



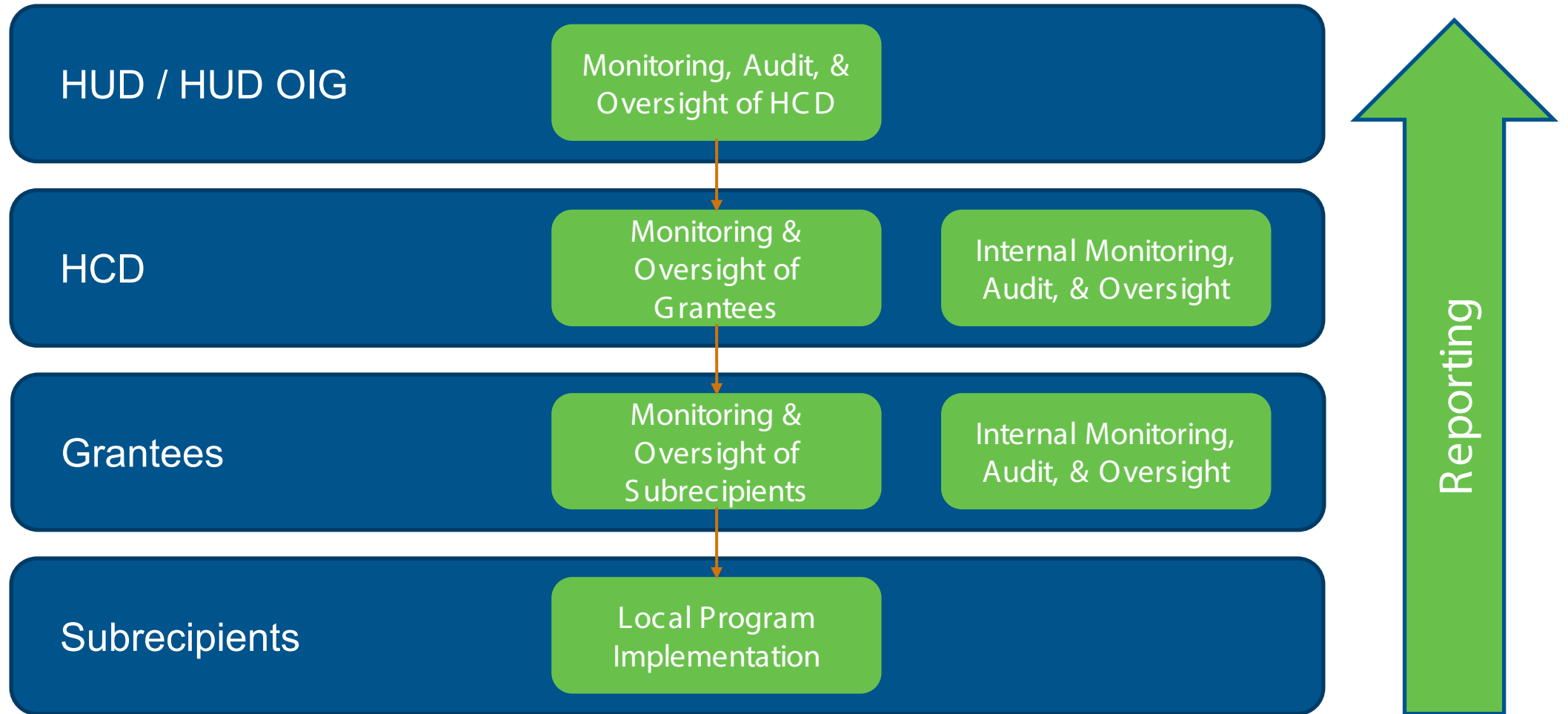
CA HCD ESG-CV Training Series: Grant Management Principles



- The Department of Housing and Community Development (HCD) was designated by the State of California as the agency responsible for administering ESG & ESG-CV funds
- To administer the ESG & ESG-CV program in compliance with federal regulations, HCD has developed policies and procedures on a range of topics required by the ESG-CV grant agreement, [program regulations](#), and [Federal Register Notices](#)
- Grantees and their subrecipients are required to adopt and implement applicable policies in order to receive an ESG & ESG-CV award



Roles & Responsibilities





Written Standards

- HCD and Grantees must establish and follow written standards to ensure that ESG & ESG-CV funds are used in accordance with the financial and programmatic requirements of the award

Resource:
[Sample ESG-CV
Written Standards](#)

Key ESG-CV Written Standards	
Determining and prioritizing which eligible individual's and families will receive assistance	Determining eligible temporary shelter spaces and protocols for use
Determining the amount/percentage of rent and utilities each participant must pay	Modifying Coordinated Entry Systems to prioritize assistance for individuals at high risk of COVID-19 illness
Determining how long a particular participant will be assisted	Coordinating with public health and emergency response partners
Identifying whether the amount of assistance will be adjusted over time, and if so, how	Documenting COVID-19 tieback and compliance with Duplication of Benefits requirements



Expenditure Deadline

- All ESG-CV funds awarded to HCD must be expended for eligible activity costs by September 30, 2022
- Each Standard Agreement requires grantees to meet the following expenditure milestones:

Percentage of ESG-CV Award Expended	Expenditure Deadline Date
20%	July 31, 2021
40%	September 30, 2021
60%	November 30, 2021
80%	January 31, 2022



Financial Management

- Financial Management is the process of using funds effectively, efficiently, and transparently
- HCD and grantees are responsible for maintaining adequate control and accountability over all funds, property, and other assets to ensure ESG-CV funds are used solely for the authorized purposes

Requirements	Key Components
Administrative Requirements	<ul style="list-style-type: none">• Budgeting• Accounting systems & records• Internal controls
Cost Principles	<ul style="list-style-type: none">• Allowable and unallowable costs• Indirect costs
Audit Requirements	<ul style="list-style-type: none">• Single audit requirements



Procurement

- HCD, Grantees, and Subrecipients must follow the proper procurement process when obtaining goods and/or services that will be paid for with ESG-CV funds
- One of the following methods of procurement must be followed, documented, and approved prior to incurring the cost

Records:

1. Solicitation documents
2. Offers received
3. Evaluations & determinations
4. Advertisements for M/WBE & Section 3 (if applicable)

Informal Methods	Formal Methods
Micro-purchase	Sealed bids
Small purchase	Competitive proposals

- If entering into an agreement with Subrecipients, contractors, consultants, and/or other parties that will be reimbursed with ESG-CV funds, the agreement must contain the following:

Records:
Executed
Agreement(s)

Key Agreement Provisions	
ESG-CV program requirements	Rights to inventions made under a contract
Equal Employment Opportunity	Environmental standards
State Labor Code requirements	Debarment and suspension
Byrd Anti-Lobbying Amendment	Procurement requirements
Telecommunication services and/or equipment restrictions	Recordkeeping and reporting requirements
Section 3 requirements (if applicable)	Duplication of Benefits requirements



Duplication of Benefits

- A Duplication of Benefits (DOB) occurs when assistance from multiple sources is used for the same purpose
- An analysis must be completed to ensure a DOB does not occur at the activity and beneficiary level

Records:

1. ESG-CV DOB Calculation Worksheet
2. Award verification
3. Use verification

DOB Analysis

1. **Assess Need:** determine the amount of need (total cost)
2. **Verify Awards & Use:** determine the amount of assistance from all sources used to pay for the cost
3. **Calculate Unmet Need:** determine the amount of assistance already provided compared to the need to determine the maximum ESG-CV award
4. **Document Analysis:** maintain adequate documentation justifying determination of maximum award



Section 3

- Construction projects with a \$200,000+ budget must comply with the Section 3 Safe Harbor Benchmark requirements to identify, train, and hire low- and very low-income persons
- Grantees and contractors must demonstrate that the following conditions have been met

$$\frac{\text{Section 3 Labor Hours}}{\text{Total Labor Hours}} = 25\%$$

$$\frac{\text{Targeted Section 3 Labor Hours}}{\text{Total Labor Hours}} = 5\%$$

Records:

1. Section 3 Worker Verification
2. Targeted Section 3 Worker Verification
3. Timesheet and payroll records for all workers, including Section 3 workers, and Targeted Section 3 workers
4. Employment opportunity outreach
5. HUD-60002 Report



Environmental Review

- An environmental review must be completed before any ESG & ESG-CV funds are committed to a project to ensure people’s health and their surrounding environment are not negatively impacted

Records:

1. ER Checklist
2. NOI (if needed)
3. RROF (if needed)
4. AUGF (if needed)
5. Remediation Verification (if needed)

	Exempt	CENST	CEST	EA
Street Outreach		Street outreach activities		
Emergency Shelter	Leasing of existing structures as temporary shelters; Temporary shelter operations and services	Permanent shelter operations and services	Conversion of existing structure as permanent shelter; Minor repairs and rehabilitation of emergency shelter	Major rehabilitation of emergency shelter that changes size by more than 20% or costs exceed 75% of replacement value after rehabilitation
Homelessness Prevention & Rapid Re-Housing		Tenant-based assistance; Housing relocation and stabilization services	Residential unit-based assistance; Leasing office space	
HMIS & Admin	HMIS & Admin personnel	HMIS & Admin equipment & supplies	Leasing office space for HMIS & Admin	



Programmatic Data Collection

- Grantees and Subrecipients must collect Universal Data Elements (UDE) and a select number of Program-Specific Data Elements from each beneficiary assisted
- Beneficiary data must be entered into HMIS, or a comparable database, for all ESG-CV projects
- ESG-CV awardees must take reasonable measures to safeguard Personally Identifiable Information (PII) and other information designated as sensitive

Resource:
[HMIS Manual](#)

Data:

1. Name
2. SSN
3. Date of birth
4. Race
5. Ethnicity
6. Gender
7. Head of household
8. Veteran status
9. Disabling condition
10. Project start and end date
11. Client living situation



Financial Data Collection

- Grantees and Subrecipients must maintain records that are complete, accurate, and demonstrate that costs are allowable, allocable, necessary, and reasonable to the funding source
- To enhance efficiency, Grantees may require their Subrecipients to use the Request for Funds (RFF) form

Records:

1. RFF Form
2. Personnel costs (timesheets, payroll, and proof of payment)
3. Non-personnel costs (procurement, invoice, and receipt)



- The data collection requirements assist HCD in completing the homeless reporting sections of the Consolidated Annual Performance and Evaluation Report (CAPER) and ensure Grantees are meeting their performance goals as outlined in their Standard Agreement

	Monthly	Quarterly	Annually
HCD	Completes drawdown of approved Requests for Funds in IDIS	Submits data from HMIS and expenditure details to HUD through Sage	Submits CAPER to HUD
Grantees	Submits Request for Funds to HCD	Ongoing reporting of beneficiary data in HMIS	Submits HUD-60002 Report (Section 3) to HCD (if applicable)
Subrecipients	Submits Request for Funds to Grantees	Ongoing reporting of beneficiary data in HMIS	Submits HUD-60002 Report (Section 3) to Grantees (if applicable)

- Monitoring is meant to ensure programs are compliant with relevant funding restrictions, effective in delivering services, and achieving performance goals in a manner consistent with applicable laws and regulations



Records:

1. Risk Assessment
2. Monitoring Plan
3. Intent to Monitor Letter
4. Monitoring Checklist
5. Documentation demonstrating compliance
6. Monitoring Report
7. Documentation of corrective actions (if applicable)
8. Documentation of remedial actions and sanctions (if applicable)



- Entities being monitored must provide supporting documentation that demonstrates compliance with the financial and programmatic requirements of the award

Potential Monitoring Results

Clearance: No violation of the program regulations or Standard Agreement requirements

Concern: A condition, that if not corrected, may result in a violation of the program regulations or Standard Agreement requirements

Finding: A violation of the program regulations and/or Standard Agreement requirements

*Failure to address findings in accordance with the recommended corrective action may result in the temporary denial of reimbursement, repayment of previous reimbursements, or termination of the agreement.

Records:

1. Written standards (programmatic and financial)
2. Program accomplishments (client intake, client eligibility verification, and proof of service delivery)
3. Documentation supporting all costs charged to the award are allowable, allocable, necessary, and reasonable (timesheets, payroll, proof of payment, general ledger, procurement, invoice, and receipts)



Closeout

- [Closeout](#) occurs after all necessary reports have been submitted, expenditures reconciled, and monitoring findings are resolved
- HUD will provide guidance and procedural instructions for ESG-CV awardees on the closeout process
- HCD and Grantees will have 90 days after the ESG-CV period of performance for grant ends (9/30/2022) to submit RFFs for costs incurred before 9/30/2022 and complete drawdowns in IDIS

- The closeout of a Federal award does not affect any of the following:
 - The right of the Federal awarding agency or pass-through entity to disallow costs and recover funds based on a later audit or other review
 - The requirement for the non-Federal entity to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments
 - The ability of the Federal awarding agency to make financial adjustments to a previously closed award such as resolving indirect cost payments and making final payments
 - Audit requirements
 - (Property management and disposition requirements in [§ 200.310](#) through [200.316 of this subpart](#).)
 - Records retention as required in [§200.334](#) through [200.337 of this subpart](#)



Thank you for listening.