
SPRINGFIELD- HAMPDEN COUNTY CONTINUUM OF CARE

Guidance for Subrecipients

City of Springfield Office of Housing
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Contents

INTRODUCTION.....	1
SECTION 1: CoC ROLES, PROGRAM TYPES AND REIMBURSABLE EXPENSES.....	2
Roles.....	2
CoC Grant Program Types.....	2
Reimbursable Activities.....	3
SECTION 2: GRANT APPLICATION, CONTRACTS & AMENDMENTS.....	6
Grant Application.....	6
Grant Selection and Award.....	7
Subrecipient Contracts.....	8
Project Changes – Grant Amendments.....	8
SECTION 3: FINANCIAL REQUIREMENTS.....	10
Matching Funds.....	10
Invoicing and Payment Processing.....	10
Allowable Costs.....	11
Program Income and Accounting for Rental Income.....	11
Accounting Principles.....	11
Audit Requirements.....	12
SECTION 4: SUBRECIPIENT REQUIRED POLICIES & PROCEDURES.....	13
Homeless consumer participation.....	13
Conflicts of interest.....	13
Procurement.....	14
Fair Housing & Affirmatively Furthering Fair Housing.....	16
Faith-based activities.....	16
Recordkeeping: Confidentiality, Retention, & Access.....	15
SECTION 5: PROGRAM OPERATIONS.....	18
Participant Eligibility: Homelessness Status.....	18
Documenting Eligibility & Targeting Requirements.....	19
Housing Quality and Suitable Unit Size.....	20
Occupancy Agreement; Occupancy Charges or Rent.....	21
Service and Case Management.....	22

Records of Reasonable Belief of Imminent Threat of Harm	22
Termination of Assistance to Program Participants	17
SECTION 6: REPORTING REQUIREMENTS	24
HMIS.....	24
ANNUAL PERFORMANCE REPORT (APR).....	24
SECTION 7: SUBRECIPIENT MONITORING	25
On-Site Monitoring	25
Procedures for High-Risk Subrecipient Management.....	26
Remedial Actions	27
Sanctions	27
Deobligation of Funds	27
Withholding Payments.....	28

APPENDICES

Appendix A: Checklist of Required Documents and Forms
 Appendix B: Vote of the Corporation Authorizing Execution of Contract
 Appendix C: City of Springfield Contract Template
 Appendix D: Invoice Form
 Appendix E: Form for Verification of Homeless Status
 Appendix F: Form for Verification of Imminent Homeless Status
 Appendix G: Form for Verification of Disabled Status Appendix H:
 Appendix H: Form for Verification of Chronic Homelessness Status
 Appendix I: Housing Quality Standards Checklist – Long Form
 Appendix J: Housing Quality Standards Checklist – Short Form
 Appendix K: Subrecipient Monitoring Checklist
 Appendix L: Sample Monitoring Letter

INTRODUCTION

The federal Continuum of Care (CoC) Program is designed to:

1. Promote communitywide commitment to the goal of ending homelessness;
2. Provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness;
3. Promote access to and effect utilization of mainstream programs by homeless individuals and families; and
4. Optimize self-sufficiency among individuals and families experiencing homelessness.

In furtherance of the second goal, the Hampden County CoC applies annually for CoC Program funds from the U.S. Department of Housing and Urban Development (HUD) through an application which includes multiple projects to be operated by various subrecipients. The process for choosing applicant/subrecipients to be included in the application, and the procedures for compiling the application, are established by the CoC and are not included in this guide.

The City of Springfield serves as the collaborative applicant/Unified Funding Agency (UFA) for federal Continuum of Care (CoC) program funds for the Springfield-Hampden County CoC. In this role, the City enters into grant agreements with the U.S. Department of Housing and Urban Development (HUD), and into subrecipient agreements with Subrecipients that operate programs that provide housing and services for homeless individuals and families.

This Guidance for Subrecipients provides direction to Subrecipients regarding HUD program requirements and the City's procedures for managing CoC grants.

Additional guidance for CoC grantees can be found in the following:

1. HMIS Policies and Procedures Manual
This manual provides information and instructions for grantees on the CoC's Homeless Management Information System (HMIS), an online data system. Grantees are required to provide client-level information into this system.
2. City of Springfield Internal Grant Management Policies and Procedures
This manual describes the City of Springfield's internal policies and procedures for managing homeless and special needs housing grants. Topics addressed in the manual are the City's grant management organizational chart and key personnel; financial management systems; prevention of fraud and abuse of funds; Code of Conduct; procurement policies and procedures; accounting principles and audit requirements; policies for Subrecipient monitoring; and available remedial actions and sanctions.

All policies and procedures can be found on the Springfield-Hampden County CoC's webpage located at <https://springfieldhampdencoc.wordpress.com>.

SECTION 1: CoC GRANT ROLES, PROGRAM TYPES AND REIMBURSABLE ACTIVITIES

Roles

U.S Department of Housing and Urban Development (HUD)

All CoC Program funds originate from HUD, and HUD regulations govern operation of programs funded by the CoC Program. Key resources for HUD regulations and guidance interpreting the regulations are:

- CoC Program Interim Rule, 24 C.F.R . Part 578, available at www.hudexchange.info/resources/documents/CoCProgramInterimRule_FormattedVersion.pdf
- Homeless Definition Final Rule, 24 C.F.R. Parts 91, 582 and 583, available at www.hudexchange.info/resources/documents/HEARTH_HomelessDefinition_FinalRule.pdf
- Defining Chronically Homeless Final Rule, 24 C.F.R. Parts 91 and 578, available at www.hudexchange.info/resources/documents/Defining-Chronically-Homeless-Final-Rule.pdf
- HUD Ask-a-Question resource: www.hudexchange.info/program-support/my-question

Springfield-Hampden County Continuum of Care (CoC)

The Springfield-Hampden County CoC undertakes annual strategic planning and application for HUD funds. The CoC's role includes the selection of projects to be included in the application. The CoC is also responsible for evaluating whether CoC programs effectively and efficiently carry out the CoC's goals.

The City of Springfield

Springfield operates as the Collaborative Applicant and Unified Funding Agency/Grantee for HUD funds, and as Grant Manager for each individual CoC Subrecipient grant. In its role as Grant Manager, the City initiates the grant agreement with each Subrecipient, receives and pays invoices, and monitors programs for compliance with the CoC Program Interim Rule and related HUD guidance. The City staff that carry out these tasks are a Senior Program Manager and a Financial Analyst. The City also operates the CoC's Homeless Management Information System (HMIS). This task is carried out by the HMIS Coordinator.

Subrecipient

The entity that operates a CoC program is referred to as a Subrecipient. The Subrecipient enters into an annual contract with the City for CoC Program funds.

CoC Grant Program Types

The Springfield-Hampden County CoC provides funds to agencies to operate the following types of programs (which HUD refers to as "components"):

Permanent housing (PH)

Community-based housing without a designated length of stay.

- ***Permanent supportive housing for persons with disabilities (PSH).***
Eligible households must include a person with a disability, and supportive services must be made available to the program participants.
- ***Rapid rehousing.***

Supportive services and/or short-term (up to 3 months) and/or medium term (for 3 to 24 months) tenant-based rental assistance, designed to help a homeless individual or family move quickly into permanent housing and achieve stability.

Transitional Housing (TH)

Transitional housing facilitates the movement of homeless individuals and families to PH within 24 months of entering TH. Beginning with the FY2016 program year, the CoC no longer has any TH projects.

Reimbursable Activities

The following guidance indicates the costs that may be included in program budgets, to be paid for by the CoC grant or by matching funds.

Acquisition, Rehabilitation, New Construction

The cost of acquisition, rehabilitation, and new construction to be used to provide housing for homeless persons, and the cost of acquisition and rehabilitation to be used to provide supportive services to homeless persons.

Leasing

The costs of leasing to provide housing or supportive services to homeless persons.

Leasing Caution – Conflict of Interest

Leasing funds may not be used to lease units or structures owned by the recipient, subrecipient, their parent organization, or any other related organization, unless HUD has authorized an exception for good cause.

Leasing: limits on rent costs. Rents paid must be reasonable in relation to comparable space or units, and may not be more than the owner charges others for comparable units. Rents for units cannot exceed the HUD Fair Market Rent.

Utilities. If electricity, gas, and water are included in the rent, these utilities may be paid from leasing funds. If utilities are not provided by the landlord, these utility costs are an operating cost, except for supportive service facilities. If the structure is being used as a supportive service facility, then these utility costs are a supportive service cost.

Security deposits and first and last month's rent. Grant funds may be used to pay security deposits, in an amount not to exceed 2 months of actual rent, as well as last months' rent.

Rental Assistance

Rental assistance for homeless individuals and families; may be short-term, up to 3 months of rent; medium term, for 3 to 24 months of rent; or long-term, for longer than 24 months of rent. Grant funds may be used for security deposits in an amount not to exceed 2 months of rent, as well as last months' rent.

Supportive Services

The eligible costs of supportive services that address the special needs of the program participants. If the supportive services are provided in a supportive service facility not contained in a housing structure, the costs of day-to-day operation of the supportive service facility, including maintenance, repair, building security, furniture, utilities, and equipment are eligible as a supportive service.

Supportive Services Must Relate to Housing Stability

Supportive services must be necessary to assist program participants obtain and maintain housing, and agencies must conduct an annual assessment of the service needs of the program participants and adjust services accordingly.

Eligible costs

- Annual assessment of service needs
- Reasonable one-time moving costs
- Case management
- Child care
- Education services
- Employment assistance and job training
- Food: meals or groceries for program participants
- Housing search and counseling services
- Legal services
- Life skills training
- Mental health services
- Outpatient health services
- Outreach services
- Substance abuse treatment services
- Transportation
- Utility deposits (one-time fee, paid to utility companies)
- Direct provision of services: 1) costs of labor, supplies, and materials; and 2) salary and benefit packages of service delivery staff.

Ineligible costs: Any cost that is not described as an eligible cost is not an eligible cost. Staff training and the costs of obtaining professional licenses or certifications needed to provide supportive services are not eligible costs.

Operating Costs

Grant funds may be used to pay the costs of the day-to-day operation of transitional and permanent housing in a single structure or individual housing units.

Eligible costs:

- Maintenance and repair of housing
- Property taxes and insurance

- Scheduled payments to a reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost)
- Building security for a structure where more than 50 percent of the units or area is paid for with grant funds
- Electricity, gas, and water
- Furniture
- Equipment

Ineligible costs Program funds may not be used for rental assistance and operating costs in the same project. Program funds may not be used for the maintenance and repair of housing where the costs of maintaining and repairing the housing are included in the lease.

HMIS

The Agency may use CoC program funds to pay the costs of contributing data to the CoC's HMIS, including the costs of:

- Purchasing or leasing computer hardware
- Purchasing or leasing equipment, including telephones, fax machines, and furniture
- Obtaining technical support
- Leasing office space
- Paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS
- Paying salaries for operating HMIS
- Paying costs of staff to travel to and attend HUD-sponsored and HUD approved training on HMIS
- Paying staff travel costs to conduct intake
- Paying participation fees charged by the HMIS Lead
- If the Subrecipient is a victim services provider, or a legal services provider, it may use Continuum of Care funds to establish and operate a comparable database that complies with HUD'S HMIS requirements.

Project Administration

The Agency may use up to 50% of the HUD-allowed administrative funds associated with the project.

Indirect costs

CoC funds may be used to pay indirect costs in accordance with OMB Circulars A-87 or A-122, as applicable. Indirect costs may be allocated to each eligible activity, so long as that allocation is consistent with an indirect cost rate proposal developed in accordance with OMB Circulars A-87 or A-122, as applicable.

SECTION 2: GRANT APPLICATION, CONTRACTS & AMENDMENTS

Grant Application

The CoC collaborative grant application process takes place annually under a framework established by HUD and carried out by the CoC. HUD issues a Notice of Funding Availability (NOFA) which identifies available funding and the procedures for the CoC to apply for funds. Upon release of the HUD NOFA, the Springfield-Hampden County CoC issues a Request for Proposals (RFP) seeking new and renewal programs to apply for funding. Applicants must comply with the process established by the CoC for seeking new or renewal funding.

Required Documents

For CoC grant opportunities for programs which will be administered by the City of Springfield, the City requires the following documents to be submitted at the time of RFP response:

- Agency Articles of Incorporation
- Minutes of Board of Directors meeting authorizing application for new or renewal funding
- Current List of Board of Directors with identification of Officers and terms
- Certified Organization Audit/Financial Statements of most recent year
 - a. Copy of OMB A-133 Audit (Required if \$500,000 or more in aggregate Federal funds expended); or
 - b. Financial statements audited by a CPA (if not bound by the requirements of OMB A-133); or
 - c. Profit and Loss statement (only first time applicants or those who do not meet above criteria may submit)
- IRS 501(c)3 Designation Letter
- Notarized Tax Certification Affidavit
- Conflict of Interest Statement
- Debarment Certificate
- Internal Control Questionnaire
- Agency Equal Employment Opportunity Policy
- Agency Fair Housing Policy
- Agency Drug-Free Workplace Policy

City of Springfield staff review all submitted required documents prior to RFP committee review.

No Awards to Debarred and Suspended Parties

The City of Springfield will not make any award or permit any award to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

Grant Selection and Award

Applicants who apply for funding through an RFP process are notified in writing if they are selected. Successful applicants are included in the CoC's collaborative application submitted to HUD. HUD provides public notice and notice to the City of Springfield of approved applications. The City directly notifies Subrecipients of newly-funded programs. The City will contract with each funded agency once all grant requirements and conditions are met.

Grant Requirements and Conditions

The City and the Subrecipient must satisfy all conditions before the execution of a grant agreement, including proof of the following:

- Site control (for new projects);
- Matching funds;
- Environmental review requirements; and
- Documentation of financial feasibility (for new projects).

In addition to standard conditions, HUD may impose additional conditions such as requests for supporting documentation, revisions to the project budget, or modifications to a proposed activity to ensure compliance with the regulations. HUD will withdraw an award if the applicant does not satisfy all conditions.

Site Control

Site control establishes evidence that project sites are secured and that Subrecipients can operate in given locations. Acceptable evidence of site control is a deed or lease. If CoC Program funds are to be used for acquisition, a purchase agreement is acceptable evidence of site control. Site control requirements do not apply to housing that will be eventually owned or controlled by individuals or families served.

Environmental Review

All projects assisted with CoC Program funds are subject to environmental review, which is a review of the impact of the project on the local environment and the impact of the environment on the project. New projects may not proceed until environmental review is completed. Renewal projects should have environmental review completed every five years or sooner if environmental conditions change.

Environmental review is completed by the City. Subrecipients must provide all available, relevant information required for an environmental review. Before proceeding with grant implementation, the City submits documentation to HUD supporting the successful completion of an environmental review.

Technical Submission

New CoC projects awarded funding by HUD are required to submit a technical submission. The City will assist the applicant to complete the Technical Submission, and the City will submit it to HUD.

Subrecipient Contracts

Successful agencies that will enter into project contracts with the City are referred to as Subrecipients. Subrecipients must have all required documents on file with the City for the City to initiate the program contract between the agency and the City. In addition to the documents that were required to be submitted with the RFP, the Subrecipient must also provide the following:

- Insurance certificate; and
- Vote of the Corporation Authorizing Execution of Contract.

A checklist of all required documents is attached to this Guide as Appendix A. The document to be used to demonstrate the Vote of the Corporation Authorizing Execution of Contract is attached as Appendix B. Documents and forms provided during the response to RFP do not have to be provided again.

City policy requires that all recipients of funds from the City of Springfield must be current on all City taxes and fees and may not have any housing or building code violations.

A full review of all documents, as well as eligibility and fiscal review, is completed by the Senior Program Manager. Once the Senior Program Manager approves the information, a contract is assembled. Two original contracts are sent to the Subrecipient for signature, and are then executed by the City. One of the fully executed contracts will be returned to the Subrecipient.

A copy of the standard form contract is included with this document in Appendix C.

Project Changes – Grant Amendments

Significant and minor changes to a project are sometimes necessary during the term of a CoC Program grant. Whenever it is necessary to make changes, the City and the HUD field office must be involved – either to be informed of the change or to approve the change through a significant grant amendment, depending on the scope. The City may not request an amendment to a grant before the grant agreement has been signed.

Significant Grant Amendments

Neither recipients nor Subrecipients may make any significant changes to projects without prior HUD approval as evidenced by grant amendments signed by HUD and the recipients. Significant changes substantially affect project implementation and represent a departure from the initial application.

To initiate a request for a significant grant amendment, the Subrecipient must submit the request to the City's Senior Program Manager. If the City assents to the request, the City will submit a written request for significant grant amendment directly to the local HUD field office, which will review the request to approve or reject the amendment. The City and Subrecipients are prohibited from proceeding with any changes unless HUD provides written approval.

Significant changes include:

- Change of recipient(s);
- Change of project site;

- Addition or elimination of eligible costs approved for a project;
- Shift of more than 10 percent of from one approved eligible cost category to another;
- Permanent change in subpopulation served by any one project under the grant; and
- Permanent reduction in the total number of units funded under the grant.

HUD will not approve requests for a change in recipient unless the new recipient meets the capacity criteria described in either the NOFA under which the grant was awarded or the most recent CoC Program NOFA.

HUD will approve a shift in funds or change in subpopulations only if such changes are necessary to better serve eligible persons within the CoC's geographic area and if the change supports priorities established under the CoC Program NOFA in which the grant was originally awarded or the most recent CoC Program NOFA.

Minor Changes

Minor changes from the approved grant do not substantially affect grant implementation. An example of a minor change is a shift of less than 10 percent of CoC Program funds from one approved activity to another over the term of the grant. Minor changes do not require HUD approval. However, a Subrecipient must notify the City of these changes in writing. The City will notify the HUD field office to update the budget in LOCCS. Subrecipients and the City must fully document minor changes to an approved grant or project in their records.

SECTION 3: FINANCIAL REQUIREMENTS

Matching Funds

Match Requirement

The Subrecipient must match all grant funds, except for leasing funds, with no less than 25 percent of funds or in-kind contributions from other sources. Cash match must be used for the costs of activities that are eligible CoC program costs.

Source of Match Funds

A Subrecipient may use funds from any source, including any other federal sources (excluding CoC program funds), as well as State, local, and private sources, provided that funds from the source are not statutorily prohibited to be used as a match. The Subrecipient must ensure that any funds used to satisfy the matching requirements of this section are eligible under the laws governing the funds.

In-kind contributions

The Subrecipient may use the value of any real property, equipment, goods, or services contributed to the project as match, provided that if the Subrecipient had to pay for them with grant funds, the costs would have been eligible CoC program costs.

Before grant execution, services to be provided by a third party as match must be documented by a memorandum of understanding (MOU) between the Subrecipient and the third party that will provide the services. Services provided by individuals must be valued at rates consistent with those ordinarily paid for similar work in the Subrecipient's organization. If the Subrecipient does not have employees performing similar work, the rates must be consistent with those ordinarily paid by other employers for similar work in the same labor market. The MOU must establish the unconditional commitment, except for selection to receive a grant, by the third party to provide the services, the specific service to be provided, the profession of the persons providing the service, and the hourly cost of the service to be provided.

During the term of the grant, the Subrecipient must keep and make available, for inspection, records documenting the service hours provided.

Invoicing and Payment Processing

Invoices are to be submitted by the Subrecipient monthly to the Senior Program Manager on the City's standard invoice form, which is provided at Appendix D.

The Subrecipient submits requests for reimbursement based on the budgets attached to the contract. Funds are released on a reimbursement basis only and source documentation is required. Source documentation may include, but is not limited to, time and attendance records, payrolls, invoices, canceled checks, paid bills, purchase orders, and other sufficient documentation to verify the expenditures.

Invoices must identify match funds and sources expended during the billing period, and must be accompanied by source documentation for matching funds.

Allowable Costs

To be allowable under Federal awards, costs incurred by the Subrecipient must meet the following general criteria:

- Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- Be authorized under State or local laws or regulations.
- Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- Be adequately documented.

Program Income and Accounting for Rental Income

In CoC-funded programs, rents received by Subrecipients are “program income.” The following rules apply to program income:

- Funds are subject to all applicable requirements for CoC programs;
- Funds are to be used for previously approved eligible activities in the project (with one exception: rent may be put into client savings accounts); and
- Funds are used *before* additional cash withdrawals are made from CoC Program funds.

Accounting Principles

Nonprofit Subrecipients must comply with requirements set forth in the following:

- [OMB Circular A-110](#) "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations" This circular sets forth standards for obtaining consistency and uniformity among Federal agencies in the administration of grants to and agreements with institutions of higher education, hospitals, and other nonprofit organizations.
- [OMB Circular A-122](#) "Cost Principles for Non-Profits" This circular establishes principles for determining allowable costs under grants, contracts, and other agreements with nonprofit organizations.

Audit Requirements

Subrecipients are responsible for obtaining audits in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. § 7501–7507) and revised OMB Circular A–133, “Audits of States, Local Governments, and Non-Profit Organizations,” which requires all entities expending \$500,000 or more in federal funds in a fiscal year to undergo an outside audit. Audits shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits. Audits must be undertaken annually.

Subrecipients must forward a copy of their audit to the City upon audit completion. The Senior Program Manager reviews all audits upon receipt to determine if the Subrecipient is in compliance with Federal laws and regulations regarding CoC grants.

If an audit indicates that the Subrecipient is not in compliance, the City shall require that corrective action be taken within six months of receipt of the audit report, and, if such corrective action is not made, the Subrecipient shall be subject to Remedial Actions and Sanctions pursuant to Section 8 of these Grant Management and Financial Policies & Procedures.

SECTION 4: REQUIRED POLICIES & PROCEDURES

Subrecipients must establish and maintain policies and procedures for ensuring that CoC program funds are used in accordance with the requirements of the CoC Program interim rule. The box below provides a list of the requirements, which are explained below.

Checklist of Required Subrecipient Policies and Documentation

- ☐ Board of Directors List with at least one homeless/formerly homeless individual
- ☐ Conflict of Interest Policy
- ☐ Written Code of Conduct
- ☐ Procurement Policy
- ☐ Recordkeeping Policies and Procedures
- ☐ Nondiscrimination and Reasonable Accommodation/Modification Policy
- ☐ Affirmative Marketing /Outreach to those Least Likely to Apply
- ☐ Faith Based Organizations must have policies regarding the CoC-funded program which prohibit discrimination and required participation in religious activities; require overtly religious activities to be separate in time or place; and provide for referral to an alternate program for a participant who objects to the religious character of the Subrecipient
- ☐ Program Rules and Termination Procedures

Homeless consumer participation

Subrecipients must provide for the participation of at least one homeless or formerly homeless individual on the board of directors or other equivalent policymaking entity.

DOCUMENTATION: Subrecipients must document compliance with the homeless participation requirements.

Conflicts of interest

The agency must have policies which prohibit both organizational conflicts of interest and other conflicts of interest.

Organizational conflict of interest

An organizational conflict of interest arises when, because of activities or relationships with other persons or organizations, the Subrecipient is unable or potentially unable to render impartial assistance in the provision of any type or amount of assistance under this part, or when a covered person's objectivity in

performing work with respect to any activity assisted under this part is or might be otherwise impaired. Such an organizational conflict would arise when an employee of a Subrecipient participates in making rent reasonableness determinations and housing quality inspections of property that the Subrecipient or a related entity owns.

Other conflict of interest requirements

No covered person¹ may obtain a financial interest or benefit from an assisted activity, have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity, or have a financial interest in the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has immediate family or business ties, during his or her tenure or during the one-year period following his or her tenure.

DOCUMENTATION: The Subrecipient must have a written Conflict of Interest Policy and must keep records documenting compliance with the policy.

Procurement

Subrecipients must have written policies which comply with federal requirements for non-profit agencies using federal funds for procurement. This Subrecipient Guide provides a summary of procurement requirements; detailed information about non-profit agency procurement and contracting requirements are set forth in OMB Circular A-110 (www.whitehouse.gov/omb/circulars_a110).

Code of Conduct

Subrecipients must maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts.

Requirements for Subrecipient Code of Conduct

- No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.
- The officers, employees, and agents of the Subrecipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. However, Subrecipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.
- The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Subrecipient.

¹ A person who is an employee, agent, consultant, officer, or elected or appointed official of the Subrecipient and who exercises or has exercised any functions or responsibilities with respect to activities assisted under the CoC Program, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under CoC Program.

Procurement Policies

Subrecipient procurement transactions must be conducted in a manner to provide, to the maximum extent practical, open and free competition. Procurement awards must be made to the responsive and responsible offeror whose bid or offer is responsive to the solicitation and is most advantageous to the Subrecipient, price, quality and other factors considered. Subrecipients must have procurement policies in place regarding the following types of procurements.

Small purchase procedures

Small purchase procedures are used for procurements under \$25,000, and are relatively simple and informal procurement methods. Sound business practices are required for small purchases, which is met by obtaining price or rate quotations from at least three (3) qualified sources.

Procurements in excess of the small purchase threshold

Subrecipients must use a solicitation process for procurements that exceed the small purchase threshold. Procurement records and files for purchases in excess of the small purchase threshold shall include the following at a minimum: basis for contractor selection; justification for lack of competition when competitive bids or offers are not obtained; and basis for award cost or price.

DOCUMENTATION: Subrecipients must have a written Code of Conduct and written Procurement Policies and Procedures.

Recordkeeping: Confidentiality & Retention

Confidentiality of Records

Subrecipients must develop and implement written procedures to ensure:

- All records containing protected identifying information of any individual or family that applies for and/or receives CoC Program assistance will be kept secure and confidential.
- The address or location of any family violence project assisted with CoC Program funds will not be made public, except with written authorization of the person responsible for the operation of the project; and
- The address or location of any housing of a program participant will not be made public, except as provided under a pre-existing privacy policy of the Subrecipient and consistent with State and local laws regarding privacy and obligations of confidentiality.

Period of Record Retention

All records containing information related to CoC Program funds and activities must be retained and kept accessible for either 5 years or the period specified below, whichever is longer. Copies of records may be substituted for original records.

- Program participants' qualifications, eligibility documentation, and other program participant records must be retained for 5 years after expenditure of all funds from grant under which program participants were served.
- Records for acquisition, new construction, and rehabilitation must be retained for 15 years following the date the project is first occupied, or used, by program participants. Only those

records related to the acquisition, rehabilitation, or new construction must be retained for 15 years. All other records must be retained for the period of time specified above.

Nondiscrimination and Reasonable Accommodation/Modification Policy

CoC Programs must operate in compliance with federal nondiscrimination and equal opportunity requirements, including the Fair Housing Act, Title VI of the Civil Rights Act, the Age Discrimination Act, Section 504 of the Rehabilitation Act, and the Americans with Disabilities Act. The requirements of executive orders regarding equal opportunity and opportunities for minority- and women-owned businesses apply.

Subrecipients may not discriminate on the basis of actual or perceived sexual orientation, gender identity or marital status. The age and gender of a child under age 18 must not be used as a basis for denying any family's admission to a project that receives CoC program funds.

For persons with disabilities, fair housing law makes it illegal to: (1) fail to make reasonable accommodation in rules, policies, and services to give a person with a disability equal opportunity to occupy and enjoy the full use of a housing unit and (2) fail to allow reasonable modification to the premises if the modification is necessary to allow full use of the premises.

DOCUMENTATION: Subrecipients must have written policies regarding Nondiscrimination and Reasonable Accommodations/Modifications.

Affirmatively Furthering Fair Housing

A Subrecipient must implement its programs in a manner that affirmatively furthers fair housing, which means that the Subrecipient must:

- Affirmatively market its housing and supportive services to eligible persons—regardless of race, color, national origin, religion, sex, age, familial status, or handicap—who are least likely to apply in the absence of special outreach, and maintain records of those marketing activities;
- Where a Subrecipient encounters a condition or action that impedes fair housing choice for current or prospective program participants, provide such information to the jurisdiction that provided the certification of consistency with the Consolidated Plan; and
- Provide program participants with information on rights and remedies available under applicable federal, State and local fair housing and civil rights laws.

DOCUMENTATION: To document compliance with the requirements to affirmatively further fair housing, Subrecipients must maintain copies of marketing, outreach, and other materials used to inform eligible program participants who are least likely to apply, in the absence of special outreach, for the project.

Faith-based activities

Subrecipients shall not, in providing program assistance, discriminate against a program participant or prospective program participant on the basis of religion or religious belief, including a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

Explicitly religious activities (such as worship, religious instruction, or proselytization) must take place separately (in time or location) from CoC-funded activities and must be voluntary for participants in CoC-funded programs.

A faith-based organization receiving CoC funds may maintain its independence and religious character. Faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. A CoC program-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organizations mission statements and other governing documents.

If a program participant or prospective program participant of the CoC program supported by HUD objects to the religious character of an organization that provides services under the program, that organization shall, within a reasonably prompt time after the objection, undertake reasonable efforts to identify and refer the program participant to an alternative provider to which the prospective program participant has no objection.

DOCUMENTATION: Subrecipients that are faith-based organizations must document compliance with the faith-based activities requirements.

Program Rules; Termination of Assistance to Program Participants

The Subrecipient may terminate assistance to a program participant who violates program requirements or conditions of occupancy. In terminating assistance to a program participant, the Subrecipient must provide a formal process that recognizes the rights of individuals receiving assistance under the due process of law. This process, at a minimum, must consist of:

- Providing the program participant with a written copy of the program rules and the termination process before the participant begins to receive assistance;
- Written notice to the program participant containing a clear statement of the reasons for termination;
- A review of the decision, in which the program participant is given the opportunity to present written or oral objections before a person other than the person (or a subordinate of that person) who made or approved the termination decision; and
- Prompt written notice of the final decision to the program participant.

Subrecipients that are providing permanent supportive housing for hard-to-house populations of homeless persons must exercise judgment and examine all extenuating circumstances in determining when violations are serious enough to warrant termination so that a program participant's assistance is terminated only in the most severe cases.

DOCUMENTATION: Subrecipients must keep records that document that in cases of termination of assistance, the Subrecipient complied with the required due process protections. Documentation must include program rules and the procedures to be followed in cases of termination.

SECTION 5: PROGRAM OPERATIONS & PARTICIPANT FILES

This section describes requirements that apply for program operation and addresses the documentation that must be kept in participant files to demonstrate compliance.

Participant Eligibility: Homelessness Status

The Subrecipient must serve people who meet the appropriate HUD definition of homeless. The definition includes different elements depending on the type of program. The types of programs, and the definitions components that apply, are:

Program Type	Eligible Participants
Safe Havens	Category 1 – Literally Homeless
Transitional Housing	Category 1 – Literally Homeless Category 2 – Imminent Risk of Homeless Category 4 – Fleeing/Attempting to Flee DV
Permanent Housing <ul style="list-style-type: none">• Permanent Supportive Housing• Rapid Rehousing	Category 1 – Literally Homeless Category 4 - Fleeing/Attempting to Flee DV

The definitions of each of the categories, along with required documentation to verify each status, are below:

Category 1: Literally Homeless	Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: <ul style="list-style-type: none">• Has a primary nighttime residence that is a public or private place not meant for human habitation;• Is living in a 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 and local government programs); or• Is exiting an institution where (s)he has 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
Category 2: Imminent Risk of Homeless	Individual or family who will imminently lose their primary nighttime residence, provided that: <ul style="list-style-type: none">• Residence will be lost within 14 days of the date of application for homeless assistance;• No subsequent residence has been identified; and• The individual or family lacks the resources or support networks needed to obtain other permanent housing.
Category 4: Fleeing/ Attempting to Flee DV	Any individual or family who: <ul style="list-style-type: none">• Is fleeing, or is attempting to flee, domestic violence;• Has no other residence; and• Lacks the resources or support networks to obtain other permanent housing

Program Targeting

Chronically homeless

Programs funded under certain CoC program initiatives have units that are designated for persons or households that are chronically homeless. Programs may also prioritize units for persons or households that are chronically homeless. As of April 2017, all CoC permanent supportive housing units are designated or prioritized for chronically homeless.

Housing for specific subpopulations

Subrecipients may exclusively serve a homeless subpopulation in transitional or permanent housing if the housing addresses a need identified by the CoC for the geographic area and meets one of the following:

- The housing may be limited to one sex where such housing consists of a single structure with shared bedrooms or bathing facilities such that the considerations of personal privacy and the physical limitations of the configuration of the housing make it appropriate for the housing to be limited to one sex;
- The housing may be limited to a specific subpopulation, so long as admission does not discriminate against any protected class under federal nondiscrimination laws in 24 CFR 5.105 (e.g., the housing may be limited to homeless veterans, victims of domestic violence and their children, or chronically homeless persons and families).
- The housing may be limited to families with children.
- If the housing has in residence at least one family with a child under the age of 18, the housing may exclude registered sex offenders and persons with a criminal record that includes a violent crime from the project so long as the child resides in the housing.
- Sober housing may exclude persons who refuse to sign an occupancy agreement or lease that prohibits program participants from possessing, using, or being under the influence of illegal substances and/or alcohol on the premises.
- If the housing is assisted with funds under a federal program that is limited by federal statute or Executive Order to a specific subpopulation, the housing may be limited to that subpopulation (e.g., housing also assisted with funding from the Housing Opportunities for Persons with AIDS program may be limited to persons with acquired immunodeficiency syndrome or related diseases).
- Subrecipients may limit admission to or provide a preference for the housing to subpopulations of homeless persons and families who need the specialized supportive services that are provided in the housing (e.g., substance abuse addiction treatment, domestic violence services, or a high intensity package designed to meet the needs of hard-to-reach homeless persons). While the housing may offer services for a particular type of disability, no otherwise eligible individuals with disabilities or families including an individual with a disability, who may benefit from the services provided, may be excluded on the grounds that they do not have a particular disability.

Documenting Eligibility & Targeting Requirements

Subrecipients must document and maintain records related to each program participant. Some pieces of the documentation required will vary based on the program type and target population. Programs are

advised to create a program-specific checklist with the requirements for that program, and include the checklist in each client file.

Homeless Status

Subrecipients must keep participant files which include documentation of homeless status or imminent homeless. Subrecipients must use the form provided in Appendix E (homeless) or F (imminent homeless).

Disabled

Permanent supportive housing programs may only serve households that include a person who is disabled. Disability status must be verified and documented in the participant's file. PSH Subrecipients must use the form provided in Appendix G.

Chronically Homeless

For programs that are dedicated to, or prioritize, serving persons who are chronically homeless, the household's file must contain verification of chronic homelessness. Subrecipients must use the form provided in Appendix H.

Housing Quality and Suitable Unit Size

Housing quality standards

Housing leased with CoC program funds, or for which rental assistance payments are made with CoC program funds, must meet the applicable housing quality standards (HQS) listed at 24 CFR 982.401 except that 24 CFR 982.401(j) applies only to housing occupied by program participants receiving tenant-based rental assistance. The Lead Safe Housing Rule contains requirements regarding lead-based paint, including disclosure requirements; information regarding lead paint requirements is available at http://portal.hud.gov/hudportal/HUD?src=program_offices/healthy_homes/enforcement/lshr.²

Housing Inspections

Before any assistance may be provided on behalf of a program participant, the Subrecipient must physically inspect each unit to assure that the unit meets HQS. Assistance will not be provided for units that fail to meet HQS, unless the owner corrects any deficiencies within 30 days from the date of the initial inspection and the Subrecipient verifies that all deficiencies have been corrected.

Subrecipients must inspect all units at least annually during the grant period to ensure that the units continue to meet HQS.

² For housing rehabilitated with CoC program funds, the lead-based paint requirements in 24 CFR part 35, subparts A, B, J, and R apply. For housing that receives CoC program project-based or sponsor-based rental assistance, 24 CFR part 35, subparts A, B, H, and R apply. For residential property for which CoC program funds are used for acquisition, leasing, services, or operating costs, 24 CFR part 35, subparts A, B, K, and R apply.

Documentation of Housing Quality Standards

Subrecipients must retain documentation to demonstrate compliance with HQS. The HUD Housing Quality Standards (HQS) Inspection Long Form (HUD 52580a), attached as Appendix I, must be used to document unit conditions upon move-in. The HQS Inspection Short Form (HUD 52580), attached as Appendix J, must be used at annual inspections after the initial move-in inspection.

Suitable dwelling size

The dwelling unit must have at least one bedroom or living/sleeping room for every two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room. If household composition changes during the term of assistance, Subrecipients may relocate the household to a more appropriately sized unit.

Occupancy Agreement; Occupancy Charges or Rent

Occupancy agreements and leases

Subrecipients must have signed occupancy agreements or leases (or subleases) with program participants residing in housing.

Owned or leased property: Occupancy charges

Where Subrecipients own or lease property occupied by program participants, Subrecipients are not required to impose occupancy charges on program participants as a condition of residing in the housing. However, if occupancy charges are imposed, they may not exceed the highest of:

- 30 percent of the family's monthly adjusted income (adjustment factors include the number of people in the family, age of family members, medical expenses, and child-care expenses);
- 10 percent of the family's monthly income; or
- If the family is receiving payments for welfare assistance from a public agency and a part of the payments (adjusted in accordance with the family's actual housing costs) is specifically designated by the agency to meet the family's housing costs, the portion of the payments that is designated for housing costs.

Rental Assistance: Resident rent

Each program participant on whose behalf rental assistance payments are made must pay a contribution toward rent, which shall be as follows:

- 30 percent of the family's monthly adjusted income (adjustment factors include the number of people in the family, age of family members, medical expenses, and child-care expenses);
- 10 percent of the family's monthly income; or
- If the family is receiving payments for welfare assistance from a public agency and a part of the payments (adjusted in accordance with the family's actual housing costs) is specifically designated by the agency to meet the family's housing costs, the portion of the payments that is designated for housing costs.

Calculation of Income Occupancy Charges/Rent

As a condition of participation in the program, each program participant must agree to supply the information or documentation necessary to verify the program participant's income. Program participants must provide the or Subrecipient with information at any time regarding changes in income or other circumstances that may result in changes to a program participant's contribution toward the rental payment.

Subrecipients must examine a program participant's income initially, and at least annually thereafter, to determine the amount of the contribution toward rent payable by the program participant. Adjustments to a program participant's contribution toward the rental payment must be made as changes in income or in family composition (e.g., birth of a child) are identified.

Adjusted income of program participants must be calculated in accordance with 24 CFR 5.609 and 24 CFR 5.611(a). Documentation of adjusted income and rent calculations must be kept in the participant's file. Subrecipients may use the income and rent calculator at www.hudexchange.info/incomecalculator and include a print-out of the tool's downloadable Rental Assistance Summary.

Subrecipients must keep the following documentation of annual income:

- Source documents (e.g., most recent wage statements, unemployment compensation statements, public benefits statements, bank statements) for the assets held by the program participants and income received before the date of the evaluation;
- To the extent that source documents are unobtainable, written statements by the relevant third-parties (e.g., employer, government benefits administrator) or written certification by the Subrecipients' intake staff of the oral verification by the relevant third party of the program participant's income over the most recent period; or
- To the extent that source documents and third-party verification are unobtainable, written certification by the program participants of the amount of income that the program participants are reasonably expected to receive over the 3-month period following the evaluation.

Service and Case Management

Subrecipients must keep records for each program participant that document the services and assistance provided to the program participant, including evidence that the Subrecipient:

- Conducted an annual assessment of services for program participants who remain in the project for more than a year,
- Adjusted the service package accordingly, and
- Provided case management services not less than once per month to program participants receiving rapid re-housing.

Records of Reasonable Belief of Imminent Threat of Harm

For each program participant receiving tenant-based rental assistance who has moved to a different CoC in response to imminent threat of further domestic violence, dating violence, sexual assault, or stalking per 24 CFR part 578.51(c)(3), each Subrecipient must retain the following:

- Documentation of the original incidence of domestic violence, dating violence, sexual assault, or stalking, only if the original violence is not already documented in the program participant's case file.
- Documentation of the reasonable belief of imminent threat of further domestic violence, dating violence, or sexual assault or stalking.

SECTION 6: REPORTING REQUIREMENTS

HMIS

Subrecipients of CoC grants are required to regularly submit client-level data to the CoC's Homeless Management Information System (HMIS), except for victim service providers, who are not permitted to enter data into HMIS, and legal service providers, who may choose not to use HMIS if it is necessary to protect attorney-client privilege. Victims service providers and legal service providers are required to establish and operate a comparable database that complies with HUD standards.

The City of Springfield is the CoC's HMIS Lead, and operates the Social Solutions ETO system. The City provides access to the system to all CoC providers. The Springfield-Hampden County CoC HMIS Manual provides detailed information about the CoC's HMIS policies and procedures and the HMIS responsibilities of CoC grant Subrecipients.

ANNUAL PERFORMANCE REPORT (APR)

The City is required by HUD to collect and report data on use of CoC Program funds in an Annual Performance Report (APR). APRs are due to HUD no later than 90 days after the end of the program grant year.

Subrecipients are responsible for completing the APR in the Sage HMIS Reporting Repository within 60 days of the date of grant completion. The CoC will review the APR during the following 30 days and notify the Subrecipient if there are any errors. Subrecipients must work with the CoC to correct any errors. The CoC submits the report when it is complete.

HUD may terminate the renewal of any grant and require the recipient to repay the renewal grant if the recipient fails to submit an APR in a timely manner for the grant year immediately prior to renewal, or the recipient submits an APR that HUD deems unacceptable or that shows non-compliance with the requirements of the grant and the CoC Program interim rule.

The CoC uses APRs for evaluation of program performance, and uses performance reports to make funding decisions in the following funding competition.

SECTION 7: SUBRECIPIENT MONITORING

The Office of Housing monitors Subrecipient capacity and performance throughout the grant year. Critical points of the ongoing monitoring include: 1) initial evaluation of capacity and agency program risk; 2) review of Subrecipient policies and procedures; 3) review of HMIS data for data quality, program progress and performance and client outcomes; 4) review of program invoices to ensure that program is billing for allowable costs and has back-up for all invoiced costs and for matching funds.

Monitoring is carried out by the Program Manager and the Financial Analyst. The Program Manager and the Financial Analyst report to the Director of Housing and the Director of Administration and Finance on all monitoring issues. Per HUD's recommendation, the Office of Housing uses a coordinated project monitoring process, including coordinated fiscal and program on-site monitoring visits.

On-Site Monitoring

All Subrecipients are subject to on-site monitoring at least once per year. Subrecipients can be selected for additional or in-depth monitoring according to a range of factors and criteria—for example, unsatisfactory performance standards during the program period, current external audit findings, program experience, project complexity, or exceptional circumstances.

The Office of Housing sends notice to Subrecipients confirming the date and scope of a monitoring visit and a description of the information that should be made available. A copy of the Subrecipient Monitoring Checklist, attached as Appendix K, is included with the letter.

The monitor uses the Subrecipient Monitoring Checklist as a guide during the monitoring visit. The monitor reviews project files to verify: (1) that the activities undertaken by the Subrecipient are appropriate to satisfy the contractual obligations; (2) the accuracy of the information reported to HMIS; and (3) that the Subrecipient is properly administering and implementing the program within federal guidelines. In addition, the monitor ensures that the Subrecipient is achieving or making diligent efforts to achieve the goals and objectives stated in the contracts scope of service.

As a follow-up to a monitoring visit, the monitor sends a determination of compliance letter notifying the Subrecipient of the monitoring results. The letter details the purpose of the visit, provides feedback, and addresses areas for improvement, if necessary. If the monitor identifies findings, a corrective action plan is required. If the monitor has any concerns, specific recommendations are provided to the Subrecipient. A sample monitoring letter is provided in Appendix L.

If the monitoring identifies findings or concerns, the Office of Housing requires the Subrecipient to provide a written response describing how the Subrecipient will resolve any findings and correct any deficiencies identified in the letter. The monitor will determine if a follow-up site visit is necessary to ensure that (1) corrective action was taken; and (2) the agency is now complying and performing in accordance with its contract. If the Senior Program Manager is not satisfied with the corrective action taken by the Subrecipient, findings are sent to the Director of Housing and the Director of Administration and Finance for further action.

Procedures for High-Risk Subrecipient Management

A Subrecipient may be considered high risk if the City determines that the Subrecipient:

- Has a history of unsatisfactory performance;
- Is not financially stable;
- Has a management system which does not meet the management standards set forth in 24 CFR part 85;
- Has not conformed to terms and conditions of previous awards; or
- Is otherwise not responsible.

If the CoC awards a grant to a high-risk Subrecipient, the City may impose special conditions and/or restrictions that correspond to the high risk condition and shall be included in the award. Special conditions or restrictions may include:

- Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;
- Requiring additional, more detailed financial reports;
- Additional project monitoring;
- Requiring the Subrecipient to obtain technical or management assistance; or
- Establishing additional prior approvals.

If the City decides to impose such conditions, the City will notify the Subrecipient as early as possible, in writing, of:

- The nature of the special conditions/restrictions;
- The reason(s) for imposing them;
- The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions; and
- The method of requesting reconsideration of the conditions/restrictions imposed.

SECTION 8: REMEDIAL ACTIONS AND SANCTIONS

Remedial Actions

If the City determines that a Subrecipient is not complying with a program requirement or the Subrecipient agreement, the City will perform one of the remedial actions set forth below or will impose sanctions.

Remedial actions may include the following:

- Developing and following a schedule of actions for carrying out project activities and projects affected by non-compliance, including schedules, timetables, and milestones;
- Establishing and following a grants management plan that assigns responsibilities for carrying out remedial actions;
- Canceling or revising project activities or projects likely to be affected by non-compliance before expending associated grant funds;
- Re-programming grant funds not yet expended for given activities or projects to eligible costs or projects;
- Suspending funds disbursement;
- Reducing or terminating a Subrecipient's remaining grant funds and re-allocating funds to other Subrecipients or returning funds to HUD; and
- Requiring matching contributions to be made before or in conjunction with draws being made from the recipient's grant.

Sanctions

Sanctions may include the following:

- Suspending payments to preclude the further expenditure of funds for affected projects or activities;
- Continuing the grant with a substitute recipient;
- Denying matching credit for all or part of the cost of the affected activities and requiring further matching contributions;
- Requiring the Subrecipient to reimburse the City in an amount equal to the funds used for the affected activities;
- Reducing or terminating the remaining grant;
- Imposing conditions on a future grant; and
- Imposing other legally available remedies.

Deobligation of Funds

Subrecipients should be aware that HUD may deobligate funds for the following reasons:

- Failure to meet timeliness standards;

- Delays in completing construction activities that affect the expenditure of other funds for other activities during the remaining term of the grant;
- Costs for acquisition, new construction, or rehabilitation that are less than the total cost agreed to in the grant agreement;
- Actual annual leasing, operating, supportive services, rental assistance, or HMIS costs that are less than the total cost agreed to in the grant agreement for a 1-year period;
- Failure to move program participants into units within 3 months of units' availability for occupancy; and
- Other circumstances set forth in the grant agreement.

Withholding Payments

The City may withhold payments from Subrecipients when the Subrecipient has failed to comply with grant award terms or conditions. Cash withheld for failure to comply with grant award condition, but without suspension of the grant, shall be released to the grantee upon subsequent compliance.