



Housing Opportunities for Persons with AIDS (HOPWA)

Application and Program Guidance

(Funding Year 2014-15)

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INTRODUCTION

The purpose of this document is to provide HOPWA contractors with instructions for completing the required budget and program documentation necessary to enter into a contract with the State California Department of Public Health (CDPH), amend an existing contract, and administer the HOPWA program in accordance with HOPWA *Code of Federal Regulations (CFR) Title 24, Part 574* and the contract with CDPH.

Included in this document are two components: 1) instructions for completing the HOPWA budget and work plan, and 2) general program guidance. Included in both sections are website links to additional resources to assist you in successfully operating your HOPWA program.

INSTRUCTIONS FOR COMPLETING APPLICATION DOCUMENTS

This section provides instruction on how to complete each document required as part of the HOPWA application.

Definitions for Application Documents

Please adhere to the following definitions when completing the contractor and subcontractor budget documents.

Term	Definition
<p>Activity Delivery Costs:</p> <ul style="list-style-type: none"> • 15% of housing assistance categories for personnel and operating costs • 5% of supportive services, housing information services, and resource identification for personnel and operating costs 	<ul style="list-style-type: none"> • Costs directly related to carrying out eligible HOPWA activities (<i>Title 24, CFR, Part 574.3</i>). • Activity delivery costs are limited by OA to 15% of HOPWA housing assistance categories and 5% of supportive services, housing information services, and resource identification. Costs must be reasonable and documented expenses. • Activity delivery costs for housing assistance categories may include personnel and operating expenses associated with, but not limited to: publicizing the program; briefing applicants, participants, and rental property owners; receiving and reviewing household applications; determining and verifying household income and eligibility; setting up household files; tracking time limitations, conducting initial unit inspections; and certifying and documenting rent reasonableness, landlord lease negotiations and contracts, waiting list management, collaboration with service provider agencies, processing landlord subsidy payment checks or hotel/motel vouchers, travel, and other operating expenses related to delivery of service. Expenses may include, but are not limited to, office

<p>Activity Delivery Costs Cont'd:</p>	<p>supplies, postage, prorated office rent, copies, and communication services.</p> <ul style="list-style-type: none"> • Activity delivery personnel costs for salary-based activities such as housing case management, or a housing information services coordinator, may include the salary and benefits of supervisory staff associated with the delivery of the service and travel related to delivery of the activity. Activity delivery operating expenses include overhead costs such as office supplies, office rent, communication services, copies, etc. • Administrative costs such as bookkeeping, and the compilation and reporting of data are not activity delivery costs.
<p>Activity Delivery Operating Expenses</p>	<p>Overhead costs that can be associated with the delivery of a HOPWA activity provided by the contractor or subcontractor. This might include, office supplies, postage, prorated office rent/lease, telephone, etc.</p>
<p>Administrative Costs (not to exceed 7% of total allocation)</p>	<p>Costs for general management, oversight, coordination, evaluation, and reporting on eligible activities (<i>Title 24, CFR, Part 574.3</i>).</p> <p>Administrative costs are the sum of administrative personnel costs, administrative operating expenses, and administrative indirect costs.</p> <p>Note: Contractor may use up to 7% of their total allocation for administrative costs (<i>Title 24, CFR, Part 574.300(10)(ii)</i>).</p>
<p>Administrative Indirect Costs</p>	<p>Typically the costs that cannot be assigned to one specific program. Often this category is used when a contractor has multiple programs and divides the rent, utilities, janitorial services, payroll accounting, etc., either equally between programs or prorated based on the percentage of time spent on a program.</p> <p>Note: Indirect costs are limited to 15% of administrative personnel costs.</p>
<p>Administrative Operating Expenses</p>	<p>Typically the operating expenses assigned to HOPWA grant administration. This may include, office supplies, postage, facilities, telephone, etc.</p>
<p>Administrative Personnel Costs</p>	<p>Total salaries, wages, and fringe benefits paid to contractor staff for grant administration functions.</p>
<p>Facility-Based Housing</p>	<p>Housing funds connected with a specific housing project or</p>

<p>Assistance</p>	<p>facility. This may include emergency, transitional, or permanent housing facilities.</p> <p>Facility based housing rental assistance may include project-based rental assistance, master-leasing of housing units, or leasing of hotel/motel units. New facility based housing rental assistance activities involve some level of environmental review.</p>
<p>Facility-based Housing Operating Costs</p>	<p>Applies to facility-based housing facilities that are currently open. Operating subsidy costs can include day-to-day housing operation costs such as utilities, maintenance, equipment, insurance, security, furnishings, supplies and salary for staff costs directly related to the housing project, but not staff costs for delivering client supportive services.</p>
<p>Grassroots Organization</p>	<p>An organization that is headquartered in the local community where it provides services and: 1) has a social services budget of \$300,000 or less; or 2) has six or fewer full-time equivalent (FTE) employees.</p> <p>Local affiliates of national organizations are not considered grassroots organizations.</p>
<p>Non-Facility-Based Housing Assistance</p>	<p>All HOPWA funding expenditures for the operating year to support STRMU and TBRA assistance.</p>
<p>Other Costs</p>	<p>Includes all subcontractor and non-personnel client services provided by a contractor, such as housing assistance payments, facility operation subsidies, hotel/motel voucher assistance, security deposits, credit checks, utility hook-up payments, food, or transportation vouchers.</p>
<p>Personnel Costs</p>	<p>Contractor staff providing direct client services or delivery of a HOPWA activity. Personnel costs are salary, wages, and fringe benefits associated with providing direct client services such as housing case management or housing counseling, or delivery of a HOPWA activity such as STRMU, TBRA, or other non-personnel activities. Although personnel costs are included in a subcontractor budget, all subcontractor line items are considered to be Other Costs.</p>

General Instructions

The following documents are included in the application packet, and must be completed:

- *Document Checklist*
- *Contractor General Information*
- *Level of Environmental Review*
- *Form A - Five-Line Item Budget*
- *Form B - Budget Overview*
- *Form C - Contractor Administrative Budget Detail*
- *Form D - Contractor Housing and Other Services Budget Detail*
- *Form D1 - Contractor Personnel Detail*
- *Form E - Subcontractor Housing and Other Services Budget Detail*
- *Form E1 - Subcontractor Personnel Detail*
- *Form F - Performance Goals*
- *Form G - Housing Facility Annual Proposed Operating Budget, if applicable*
- *Form H - HOPWA Work Plan*

For a copy of the forms, please [click here](#).

Forms E and E1 only apply if your agency is subcontracting with service providers.

Only complete the blue shaded cells in each form unless instructed otherwise.

Document Checklist

The *Document Checklist* is completed by the contractor to certify that all required documents have been reviewed for accuracy and completeness and submitted as indicated.

Contractor General Information

The *Contractor General Information* form provides OA with the following information:

Level of Environmental Review

Complete the *Level of Environmental Review* form in the Excel workbook. Provide a description of all activities to be provided and check all boxes that apply.

HUD has determined that the following categorical exclusions are not subject to *Title 24, CFR, Part 58.5*, since they would not alter any conditions that would require a review or

compliance determination under federal laws and authorities cited in *Title 24, CFR, Part 58.5*, unless there are extraordinary circumstances.

If contractor is carrying out an activity that is not listed below, then a more detailed level of review may need to be completed and contractor must contact OA prior to carrying out those activities (e.g., minor rehabilitation of housing units, property acquisition or lease). Activities NOT listed below (e.g., minor rehabilitation of housing units or project-based rental assistance [PBRA]), should not be listed on the level of environmental review form of this application.

- Tenant Based Rental Assistance (TBRA)
- Supportive services including but not limited to: health care, housing services, permanent housing placement, day care, nutritional services, short term rent, mortgage or utility assistance (STRMU), and assistance in gaining access to local, state, and federal government benefits and services.
- Housing facility operating expenses including maintenance, security, operation, utilities, furnishings, equipment, supplies, staff training and recruitment, and other incidental costs.
- Economic development activities, including but not limited to: equipment purchase, inventory financing, interest subsidy, operating expenses and similar costs not associated with construction or expansion of existing operations.
- Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest buy downs, and similar activities that result in the transfer of title.
- Affordable housing pre-development costs including legal, consulting, developer, and other costs related to obtaining site options, project financing, administrative costs, and fees for loan commitments, zoning approvals, and other related activities which do not have a physical impact.
- Approval of supplemental assistance (including insurance or guarantee) to a project previously approved under this part, if the approval is made by the same responsible entity that conducted the environmental review on the original project and re-evaluation of the environmental findings is not required under *Title 24, CFR, Part 58.47*.

Form A – Five-Line Item Budget

The *Form A - Five-Line Item Budget* should be completed after *Forms C, D, and E(s)* are completed. This table self-calculates from the appropriate line items on *Forms C, D, and E(s)*.

The five line items are:

- **Personnel Costs** - The sum of all contractor staff salaries, wages, and fringe benefits detailed in *Forms C, D, and D1*, if applicable.
- **Operating Expenses** - The sum of the operating expenses detailed on *Form C* and all operating expenses listed on *Form D*.
- **Capital Expenses** - Not an allowable line item for the 2013-16 agreement period. When available, this category includes the acquisition and development of housing as well as the purchase of furniture or equipment.
- **Other Costs** - The sum of non-personnel client services on *Form D* (emergency rent, utilities or mortgage assistance, TBRA, hotel/motel voucher assistance, any supportive service that is non-personnel based), and the total of all subcontractor housing and other services budgets on *Form(s) E*.
- **Indirect Costs** - The sum of all indirect costs detailed on *Form C*. Activity delivery costs do not include operating expenses that cannot be directly associated with the service and subsequently will not include indirect costs.

Contractors requesting a waiver of the 20% supportive service cap must submit their justification in this section of the application.

Form B - Budget Overview

The *Form B - Budget Overview* breaks out the allocation between the contractor and subcontractor(s).

When completing the *Form B - Budget Overview*, enter the name of the contractor and/or subcontractor(s) providing services and the budgeted amounts for: contractor administrative costs, contractor housing and other services costs only (from *Form D*) and subcontractor costs (*Form Es*).

NOTE: The *Form B - Budget Overview* form must equal the total allocation.

Form C - Contractor Administrative Budget Detail

The *Form C - Contractor Administrative Budget Detail* itemizes administrative expenses. When completing this form, please:

- Fill out the form completely, including check boxes.
- Complete the administrative personnel, operating, and indirect costs. See the definitions for budget documents section for allowable costs, caps, and limitations.
- Round all figures to the nearest whole dollar.
- Itemize any indirect costs or operating expenses.
- Ensure that indirect costs do not exceed 15% of the total administrative personnel costs.
- Ensure that the total contractor administrative budget does not exceed 7% of the total allocation as instructed in the definitions for application documents.

Form D - Contractor Housing and Other Services Budget Detail

Form D – Contractor Housing and Other Services Budget Detail provides information regarding direct client services, and the activity delivery costs associated with each activity provided by the contractor.

The sum of personnel costs and operating expenses associated with the delivery of an eligible HOPWA activity cannot exceed 15% of each HOPWA housing assistance service and 5% of housing information services, supportive services, and resource identification.

When completing this form:

- Fill out the form completely for each client service the contractor plans to provide.
- Activity delivery costs may include non-administrative personnel and operating expenses. Identify the personnel costs on *Form D1* as well.
- Below is the recommended methodology for calculating a 15% activity delivery fee:

Methodology	Example
Determine total budget for the activity (e.g., STRMU, TBRA)	\$100,000
Subtract 15% from the total	<\$ 15,000>
Total available for housing assistance	\$85,000

- Round all figures to the nearest whole dollar.

Form D1 – Contractor Personnel Detail(s)

This form provides information on contractor staff providing grant administration activities as well as direct HOPWA program services.

- Complete one *Employee Position Summary* for each employee to be paid through this contract. Each *Employee Position Summary* includes sections labeled *A* through *L* and a space to describe staff duties. Complete each section *A – L* as follows:
 - A* Enter the job classification or title.
 - B* Enter the name of employee if known or “vacant” if position if vacant.
 - C* Identify the time base of the position. State the time base of the actual position within your agency, not the time allocated to HOPWA.
 - D* Enter the estimated annual salary of the employee.
 - E* Enter the fringe benefits costs allowed by your agency by a percentage amount.
 - F* List each HOPWA service category that will be performed by this employee. A drop-down list is provided on the form. The service categories itemized on *Form D1* must correspond with personnel activities entered on *Form D*.
 - G* Enter the amount budgeted for each HOPWA program activity for salaries/wages.
 - H* The worksheet self-calculates the budgeted staffing costs for each HOPWA activity as a percentage of annual salary.
 - I* Enter fringe benefits by HOPWA activity.
 - J* The worksheet self-calculates fringe benefits as a percentage of salaries/wages.
 - K* The worksheet self-calculates total salaries/wages and fringe benefits.
 - L* Enter costs related to job-required travel for the employee. Travel costs should also be included in Fringe Benefits on *Forms C* and/or *D*. Use the State’s per diem reimbursement rates to estimate any travel expenses.
- Describe the HOPWA duties each employee will perform including program and grant administration activities.
- Round all figures to the nearest whole dollar.
- If there are more employee positions than tables available, copy and paste additional tables (Additional tables will not be linked and not included in self-calculating formulas.).

Form E – Subcontractor Housing and Other Services Budget Detail

- *Form E* is required for each service provider with whom the contractor subcontracts. This form includes the same budget information as *Form D*. See *Form D* instructions above.

- The sum of all subcontractor budgets will roll up as other costs in the five-line item budget (*Form A*). A copied *Form E* will not self-populate to *Form A*.

Form E1 – Subcontractor Personnel Detail

This form includes the same personnel detail information as *Form D1* for subcontracting agencies with the exception of grant administration activities. See *Form D1* instructions above.

Form F – Performance Goals

Enter the estimated number of households to be assisted for each HOPWA program activity proposed. The number of households to be assisted may be a duplicated number among the program activities.

The following relates to facility-based housing activities:

- **Facility-Based Housing – Leasing Costs for Hotel/Motel Voucher Assistance**
Estimate the number of households to be assisted with hotel/motel vouchers.
- **Transitional Facility Based Housing - Operational Subsidies**
Contractors that own, lease, or operate transitional housing units subsidized with HOPWA operating funds must estimate the number of households that will occupy those units during the program year.
- **Permanent Facility-Based Housing – Operational Subsidies**
Contractors that own, lease, or operate permanent housing units subsidized with HOPWA operating funds must estimate the number of households that will occupy those units during the program year.
- **Facility-Based Housing – Stewardship Units**
This category only pertains to contractors that received HOPWA funds in prior years to purchase or rehabilitate housing units, but do not receive ongoing operating subsidies. Identify the number of households that will occupy those housing units during the program year.

Form G - Proposed Annual Facility Operating Budget

This form is to be completed by contractors requesting funds to subsidize the operation of an existing housing facility (transitional or permanent housing). The purpose of this budget is to ensure that contractors or subcontractors do not request more/less HOPWA funds than necessary to sustain housing operations during the program year. Complete one budget for each facility.

This form does not have to be completed by contractors requesting funds for Project-Based Rental Assistance.

Provide the following information:

- Identify the total number of units in the housing facility as well as the number of units to be set-aside for PLWHA.
- List all income or revenue sources allocated to the facility, including the HOPWA operating subsidy.
- List all estimated expenses associated with the operation of the facility.
- List all debt service or mortgages that must be paid. Note that HOPWA funds cannot pay for mortgages.
- Identify all required reserves. Note that reserves cannot be funded by HOPWA.
- The total of all income minus expenses, reserves, and debt service will equal net income or available cash flow. The project should not generate cash flow if it receives a HOPWA operating subsidy.

This budget does not include on-site client services, such as case manager.

Form H – HOPWA Work Plan

- In the *Form H – HOPWA Work Plan*, contractor must describe how it performs HOPWA administration functions including community planning, program development, management, operation, and evaluation. *Form H – HOPWA Work Plan* includes a series of questions regarding these program administrative functions. The contractor should highlight any changes since the original budget application was approved.
- Refer to the *HOPWA Program and Administrative Guidance* section of this document as well as the HUD resources provided as website links for assistance in completing the *Form H – HOPWA Work Plan*.
- Any limitations imposed for housing assistance programs that are more restrictive than those established by HOPWA regulation or OA, must be reviewed and approved by OA prior to implementing the restrictions.
- Using the [HOPWA Rental Assistance Guidebook](#) as a resource, contractors operating a tenant based rental assistance (TBRA) program or proposing to operate a TBRA program must submit their TBRA program policies and procedures for OA review and approval by June 16, 2014. The procedures must address the following topics:

- Methodology for Calculating a TBRA budget
- Determining Eligible Beneficiaries/Households
- Client/Beneficiary Notification and Application Process
- Establishing a Waiting List
- Individual Housing Service Plans
- Accessibility to Supportive Services
- Confidentiality
- Housing Quality Standards – *Title 24, CFR, Part 574.310(b)*
 - Lead Based Paint and Fire Safety
- Resident Rent Payment – *Title 24, CFR, Part 574.310(d)*
 - Utility Allowance
- Maximum Rent Subsidy – *Title 24, CFR, Part 574.320(a)(1)*
 - Rent Standard – *Title 24, CFR, Part 574.320(a)(2)*
 - Rent Reasonableness – *Title 24, CFR, Part 574.320(a)(3)*
- Client and Landlord Leases and Housing Payment Contracts
- Termination of Assistance – *Title 24, CFR, Part 574.310(e)*
- Annual Recertification
- Fee Prohibition

Additional Documents for Non-profit Community-Based Organizations

Contractors that are non-profit community-based organizations (CBO) are required to submit all or some of the following documents if the CBO is a new HOPWA contractor, or there have been changes in the organization or to the organizational documents currently on file with OA:

- **Board of Directors List**

A contractor that is a non-profit organization must provide a list of their board of directors. The list should include the name, title, address, and phone number for each board member. There are no format requirements for the list.

- **Authorization to Bind Corporation Letter**

A contractor that is a non-profit organization must submit an authorization to bind corporation letter when:

- The agency is a new contractor;
- The agency has changed its name;
- There is a change in the authorization to sign contracts or monthly invoices; or
- There is a new board chairperson.

Authorization to bind corporation letters must be written on the agency's letterhead and contain the following language:

“The Board of Directors of the [Corporation Name] in a duly executed meeting held [Date] and where a quorum was present resolved to authorize [Name and Title] to sign and negotiate the HOPWA program allocation and any contract that may result. In addition, we authorize the following person(s) to sign monthly invoices: [Names and Titles as appropriate].

The undersigned hereby affirms that the statements contained in this application are true and complete to the best of the applicant’s knowledge and accepts as a condition of contract/allocation award, the obligation to comply with the applicable state and federal requirements, policies, standards, and regulations. The undersigned recognized that this is a public document and open to public inspections.”

[Typed name of board chairperson, signature, and date.]

ROLES AND RESPONSIBILITIES

The contractor is responsible for meeting all contractual and programmatic requirements of the HOPWA program.

Contractor shall:

- Ensure that at least one employee completes and receives certification for the HOPWA financial management online training prior to submitting the first invoice request or by October 31, 2014, whichever occurs first.
- Enter into subcontract(s), when necessary, with housing and service agencies/providers for the provision of HOPWA-eligible services and housing assistance.
- Establish procedures and document selection criteria for housing and service providers to ensure compliance with all state and federal requirements for HOPWA activities to be provided by subcontracting with service providers.
- Where required by HOPWA regulation, obtain the certification of the governing board in the jurisdiction where activities are to be carried out before entering into a contract with service providers.
- Incorporate the HUD equal opportunity slogan or logo on all outreach materials, requests for proposals, advertising, employment bulletins, educational information or other information related to HOPWA expenditures.
- Maintain records for a four-year period to document compliance with the provisions of the HOPWA program.

Contractor or subcontracting agency shall:

- Establish an application-based intake process to ensure eligible HOPWA recipients and their families will be served.
- Ensure that an assessment of need and a housing plan is completed for every client receiving HOPWA housing assistance.
- Provide assistance only to households who are homeless or at risk of homelessness, where at least one household member has been diagnosed with HIV disease or AIDS, and where the household is low income as defined by HUD.
- Make available appropriate supportive services to beneficiaries in HOPWA-assisted housing. Supportive services may be funded through HOPWA or any other funding resource.

- Charge no fee, except rent, to any eligible beneficiary for any housing or services provided under this program.
- Assure that all housing (except for the current residence of an eligible beneficiary seeking STRMU) meets the housing quality standards set forth in HOPWA regulations.
- Ensure that residents of rental housing assisted under the HOPWA program, pay as rent, including utilities, an amount not to exceed the higher of:
 - 30% of monthly adjusted income (adjusted for age, medical expenses, size of household, and child care expenses); or
 - 10% of monthly gross annual income; or
 - Welfare payments specifically designated to meet housing costs.
 EXCEPTION: Rent payment calculations are not required for households receiving STRMU assistance payments, emergency shelter or hotel/motel vouchers, or permanent housing placement assistance.
- Establish a process to ensure the confidentiality of HOPWA beneficiaries.
- Establish client grievance and appeals protocols, and maintain documentation for OA review.
- Establish program termination policies in accordance with HOPWA regulation *Title 24, CFR, Part 574.310(e)*.
- Maintain a waiting list of applicants for housing assistance, based on date and time of application or other method approved by OA.
- Ensure that services will be provided in a setting that is accessible to low-income individuals with HIV disease.
- Adopt procedures to ensure that all persons who qualify for assistance, regardless of race, color, religion, sex, age, national origin, familial status, or disability, know of the availability of the HOPWA program, including facilities and services accessible to persons with a disability, and maintain evidence of implementation of the procedures.
- Comply with the nondiscrimination and equal opportunity requirements set forth in *Title 24, CFR, Part 5*, all Fair Housing requirements, and all applicable provisions of the *Americans with Disabilities Act* as well as *Title 28, CFR, Parts 35 and 36* regarding accommodations for persons with disabilities.
- Comply with the policies, guidelines, and requirements of *Title 24, CFR, Part 85* (codified pursuant to *OMB Circular No. A-102*) and *OMB Circular No. A-87* with respect to acceptance and use of funds under the program by states and units of general local government, including public agencies, and *Circulars Nos. A-110* and *A-122* with respect to the acceptance and use of funds under the HOPWA program

by private non-profit entities.

- Comply with all applicable environmental procedures and standards as required by *Subpart D-Uses of Grant Funds, Part 574.510 Environmental procedures and standards of Title 24, CFR, Part 574.*
- Comply with all applicable lead-based paint hazard reduction requirements set forth in *Title 24, CFR, Part 35, Subparts J, M, or K* depending upon the HOPWA activities being performed.
- Comply with state and federal laws regarding smoke detectors in rental housing.
- Collect and report data necessary to complete the HOPWA activity progress form as required by the HUD *Integrated Disbursement and Information System (IDIS)* and the *HUD CAPER.*
- Collect and report financial and invoicing data necessary to complete the *HOPWA IDIS* fund disbursement process.
- Comply with federal regulations regarding participation in the *Homeless Management Information System (HMIS)*. Contractors targeting homeless persons and receiving HOPWA funds are required to participate.
- Comply with federal relocation laws in the event of tenant displacement from housing acquired or rehabilitated with HOPWA funds.
- Comply with all other federal requirements set forth in the HOPWA regulations *Title 24, CFR, Part 574.*

HOPWA PROGRAM AND ADMINISTRATIVE GUIDANCE

This section provides general information regarding implementation of HOPWA program activities and administrative processes.

Resources

In addition to this guidance, resources are available on OA's website:

<http://www.cdph.ca.gov/programs/aids/Pages/tOAHOPWAsp.aspx>

and at the following web links, to assist contractors with program implementation and compliance:

HOPWA Regulations

The HOPWA program is regulated under *Title 24, CFR, Chapter V, Part 574*. The regulations are available at: www.hud.gov/offices/cpd/lawsregs/index.cfm.

OMB Circulars

Contractors must comply with the policies, guidelines, and requirements of *Title 24, CFR, Part 85* (codified pursuant to *Office of Management and Budget [OMB] Circular No. A-102*) and *OMB Circular No. A-87* with respect to acceptance and use of funds under the program by states and units of general local government, including public agencies, and *Circulars Nos. A-110* and *A-122* with respect to the acceptance and use of funds under the HOPWA program by private non-profit entities.

www.whitehouse.gov/omb/circulars/index.html

HOPWA Grantee Oversight Resource Guide

To assist grantees and projects sponsors in administering the HOPWA program in accordance with HOPWA regulation and policy, HUD has published the HOPWA Grantee Oversight Resource Guide, available at:

https://www.onecpd.info/resources/documents/HOPWAOversightGuide_Aug2010.pdf

HOPWA Financial Management Oversight Training

The HOPWA financial management oversight training is available at:

<http://www.hudhre.info/index.cfm?do=viewHopwaFinancialTraining>

The Financial Training Manual is available at:

<https://www.onecpd.info/resource/1920/hopwa-financial-management-training-manual/>

HOPWA Rental Assistance Guidebook

The new HOPWA Rental Assistance Guidebook was released by HUD in January 2013 as a resource to assist grantees and contractors in deciding whether a rental assistance program is needed, in developing a rental assistance program, or in refining an existing program. It is available at: <https://www.onecpd.info/resource/2818/hopwa-rental-assistance-guidebook/>

OA recommends that all contractors providing tenant based rental assistance (TBRA) download this guidebook for reference in operating their TBRA program.

HUD Income Limits

Annual Income Limits to determine household eligibility can be obtained from the following website: <http://www.huduser.org/portal/datasets/il.html>

Fair Market Rents

The HUD published Fair Market Rents can be obtained at the following website: <http://www.huduser.org/portal/datasets/fmr.html>

HOPWA Confidentiality User Guide

The new *HOPWA Confidentiality User Guide* was released by HUD in November 2013 to provide information on maintaining confidentiality for HOPWA providers of all types – including grantees, project sponsors, subcontractors, and subrecipients – in all roles they may serve. It can be obtained at: [HOPWA Confidentiality User Guide - OneCPD](#)

HOPWA Program Guidance

Eligible Beneficiaries

- At least one person in the household must be diagnosed with HIV or AIDS; and
- The household must be low income. HUD defines low income as any individual or family income that does not exceed 80% of the median income for the area, with adjustments for smaller and larger families. A family is defined as a household composed of two or more related persons, and includes other person or persons who are determined to be important to the care or well-being of PLWHA.

Restricting eligibility by lowering income limits below 80% of *Area Median Income* requires HUD approval and must be supported by demographic data.

Housing Needs Assessments and Plans

The housing assessment process includes gathering participant information about current finances, past rental history, behavioral history, and other service needs. The housing assessment is the foundation for the development of individualized housing and service plans. The service provider shall assess housing and supportive services needs at the point of intake or application and create plans for housing stability. The service provider shall update these plans at least annually.

Time Limitations

HOPWA regulations specify time limitations on HOPWA assistance as follows:

- STRMU assistance: 21 weeks (or 147 days) out of any 52-week period;
- Emergency supportive housing (emergency shelter): 60 days out of any six month period;

- Rental assistance in the form of tenant-based or project-based: no time limits; and
- Other HOPWA-assisted units: no time limits on assistance.

Prohibition Against Fees

Contractor shall charge no fee, except rent, to any eligible person for any housing or services provided with HOPWA funds.

Maximum Rent Subsidies, Tenant Rent Payment, and Habitability Standards

The following standards apply to all HOPWA-funded or subsidized housing units including TBRA, project-based rental assistance, housing facilities supported with operating subsidies, or housing units that have been acquired, constructed, or rehabilitated with HOPWA funds:

- **Maximum Subsidy**

The amount of grant funds utilized to pay monthly assistance for an eligible person may not exceed the difference between:

- The lower of the rent standard or reasonable rent for the unit; and
- The resident's rent payment calculation (HOPWA Regulation *Title 24, CFR, Part 574.310(d)*).

- **Rent Standard**

- The rent standard shall be no more than the published Section 8 Fair Market Rents (FMR) for the jurisdiction being served. With prior approval from OA, Contractor may use the local Housing Choice Voucher rent payment standard set forth in the local housing authority's Public Housing Authority Management Plan.
- If the local housing authority rent standard is equivalent to HUD published *Fair Market Rent*, on a unit-by-unit basis, the grantee may increase that amount up to 10% for no more than 20% of the units assisted. Contractors must obtain approval from OA prior to allowing the increase.

- **Rent Reasonableness**

The rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by an owner for comparable unassisted units. Contractors must conduct a rent reasonableness assessment for all neighborhoods/areas within their county or counties.

- **Resident Rent Calculation**

Residents of rental housing assisted under the HOPWA program must pay as rent, including utilities, an amount not to exceed the higher of:

- 30% of monthly adjusted income (adjusted for age, medical expenses, size of household, and child care expenses); or
- 10% of monthly gross annual income; or
- Welfare payments specifically designated to meet housing costs.

- **Utility Allowance**

If a tenant is required to pay utilities, a utility allowance based on the local public housing authority current utility allowance schedule must be deducted from the tenant portion of the rent payment.

- **Shared Housing**

With respect to shared housing arrangements, the rent charged for an assisted family or individual shall be in relation to the size of the private space for that assisted family or individual in comparison to other private space in the shared unit, excluding common space. An assisted family or individual may be assigned a pro rata portion based on the ratio derived by dividing the number of bedrooms in their private space by the number of bedrooms in the unit. Participation in shared housing arrangements shall be voluntary.

- **Habitability Standards**

Units must meet all state and local housing codes as well as habitability standards set forth in HOPWA Regulation *Title 24, CFR, Part 574.310(b)(2)*, including lead-based paint and smoke detector requirements.

Eligible Activities

Based on local HIV/AIDS housing and supportive service needs assessments, each locality will determine the HOPWA activities to be funded and the amount of funds from its allocation to be applied toward their selected activities. HOPWA contractors should allocate funds to activities that will assist clients in overcoming the most significant barriers to housing in their community. The following includes a general description of each eligible activity and does not include all program requirements.

Refer to the *HOPWA Grantee Oversight Resource Guide* and the *HOPWA Rental Assistance Guidebook* listed in the resources section for more detailed guidance.

STRMU

- The purpose of STRMU is the provision of emergency subsidy or payments subject to a limited time period to prevent the homelessness of a household with at least one PLWHA.
- Rent payment and rent subsidy limitations and housing quality standard requirements *do not apply* to the STRMU program. (Note: If an assessment of the client's living situation reveals that the unit he/she occupies is substandard or unaffordable, it should be addressed in the client's housing plan.)
- Smoke detectors: client must self-certify that their housing unit has a working smoke detector or a home visit must be made to determine whether the unit has an operating smoke detector.
- Lead-based paint requirements apply when:
 - The unit to be assisted was constructed before 1978;
 - Residents will include a pregnant woman or a child six years of age or younger; and
 - The rent or mortgage assistance payments will exceed 100 consecutive days.

All housing meeting the above criteria must receive a lead-based paint visual assessment before assistance may be provided.

Staff must complete an online training course before they are allowed to perform assessments. This training can be found at:

<http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>.

- The household must currently live in rented or mortgaged housing, with written documentation verifying their tenancy.
- In accordance with *Title 24, CFR, Part 574*, STRMU assistance may be provided to eligible households for a period of 21 weeks out of any 52-week period.
 - OA has further defined the 52-week period based on the program year of July 1–June 30.
 - Agencies will track the 21 weeks using calendar days of assistance. There are 147 calendar days in a 21-week period.

Calendar Days of Assistance:

This method would be equal to the actual days for which housing and/or utility payments are made on behalf of the client household. The limit of 21 weeks is equated to 147 days of assistance in the year.

Example #1: If a total utility bill was paid and the service period was April 17-May 16, 14 days would be attributed to April and 16 days to May.

Example #2: If a portion of the utility bill was paid, the days would be counted based on the amount that was paid by STRMU (e.g., total bill for April 17-May 16 [30 days]) is \$148. Agency agrees to pay \$100. Divide \$148 by 30 days, which equals \$4.93 per day. The \$100 payment divided by \$4.93 per day equals 20.3 days (rounded to 20 days) assisted by STRMU.

Example #3: If a client's rent is \$1,000 for the month of April and the agency agrees to pay \$500, divide \$1,000 by the number of days in the month (e.g., 30 for this example), which equals \$33.33 per day. The \$500 payment divided by \$33.33 per day equals 15 days (rounded) assisted with STRMU. The household has used 15 days of its 21 weeks of assistance.

- OA has established the following uniform guidelines for counties wishing to impose caps on STRMU:
 - At a minimum, the annual amount of STRMU assistance expended per household should be equivalent to at least one month's HUD Fair Market Rent for a one-bedroom unit for the jurisdiction in which the household resides.
 - A per household cap for utility assistance should not be less than the current utility allowances published by the local housing authority.
 - The household on-going housing needs are assessed or will be assessed in connection with the development of an individual housing service plan for the household. The level of assistance is based on assessed housing needs.
 - The time limitation or cap on funds is sufficient to avoid any continuing household housing crisis.
 - The assistance is for actual costs.
 - Other resources, such as household income, are not reasonably available to address the unmet housing need.
 - Any process for waiving a cap or limitation is expressed in writing and implemented in a uniform manner to all clients assisted.

TBRA

- TBRA is a rental subsidy provided to an eligible household to be used in any eligible unit chosen by the household. If the household moves, the rental subsidy remains with the household to be used in another eligible unit.
- Contractors are encouraged to establish a TBRA program if their HOPWA allocation is sufficient to operate this type of activity, and there is evidence of a need for rental subsidies in their HIV/AIDS community.

- To develop a new TBRA program in your community, refer to the *HOPWA Rental Assistance Guidebook* as well as consult with OA HOPWA staff.
- Prior to establishing a program, contractor must submit a Program Description to ensure compliance with TBRA program requirements, and linkage to supportive services.
- Maximum rent subsidies, tenant rent payment calculations and habitability standards apply to TBRA.

Facility-Based Housing

- Project-Based Rental Assistance (PBRA)
 - May be permanent or transitional housing
 - Rental subsidies provided to residents of certain units within a specific building.
 - When the resident moves, the rental subsidy remains with the unit, to be used by the next eligible client.
 - Unit must pass a housing quality standards inspection.
 - May require some level of environmental review.
 - Shared housing arrangements are allowable (e.g., when two or more households share a home).
 - Rent and subsidy limitations apply to this category.
- Operating subsidies for HIV/AIDS supportive housing facilities
 - This activity pertains to all costs associated with the ongoing operations of a housing project that targets PLWHA. The housing may be emergency-based, transitional, or permanent housing and includes licensed and unlicensed HIV/AIDS facilities.
 - Eligible costs include: security, operational costs (resident manager, maintenance person, etc.), supplies and materials, insurance, utilities, furnishings, maintenance, equipment, and other incidental costs in providing housing to clients in these units.

NOTE: Supportive service costs associated with counseling programs, skills development, personal assistance, etc., are NOT counted under this category.

 - Facility-based housing projects that meet any of the following criteria are categorized as a community residence under HOPWA Regulations (*Title 24, CFR, Part 574.340 (a)*): 1) lower cost residential alternative to institutional care;

- 2) prevents or delays a participant's need for institutional care; 3) provides a permanent or transitional residential setting to enhance the quality of life for those who are unable to live independently; and 4) enables such persons to participate as fully as possible in the community.
- A contractor operating a community residence must certify to the following:
 - Contractor will, or has entered into a written agreement with a service provider that will, provide services as required by HOPWA Regulation *Title 24, CFR, Part 574.310(a)* to eligible persons in the community residence;
 - Contractor has analyzed the service level needed at the community residence, and contractor, or its subcontracting service agency, will provide the needed services.
 - Contractor has provided a statement of how the services will be funded.
 - Contractor, and/or its subcontracting service provider, is qualified to provide the services.
 - Rent and subsidy limitations and habitability standards apply to transitional and permanent housing facilities.
 - Short-term (emergency shelter) Supported Facility
 - Short-term facilities provide temporary shelter to eligible individuals to prevent homelessness and allow an opportunity to develop an individualized housing and service plan to guide client linkage to permanent housing.
 - Time limits: A short-term supportive housing facility may not provide residence for any individual for more than 60 days in any six-month period (*Title 24, CFR, Part 574.330 (a)*).
 - Residency limitation: A short-term supported facility may not provide shelter or housing at any single time for more than 50 families or individuals (*Title 24, CFR, Part 574.330 (b)*).
 - Housing case management: Each assisted individual shall be provided with an opportunity to receive housing case management services from the appropriate social services agencies (*Title 24, CFR, Part 574.330 (e)*).
 - Placement in permanent housing: Each short-term facility must, to the maximum extent possible, offer individuals residing in such housing the opportunity for placement in permanent housing (*Title 24, CFR, Part 574.330(c)*).

- Hotel/motel voucher assistance

This type of assistance may be provided for up to 30 days, if no appropriate shelter beds are available and subsequent rental housing has been identified but is not immediately available for move-in by program participants.

Permanent Housing Placement Assistance

A supportive housing service that helps establish the household in the housing unit; such as, first month's rent, reasonable costs for security deposits (not to exceed two months of rent costs), one-time utility hook-ups, and processing fees.

Prior to using funds for security deposit assistance, contractors must obtain OA approval of the agency documents to notify landlords and clients of the refund policy as well as evidence of fiscal capacity to track security deposit refunds as program income and reuse for eligible HOPWA activities.

Housing Information Services

Housing information services include assistance with referrals to affordable housing resources, assistance in locating available, affordable, and appropriate housing units, working with property owners to secure units, homeless prevention and other housing-related activities. Housing information services may also include fair housing counseling for people who have encountered discrimination on the basis of race, religion, sex, age, sexual orientation, national origin, familial status, or disability.

Supportive Services

- All households receiving HOPWA housing assistance must be provided with appropriate supportive services. Supportive services may be funded through other resources or through linkage to other programs. HOPWA funds may also be used but should be limited.
- OA policy requires that not more than 20% of a HOPWA contractor's annual HOPWA allocation be used for supportive services. OA will allow a waiver of the 20% cap if the enhanced level of supportive services will help clients overcome barriers to stable housing (e.g., more intensive housing case management, mental health or alcohol and substance abuse treatment, consumer credit counseling, job training, etc.).

The following are definitions of eligible supportive services:

Supportive Service Term	Definition
<p>Adult Day Care and/or Personal Assistance</p>	<ul style="list-style-type: none"> • Provision of community or home-based, non-medical assistance designed to relieve the primary caregiver responsible for providing day-to-day care of client. • Provision of services in the home by licensed health care workers, such as nurses. • Provision of services by a homemaker, home health aide, personal caretaker, or attendant caretaker. This definition also includes non-medical, non-nursing assistance with cooking and cleaning activities to help disabled clients remain in their homes. • Routine diagnostics testing administered in the home; and appropriate mental health, developmental, and rehabilitation services. Inpatient hospitals services, nursing home and other long-term care facilities are NOT included. <p>The above services may be provided as a component of a supportive housing facility/community residence.</p>
<p>Alcohol and Drug Abuse Services</p>	<ul style="list-style-type: none"> • Provision of medical or other treatment and/or counseling to address substance abuse problems (i.e., alcohol and/or legal and illegal drugs) provided in an outpatient setting rendered by a physician or under the supervision of a physician, or by other qualified personnel. • Provision of treatment to address substance abuse problems (including alcohol and/or legal and illegal drugs) provided in an inpatient health service setting (short term).
<p>Basic Telephone Services</p>	<p>Phone service that is determined to be needed to assist the client in accessing services, such as maintaining consistent and accurate participation in medical treatment protocols, care or other essential supportive services.</p>

Supportive Service Term	Definition
Child Care	The provision of care for the children of clients who are HIV positive while the clients attend medical or other appointments or HOPWA or Ryan White Program-related meetings, groups, or training. NOTE: this does not include child care while a client is at work.
Education, Training, and Employment Assistance	A range of client-centered services and training to assist clients build their employment and job readiness skills, such as assessment of skill levels, aptitudes, abilities, and support service needs; assistance with securing course tuition and on the job training materials; access to data banks of resumes and job postings, facilitating proper matches of workers with appropriate job openings; and placement assistance.
Housing Case Management	<p>Key housing case management duties include, but are not limited to:</p> <ul style="list-style-type: none"> • Initial comprehensive assessment of client needs and personal support systems; • Development of a comprehensive housing plan for HOPWA clients, including affordable, stable housing, supportive services, and medical care; • Coordination of the services required to implement the comprehensive housing plan; • Client monitoring to assess the progress and efficacy of the comprehensive housing plan; • Periodic re-evaluation and revision of the plan as necessary; • Client-specific advocacy; and • Coordination of benefits.
Life Skills Management	A range of client-centered services and training to assist clients in building skills to better manage their lives. Examples include, but are not limited to: psychosocial and interpersonal skills; anger management and conflict resolution; communication skills; budgeting and money management;

Supportive Service Term	Definition
	maintaining and operating a home (nutrition, cooking cleaning etc.); self-evaluation skills, and the ability to set goals, etc.
Meals/nutritional services	Food bank/home-delivered meals. May include the provision of actual food, meals, or nutritional supplements. It does not include financial assistance or food vouchers provided directly to clients to purchase food or meals.
Mental Health Services	Psychological and psychiatric treatment and counseling services offered to individuals with a diagnosed mental illness, conducted in a group or individual setting, and provided by a mental health professional licensed or authorized within the State to render such services. This typically includes psychiatrists, psychologists, and licensed clinical social workers.
Transportation	Transportation services include conveyance services provided directly by agency vehicles, or through gas or taxi vouchers or bus tickets to a client so that he or she may access health care services or obtain housing.

Resource Identification

Activities under this category are specific to:

- Identifying housing resources and does not include housing referral services;
- Establishing, coordinating, and/or developing housing assistance resources for eligible persons.
- Hiring staff or consultants to develop housing finance package for a specific housing project.
- Conducting preliminary research.
- Determining feasibility of specific housing-related initiatives.

- Market studies.

Confidentiality

Staff working with HOPWA clients should be trained regularly on confidentiality protections. Staff should be familiar with the use of basic tools, including consent forms and protocols for securing paper and electronic files, computer access and technology protections, and protocols for sharing confidential client information with other providers.

Establish and maintain a process to ensure client confidentiality. The confidentiality policy shall, at a minimum, address:

- How staff will gather, record, and store confidential information
- The consent process for the release of confidential information
- Protocols for responding to breaches of confidentiality
- Standards contained in relevant state and federal laws, including Health Insurance Portability and Accountability Act compliance (if applicable), and HIV confidentiality statutes
- Privacy standards related to data collection and use of participant information for program reporting, such as *AIDS Regional Information and Evaluation System (ARIES)* or *HMIS*

HOPWA rental assistance programs require additional attention to confidentiality, especially related to interacting with landlords. Referencing the HOPWA program by name in rental documents or letters and forms used in the program provides an opportunity for landlords and their agents to become aware of a renter's HIV status. Similarly, if the agency or program name references AIDS and is used in communication or outside documents, the confidentiality of beneficiaries will be compromised. Housing assistance programs are strongly encouraged to use a generic program name and to insulate rental assistance beneficiaries from exposure in all practical ways.

Intake Process

Establish and implement an application-based client intake process to ensure that eligible HOPWA beneficiaries and their families are served.

Waiting Lists

Establish and maintain a waiting list of applicants for assistance based on date and time of application.

- For TBRA or Facility-Based Housing, base the waiting list on date and time of application or other OA approved method.
- For STRMU, a waiting list may include clients that are turned away due to agency-imposed caps on STRMU due to insufficient resources.

Grievance and Appeals and Termination Policies

Contractors must establish client grievance and appeals procedures as well as program termination policies, and ensure that clients are aware and acknowledge receipt of the procedures.

At a minimum, termination procedures should include the following:

- Written notice to the participant containing a clear statement of the reasons for termination.
- Opportunity for a participant to a review of the decision, allowing them to confront opposing witnesses, present written objections, and be represented by their own counsel or representative, before a person other than the person (or a subordinate of that person) who made or approved the termination decision.
- Provide prompt written notification of the final decision to the participant.
- The sponsor must also have a policy in place when termination of assistance is due to the death of the HOPWA-eligible participant and there are surviving family members. The organization should establish a reasonable grace period of continued assistance to surviving family members, not to exceed one year, measured from the date of death of the participant. OA recommends at least 60 days of assistance.

Affirmative Outreach

Adopt affirmative outreach procedures to ensure that all persons who qualify for assistance, regardless of race, color, religion, gender, age, national origin, familial status, sexual orientation, or handicap, know of the availability of the HOPWA program, including facilities and services accessible to persons with a handicap, and maintain evidence of implementation of the procedures.

Compliance with Fair Housing Laws

Comply with the fair housing requirements including all applicable provisions of the *Americans with Disabilities Act (Title 42, United States Code Sections 12101–12213)* and implementing regulations at *Title 28, CFR, Part 35* (States and local government grantees) and *Part 36* (public accommodations and requirements for certain types of short-term housing assistance).

Conflict of Interest

Comply with state and federal conflict of interest requirements.

Replacing Funds

Ensure that HOPWA funds are not used to replace other funds made available or designated by state or local governments through appropriations for use for the purposes of the HOPWA program.

Administrative Guidance

Reporting Requirements

HUD reporting requirements

HUD requires the collection and reporting of specific performance outcomes and demographic information. OA requires submission of the data on the *HOPWA Progress Report (HPR)* form, which is provided by OA through a Management Memorandum and/or posting to the OA website.

OA reports data to HUD in a Consolidated Annual Performance and Evaluation Report (CAPER) through IDIS.

HPRs include **cumulative data** and are due to OA as follows:

Report	Period	Due to OA
Midyear	July 1 to December 31	January 31, 2014
Final Report	July 1 to June 30	July 15, 2014
Midyear	July 1 to December 31	January 31, 2015
Final Report	July 1 to June 30	July 15, 2015
Midyear	July 1 to December 31	January 31, 2016
Final Report	July 1 to June 30	July 15, 2016

Cumulative reports shall contain the following minimum data set:

- Performance goals per program year.
- Overall accomplishments and barriers encountered.
- Information on the contracting agency and each subcontracting agency including, but not limited to: name, address, *DUNS number*, *EIN/TIN*, contract amount, Congressional district, area served, and organizational status, such as non-profit, faith-based or “grassroots”.
- HOPWA funds budgeted and expended to date and use of funds.
- Amount of other funds used in conjunction with HOPWA funded activities.
- Sites and units of housing and households served with HOPWA funds and non-HOPWA funds in conjunction with HOPWA activities.

- Beneficiary information for participants and all family members. Data must include HIV/AIDS status, age, gender, household income, race, and ethnicity.
- Living situation of eligible beneficiary upon entering program and housing destination upon exit of the program or end of program year.
- Performance outputs and outcomes demonstrating improvements in eligible beneficiary housing stability, access to HIV treatment and other healthcare and support, and reduced risk of homelessness.

Additional Reporting Requirements

- ARIES

ARIES is a centralized HIV/AIDS client management system that allows for coordination of client services and provides comprehensive data for program reporting and monitoring. HOPWA intake and assessment screens are available in ARIES, and HOPWA reporting capabilities will be available in 2014 for ARIES users. All HOPWA contractors shall utilize ARIES for HOPWA.

- HMIS

Pursuant to federal requirements, agencies that receive HOPWA funding and target homeless persons are required to participate in their local HMIS. Other agencies that target persons living with HIV/AIDS and periodically assist homeless HIV/AIDS beneficiaries are encouraged to participate in their local HMIS.

Invoicing

Contractors may submit invoices and invoice expenditure detail forms either monthly or quarterly. Contractors must notify their HOPWA program coordinator whether invoices will be submitted for monthly or quarterly billing periods. After the execution of the contract, invoices are due 45 days following the end of the selected billing period.

Contractors must submit a HOPWA invoice backup spreadsheet (invoice backup) with each HOPWA invoice. The invoice backup provides detailed expenditure information necessary to create vouchers and drawdown funds from IDIS.

Budget Revisions

Contractors have the ability to submit budget revisions as follows:

- **Line Item Shifts**

Subject to prior review and approval of OA, line item shifts of up to 15% of the annual contract total are allowed, so long as the annual agreement total neither

increases nor decreases. Contractor must submit an In-House Revision Form, for approval, for line item shifts to OA. Please contact your HOPWA program advisor or fiscal analyst (FA) for a copy of the in-house revision form.

- **Budget Revisions**

Revisions of service category funding are referred to as budget revisions. The contractor must notify the HOPWA FA and program advisor, via e-mail, before the changes go into effect. The e-mail must include where funds/services are reduced and where the funds/services are increased. Budget revisions made by a subcontractor are reported in the “Other Costs” line item and are not considered line-item changes. Subcontractors must notify the contractor of any budget shifts or changes in services or allocations.

- **Other Budget Changes**

If any other changes are needed to previously approved budgets that are not described above, please contact your HOPWA FA.

Record Keeping

Service providers must maintain financial records for four years past the end of the contract period.

Program Compliance and Performance Monitoring

- Program compliance and performance monitoring ensures compliance with State and Federal programmatic and fiscal requirements.
- OA provides ongoing technical assistance to provide contractors and subcontractors with necessary resources and training to effectively administer the HOPWA program.
- HOPWA contractor and subcontractor oversight is achieved through a comprehensive approach of remote and on-site monitoring techniques. OA continuously reviews and monitors fiscal, programmatic, and administrative performance through contractor and subcontractor budgets, invoices, narrative reports, fiscal reports, site visit activities, audit reports, work plans, and needs assessments.
- OA conducts periodic site visits to assess contractor performance at least once during the agreement period, and more often if performance and compliance concerns are identified.
- OA communicates performance and compliance concerns and program successes through a monitoring report and corrective action plan process.

Financial and Compliance Audit Requirements

HOPWA contractors and subcontractors must be audited by an independent auditor as part of a single organization-wide financial and compliance audit to verify the following:

- Financial operations are properly conducted.
- Financial reports are fairly presented.
- The HOPWA contractor and subcontractor(s) are in compliance with all applicable laws, regulations, and administrative requirements that affect the expenditure of HOPWA funds.

In the table below are criteria to determine whether a contractor must obtain an audit in accordance with *Generally Accepted Government Audit Standards (GAGAS)* or *GAGAS and OMB Circular A-133 – Audits of States, Local Governments and Non-Profit Organizations (A-133)*. The table also includes audit submission and corrective action requirements.

Item	A-133 Audits	Audited Financial Statement
Requirements	<p>A non-profit or local government agency HOPWA contractor/subcontractor that expends over \$500,000 annually in total federal awards is required to obtain an annual single, organization-wide, financial and compliance audit in accordance with requirements specified in A-133.</p> <p>The A-133 is an independent audit that determines if funds are expended for allowable costs, expenditures are in accordance with program objectives, and internal controls are in place.</p>	<p>A non-profit HOPWA contractor/subcontractor that receives less than \$500,000 in federal awards is not subject to A-133 audit requirements but is required to obtain an annual single, organization-wide, financial and compliance audit (<i>Audited Financial Statement</i>) that is conducted in accordance with Generally Accepted Government Audit Standards (GAGAS).</p> <p>A nonprofit HOPWA contractor receiving less than \$25,000 in federal funds may submit the <i>Audited Financial Statement</i> on a biennial basis.</p> <p>(<i>Health and Safety Code Section 38040</i>).</p>
Due Date and Submission	<p>Local government agency's submit A-133 audits directly to the California State Controller's Office. However, the HOPWA</p>	<p>An electronic PDF copy of the <i>Audited Financial Statement</i> audit must be e-mailed to HOPWA FA within 30 days of</p>

Item	A-133 Audits	Audited Financial Statement
	<p>FA obtains copies of these audits to have available in the event HUD requests copies.</p> <p>For nonprofit contractors, an electronic PDF copy of the A-133 audit report is due to HOPWA FA within 30 days after the completion of the audit but no later than the ninth month following the end of the nonprofit contractor fiscal year.</p>	<p>completion of the audit but no later than five (5) months and 15 days from the HOPWA contractor/subcontractor fiscal year end.</p>
<p>Audit Contents</p>	<p>The A-133 audit report should include these minimum components:</p> <ul style="list-style-type: none"> • Independent auditor’s opinion stating that the audit was conducted in accordance with the provisions of A-133 and in accordance with GAGAS. • Audited financial statements. • Schedule of expenditures of federal awards and opinion thereon. • Report regarding the internal controls over compliance with laws and regulations and provisions of contracts or agreements that could have direct and material effect on the federal program. • Schedule of findings and questioned costs. • Auditee’s corrective action plans (if any). • Summary schedule for prior audit findings which includes planned and completed corrective actions (if any). 	<p>The <i>Financial Statement</i> audit, at a minimum, must include:</p> <ul style="list-style-type: none"> • Independent auditor’s opinion stating that the audit was conducted in accordance with GAGAS. • Audited Financial Statements. • Note accompanying the Financial Statements. • Separate report in accordance with GAGAS.
<p>Subcontractor</p>	<p>A HOPWA contractor tracks all</p>	<p>The HOPWA contractor tracks all</p>

Item	A-133 Audits	Audited Financial Statement
Tracking and Review	audits received from its subcontractors and follows up for delinquent submittals. If the audit is not received within 30 days of the due date, an electronic “late reminder” is sent to the HOPWA contractor’s HOPWA Program Advisor and FA. Electronic reminders are sent every 30 days until the audit is received.	subcontractor audits received and follows up on delinquent submittals. If the audit is not received within 30 days of the due date, an electronic “late reminder” is sent to the HOPWA contractor’s Program Advisor and FA. Electronic reminders are sent every 30 days until the audit is received.
Received Audits	<p>HOPWA contractors have 30 days to complete the review of its subcontractor audit reports and issue an electronic memo of compliance or deficiency.</p> <p>Contractor submits an electronic copy of all subcontractor audits and corrective correspondence to HOPWA FA.</p>	<p>HOPWA contractor has 30 days to complete the review of its nonprofit subcontractor audit reports and issue an electronic memo of compliance or deficiency.</p> <p>Contractor submits an electronic copy of all subcontractor audits and compliance correspondence to HOPWA FA.</p>
Deficient Audits	The <i>A-133</i> audit submitted without the minimum components is deficient.	The <i>Financial Statement</i> audit submitted without the minimum components is deficient.
Disclosures	The HOPWA Fiscal Analyst and HOPWA Advisor may look for disclosures in the <i>A-133</i> audit that cite any of the following: 1) ongoing concerns/problems; 2) unresolved legal issues; 3) questioned costs; 4) financial hardship; 5) lack of compliance with contracts, laws or regulations; 6) ineffective internal control measures and; 7) control board turnover.	N/A
Corrective Action Plan (CAP) Request and Response	When deficiencies or findings need correction, the HOPWA Program Advisor will e-mail the HOPWA contractor requesting a Corrective Action Plan	When deficiencies or findings need correction, the HOPWA Program Advisor will e-mail the HOPWA contractor requesting a CAP.

Item	A-133 Audits	Audited Financial Statement
	<p>(CAP).</p> <p>The HOPWA contractor must send a written CAP to the HOPWA Advisor within 30 days, indicating how the finding(s) will be addressed (if a copy of the CAP was not included with the submission of the audit). The HOPWA FA keeps track of the CAP, and the HOPWA Program Advisor monitors compliance of the CAP during the HOPWA site visit.</p>	<p>HOPWA contractor must send a written CAP to OA within 30 days, indicating how the finding(s) will be addressed. The HOPWA FA keeps track of the CAP, and HOPWA Program Advisors monitor compliance of the CAP during the HOPWA site visit.</p>