

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**DIVISION OF FINANCIAL ASSISTANCE**

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## HCD HPRP Notice

Subject: <b>Supporting Documentation for Salaries and Benefits, and Documenting Participant Eligibility</b>	Notice #: 20-11
	Date Issued: 8-3-11
References: <b>Homelessness Prevention and Rapid Re-Housing Program (HPRP)</b>	Supersedes: NA

To: All Sub-grantees:

This notice serves as a reminder regarding the following topics;

- **Documentation Supporting Salary and Benefit Costs**

It has been brought to the attention of the Department of Housing and Community Development that salaries and benefits expenditures have been unsubstantiated or have not been prepared in accordance with the Office of Management and Budget (OMB) Circular A-122 for non-profit organizations and OMB Circular A-87 for state, local, and Indian Tribal governments. Specifically, Attachment B, Cost Item 8-Compensation For Personal Services, Support of Salaries and Wages should be referenced for specific salary and benefit guidance. The OMB Circulars can be found on the web:

OMB Circular A-87- [http://www.whitehouse.gov/omb/circulars\\_a087\\_2004](http://www.whitehouse.gov/omb/circulars_a087_2004)

OMB Circular A-122 - [http://www.whitehouse.gov/omb/circulars\\_a122\\_2004](http://www.whitehouse.gov/omb/circulars_a122_2004)

The continued use of both OMB Circular A-87 and OMB Circular A-122 are required and should be referred to through the remainder of the Homelessness Prevention and Rapid Re-Housing Program regarding the issues mentioned above as well as all other cost principles. This ensures that all expenditures will be eligible for reimbursement.

- **Documentation of Program Participant Eligibility**

Also brought to the attention of HCD, was the lack of documentation relating to client eligibility. HCD would like to remind you that every client that enters into the program must be properly documented and must have all of the required elements to ensure program participant eligibility in accordance with HUD requirements. Additionally, HCD recently released HPRP Notice 16-11 on March 30, 2011 depicting "Red Flags" that were identified to assist Lead Agencies and Partner Agencies in meeting the requirements set forth by HUD and HCD. This list should be reviewed for program participant eligibility items.

Below is a comprehensive list of resources that should be utilized should any questions or concerns regarding eligibility documentation;

- HUD's Homelessness Prevention and Rapid Re-Housing Program website:  
<http://hudhre.info/hprp/>
- HCD's HUD's Homelessness Prevention and Rapid Re-Housing Program website:  
<http://www.hcd.ca.gov/fa/ahif/recovery.html>
- Your HCD Program Representative

The Department cannot emphasize enough, the importance and urgency that these widespread compliance issues are brought to the attention to all partner agencies immediately.

Sincerely,

*Dan Apodaca*

Dan Apodaca, Manager  
Homeless Operations Programs