Total Agency Operating Budget			
Total Project Cost		Amount of Request	

Project Title			
Project "Site" Address			
Project Contact Name, Telephone # & Email Address			
Anticipated Start Date			
Anticipated Completion Date			

Project Information

Eligible Activity applied for:

- Rapid Re-Housing
*(See Important Message on following page)
- Shelter Operations or Essential Services (Circle one only)
- Data Collection

Description of Project:

Amount of ESG Funds Requested: \$_____

Certifications

I, the undersigned, certify that I am authorized to represent the applicant; that to the best of my knowledge and belief, data in this application is true and correct; that the document has been duly authorized by the governing body of the applicant; that the applicant is empowered to perform the functions and provided the services encompassed by the proposed activity; and that the applicant will comply with all applicable State and Federal laws and regulations in implementing the proposed activity if it is selected for funding.

Signature of Authorized Official: _____ *Date:* _____

ACTIVITIES Agency may apply for one of the following:	Requested ESG funds	Other Funds	Match Funds
Shelter Operations			
Shelter Essential Services			
Rapid Re-Housing *			
Data Collection			

An agency may apply for Shelter Operations or Shelter Essential Services. If the agency wishes to apply for Shelter Operations or Essential Services and wishes to apply for Rapid Re-Housing funds, they should do a separate application requesting Rapid Re-Housing funds.

***Important Message:**

NCC's Rapid Re-Housing portion of ESG funds will solely be designated to the Rapid Re-Housing provider Family Promise of Northern New Castle County, Inc.

Application Narrative Elements of Threshold Score

Discuss each of the eight elements below:

1. Provider Background and Proposal Summary (15 points possible)

1.1. Include years of service, type of service(s) provided, targeted population, the history of service provided to your community, qualifications of agency staff and location of services.

1.2. **Provide a summary of your proposal, explaining which allowable activities you are requesting funding for** (Example: Rapid Re-Housing, Shelter Operations, Shelter Essential Services or Data Collection), and how you propose to use funding to carry out the eligible activity. Please include any innovative program components, or partnerships that should be considered in review of this proposal.

2. Description and Demonstrated Need for Proposed Program (10 points possible)

2.1 Please discuss the need for the activity for which your organization is seeking ESG funding, provide local and/or national data to strengthen your request.

2.2 Please describe the impact that will result from your activity being funded. Please include, if possible, but do not limit the request to the following:

- Reduction in length of time that persons are homeless;
- Increase in number of persons to be permanently housed;
- Reduction in returns to homelessness;
- Decrease in the number of people homeless; and
- Number of people to be assisted.

3. Administration and Documentation (15 points possible)

3.1 Describe your administrative capability to manage ESG funds and comply with all Federal and State requirements.

3.2 What grant programs has your organization managed in the past?

3.3 Have you been audited or monitored by any funding provider in the last two years? If so, when, by whom, and are there any unresolved findings?

3.4 Describe or attach your procedure to document eligibility of prospective clients and process to terminate assistance to a participant or participants.

3.5 Provide a timeline showing expected dates for start-up, draw schedule and end date.

4. Performance Measurements (15 points possible)

4.1 How does your agency track and measure the success of your homeless assistance programs?

4.2 Explain how your proposed program, through ESG funding, will facilitate the following outcomes:

- Increases accessibility to decent affordable housing;
- Increases affordability of decent affordable housing; and
- Increases sustainability in decent affordable housing.

5. Goals and Objectives (10 points possible)

5.1 What are the goals and objectives for your organization and how does the ESG funding assist the organization in meeting those goals and objectives?

5.2 Project the number of people that will be rapidly rehoused by the activities being funded and provide the basis for the projection.

6. Cost Effectiveness (15 points possible)

6.1 Include a budget that shows how ESG funds will be used along with other funding to carry out an activity such as providing shelter operations or rapidly rehousing people who are homeless.

(Examples of budget format below)

Emergency Shelter Activities			
Expense (Only 1 Permitted)	ESG Request	Other Funds/Match	Total
Shelter Operations			
Shelter Essential Services			
Total			

Data Collection Activities			
Expense	ESG Request	Other Funds/Match	Total
DE- CMIS Data Collection			
Total			

Rapid Rehousing Activities			
Expense	ESG Request	Other Funds/Match	Total
Rapid Re-Housing Activities			
Total			

Detailed ESG Funding Sources (Please enter dollar amount)

ESG: _____
 Other Federal: _____
 Local Government: _____
 Private: _____
 Fees: _____
 Other: _____

7. Coordination with Mainstream Services (10 points possible)

- 7.1 Describe any formal agreements that your organization has with mainstream resource providers which assist your clients in accessing those resources.
- 7.2 Describe any informal agreements or relationships that your organization has with mainstream resource providers, which assist your clients in accessing those resources.
- 7.3 Describe how your organization assist clients access mainstream resources and which mainstream resources are most often utilized by your clients.

8. Community Commitment (10 points possible)

- 8.1 Explain the community benefit of the program for which you are requesting funding.

8.2 Describe community support for your overall organization and programs, including other funding sources, volunteer participation, donated items or other examples of community support.

8.3 Describe anticipated community support for the program for which you are requesting funding, including any additional funding, services or items that may be leveraged with this funding.

Emergency Solutions Grants Program Annual Report

Agencies **must** attach the **Sage HMIS** generated project performance reports for the **previous program year (July 1, 2020 – June 30, 2021)**.

Matching Funds Table

Matching funds must equal or exceed the total ESG funding requested for eligible program activities.

Type	Dollar Value	Source of Match and documentation available	Method of Calculation (determined by)
Other Non- ESG HUD Funds Federal			
Other Federal Funds that are ESG			
State Government – Office of Community Services (Grant in Aid) and/ or Delaware State Housing Authority DSHA			
Local Government – Wilmington/ City of Newark			
Private Funds – In Kind Donations			
Other			
Fees			
Program Income			
Total Match Amount			

A certification of matching funds along with proof of other match must be submitted to New Castle County after your agency receives notification of award.

**Methods of Involving Homeless Persons
In Operations and Maintenance for Residential Programs**

ESG Sub-grantee: _____

Check all the following methods of involving homeless persons in the operations and maintenance of your facility, and in the provision of services that you are currently using or will be using during this program year:

- Suggestion Box
- Chore List for Residents
- Clients Assist with Children's Program
- Clients Assist with Parenting Classes or training
- Clients or Former Clients Serve on Board
- Former Clients on staff
- Regularly Scheduled House Meetings
- Exit Interview
- Other (Be Specific) _____

**Methods of Involving Homeless Persons
In Program Delivery of Non-Residential Programs
(Rapid Re-Housing Activities)**

ESG Sub-grantee: _____

Check all of the following methods of involving homeless persons in the provision of services that you are currently using or will be using during this program year:

- Suggestion Box
- Clients or Former Clients serve on the board
- Former Clients on staff
- Survey
- Other (Be Specific) _____

SAMPLE RESOLUTION
To be submitted on agency letterhead

Non-profit agencies and local governments must submit a resolution from the governing body authorizing the proposed activity and authorizing the submission of the request for CDBG, HOME or ESG funding. The following language may be used for meeting the requirements of applying for funds from the New Castle County Department of Community Services.

At a meeting held on the following date _____, the Executive Committee/ Board of Directors of this agency _____ passed the following resolution(s):

Mandatory

The Board of Directors authorizes the application for and use of funds from the New Castle County Department of Community Services for activities described in the proposal entitled:

Mandatory

The Board of Directors certifies that, if awarded funds by the New Castle County Department of Community Services, the agency _____ shall implement the activities in a manner to ensure compliance with all applicable federal and local laws and regulations.

For Programs Providing Family Violence Prevention / Treatment Services

The Board of Directors attests that the agency has a policy which ensures the confidentiality of records pertaining to any individual provided family violence prevention or treatment services.

For Shelter Providers

The Board of Directors certifies that the agency administers a policy to ensure that homeless facilities are free from the illegal use, possession or distribution of drugs or alcohol by its beneficiaries.

The Board of Directors additionally certifies that a representative of the homeless community either currently homeless or formerly homeless is on the Board of Directors or other equivalent policymaking entity. This is required by 24 CFR Subpart E-576.405 (a).

Signature of Board President

Date