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# HAP PROGRAM MANUAL

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State of Wisconsin  
Department of  
Administration  
Division of Energy,  
Housing, and  
Community Resources

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Program Rules and Guidance  
for the Housing Assistance  
Program (HAP)

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Last Revised December 2023

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# Chapter 1: General Information

The Wisconsin Department of Administration's (DOA) Division of Energy, Housing, and Community Resources (DEHCR) developed this handbook as a resource for Housing Assistance Program (HAP) grantees. HAP grantees are required to follow all state requirements, policies, and procedures in this guide. Grantees may only operate the types of programs that have been included in their written contract agreement with the state. In the event of a conflict between the language specified in the contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

## 1.1 Program Overview

The Housing Assistance Program (HAP) is a State of Wisconsin funding source. The funding is distributed to one lead fiscal agent in each HUD-recognized COC.

Program	Authorized By	Project Types
Housing Assistance Program (HAP)	Wisconsin Statutes § 16.306 Wisconsin Admin Code § 87.03	Housing
		Administrative Costs

# Chapter 2: Application Process

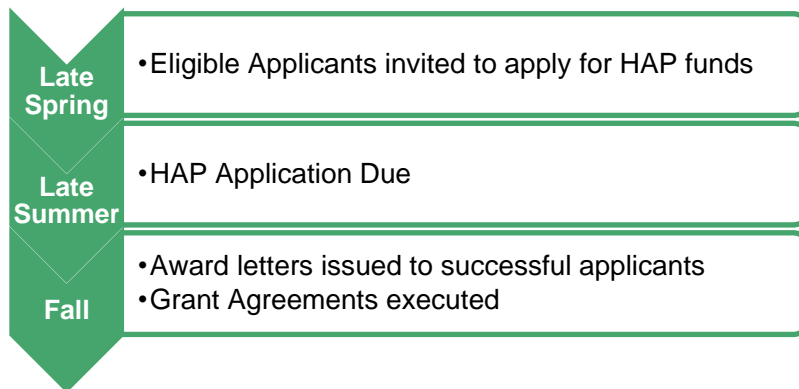
## 2.1 Eligible Applicants

Eligible applicant agencies must meet the following eligibility criteria:

- The applicant must be one of the following:
  - A county or municipal governing body,
  - A county or municipal governmental agency,
  - A community action agency under s. 49.265,
  - A private, nonprofit organization, OR
  - An organization operated for profit.
- The applicant must have a history in the implementation of housing programs.
- The applicant must demonstrate an ability to coordinate with other local agencies to provide job training, housing counseling, and/or other supportive services.
- The applicant must be eligible to use the Homeless Management Information System (HMIS) or Osnium (if a victim services provider)
- The applicant must have an active registration in SAM.gov and have no active exclusions.

## 2.2 Application Timeline

The HAP Application timeline is typically as follows; however, it is subject to change.



## 2.3 Application Process

A Continuum of Care (COC) is a regional planning body that receives HUD funding and coordinates efforts to address housing and homeless issues. There are four HUD-recognized COCs in Wisconsin. The Milwaukee, Dane/Madison, and Racine COCs each cover one county. The Balance of State COC covers the other 69 counties and is divided into groups of counties known as local homeless coalitions.

DEHCR will allocate HAP funding to each of the four COCs on an annual basis. Each COC must designate a lead applicant (chosen by the COC membership) that will hold the contract with DEHCR. Other agencies within the COC's service area may subcontract with the lead applicant and be subrecipients of the funding. Lead applicants act as fiscal agents and are responsible for the implementation of the grant and the proper use of grant funds.

Each COC must hold an annual competition for their HAP allocation funding using a project application and scoring criteria created by DEHCR.

## 2.4 Selection of Lead Agency

Each HAP grant cycle, each HUD COC must vote on and approve an agency to be the Lead Agency for the HAP contract. The vote must take place among the full COC membership. An agency cannot become the HAP Lead Agency without majority approval from the COC membership. Meeting minutes showing the vote outcome must be submitted with the application.

## 2.5 Application Attachments

Each HAP grant cycle, documentation beyond the application itself is required. Required attachments include:

- Lead Agency Selection Documentation
- SAM.gov Registration and Debarment Status
- HAP Certification

- Environmental Review Exemption

### **A. Lead Agency Selection Documentation**

Every application must include the minutes from the HUD CoC meeting in which the lead agency for HAP funds was selected.

### **B. SAM.gov Registration and Debarment Status**

All lead agencies and subrecipients must provide documentation from [SAM.gov](#) (System for Award Management) showing an active registration and non-debarment/no active exclusions. Instructions on how to obtain that documentation can be found on [DEHCR's website](#).

### **C. HAP Certification**

All lead agencies and subrecipients must complete a HAP Certification form. The document lists requirements that every recipient of HAP funding must agree to and confirm compliance with.

### **D. Environmental Review Exemption**

All lead agencies and subrecipients must complete an Environmental Review Determination Exemption form. The form is used to satisfy the applicable environmental review requirements. Agencies are not required to complete the form if they are exclusively applying for administration funding.

## **2.6 Decision Authority**

In every HAP grant cycle, there are three main collaborators, each of whom have decision authority over different parts of the granting process:

- A. HUD COC
  - i. Votes on and approves an agency to be the lead agency for HAP funding
  - ii. Reviews and scores HAP project applications
  - iii. Votes on and approves overall funding allocation amounts for all agencies and programs
- B. Lead Agency
  - i. Monitors subrecipient spending and reallocates funding as needed
  - ii. Requests budget adjustments (from DEHCR) when needed
- C. Agency administering a program
  - i. Determines the individual breakdown of budget line items from the funding allocation
  - ii. Requests budget adjustments (from Lead Agency) when needed

## **2.7 Appeals**

If an agency believes a HUD-recognized COC or HAP Lead Agency made an unfair funding or enforcement decision, they may submit a letter to [doasupportivehousing@wisconsin.gov](mailto:doasupportivehousing@wisconsin.gov) explaining the grievance to DEHCR. The letter should thoroughly explain the situation and the reason the grievance is being made. DEHCR will respond within 30 days.

# Chapter 3: Policies, Procedures, and Requirements

## 3.1 Accessibility Practices/Resources

All grantees should have resources and practices in place to communicate with all potential beneficiaries including those with limited or no English. Further, facilities and programming should be accessible to people with disabilities including, but not limited to, people with vision loss, hearing loss, physical/mobility concerns, and learning disabilities.

## 3.2 Affirmative Action

Grantees with an award over fifty thousand dollars (\$50,000) are required to submit a written affirmative action plan. An exemption occurs from this requirement if the Grantee has a workforce of less than fifty (50) or is a Wisconsin municipality. Instructions on where to submit the Plan or the Exemption Statement can be found in the agency contract.

Affirmative Action plans or approved Exemptions are valid for three years. If a grantee's plan/exemption was placed on the eligible directory listing, all state granting agencies can see the approved plan on file and the grantee does not need to submit additional documentation for new contracts. If the grantee's plan/exemption is not in the directory, they are required to submit affirmative action information to each granting agency that they contract with and for each separate contract.

Additional information can be found on the document "[State of Wisconsin Affirmative Action Plan Requirements](#)".

## 3.3 Anti-Lobbying

The Grantee and Subrecipients may not use federally-appropriated funds to pay, by or on behalf of it, any person for influencing or attempting to influence any governmental or affiliated governmental officer or employee. If any funds other than federally-appropriated funds are used to influence or attempt to influence, the Grantee or Subrecipient must both complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and in all sub-award documents disclose to Subrecipients the lobbying activity accordingly.

## 3.4 Confidentiality

Lead agencies and subrecipients must develop and implement written confidentiality procedures to ensure:

- A. All records containing personally identifying information of any person or family who applies for and/or receives HAP assistance will be kept secure and confidential.
- B. The address or location of any housing of a program participant will not be made public except as provided under a preexisting privacy policy of a lead agency or subrecipient and consistent with all applicable state and local laws regarding privacy and obligations of confidentiality.



- C. Lead agencies and subrecipients must develop and implement procedures to ensure the confidentiality of records pertaining to any person provided family violence prevention or treatment services under any project assisted under the HAP program.
- D. The use or disclosure by any party of any information concerning eligible individuals who receive services for any purpose not connected with the administration of the program is prohibited except with the informed, written consent of the eligible individual, or the individual's legal guardian.

## 3.5 Conflict of Interest

State regulations require compliance with organizational, individual, and procurement conflict of interest provisions. Lead agencies/subrecipients will be required to repay any HAP funds disbursed for persons with whom there is an identified conflict of interest unless an exception is granted from DEHCR.

### A. Organizational Conflicts of Interest

- i. Grantees must not condition HAP assistance on a participant's acceptance of housing owned by the grantee or a parent or subsidiary of the grantee.
- ii. Grantees must not conduct an initial evaluation or provide homelessness prevention assistance to persons living in property owned by the grantee or a parent or subsidiary of the grantee.

### B. Individual Conflicts of Interest

The individual conflict of interest regulations prohibit financial gain for self, family, or those with business ties.

- i. No person who exercises responsibility over HAP funded projects or who is in a position to participate in a decision-making process or gain inside information with regard to HAP funded projects may:
  - a. Obtain a financial interest or benefit from an assisted activity
  - b. Have a financial interest in any contract, subcontract, or agreement with respect to an assisted activity
  - c. Benefit from an assisted activity, either for themselves or for those with whom they have family or business ties, during their tenure or during the one-year period following their tenure

### C. Individual Conflict of Interest Exception Process

Upon written request of the grantee, DEHCR may grant an exception to the provisions above on a case-by-case basis. The most common situation where an exception is requested is when a family member of an employee needs HAP assistance (e.g., the family member of an employee experiences homelessness and applies for rapid re-housing assistance). Follow the steps below if a conflict of interest is identified when providing HAP funded assistance.

- i. Submit a request for an exception in writing to DEHCR. The request must contain the following items:
  - a. A narrative of the situation, which must contain the name and title of the person for whom the exception is requested, and a brief description of the person's

position as it relates to the DEHCR-assisted project or contract award. The narrative must also address all applicable factors below.

- I. Whether the person is a member of a group or class of persons intended to be the beneficiaries of the DEHCR-assisted activity, and if so, whether the exception would permit the person to receive generally the same interests or benefits being made available or provided to the group or class.
  - II. Whether the affected person has withdrawn from their functions or responsibilities or the decision-making process with respect to the specific assisted activity in question.
  - III. If the agency requesting an exemption is a government, they must also provide an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made.
  - IV. Any other relevant considerations.
- ii. DEHCR will review the request for exception based on the above factors and any other applicable information. In determining whether to grant the requested exception, DEHCR shall consider whether an exception will serve to further the purposes of the HAP program and the effective and efficient administration of the organization's project. If the request is deemed appropriate, DEHCR will seek a legal opinion from the DOA Legal Counsel stating whether there would be a violation of local, state, or federal law if the exception were granted.
    - a. If the legal opinion obtained from DOA Legal Counsel is not favorable to the request, no exception will be granted.
  - iii. DEHCR will notify the grantee of the decision. At any point, DEHCR reserves the right to refuse a request for an exception. If this occurs, a written response will be provided.

#### **D. Procurement Conflicts of Interest**

In the procurement of property and services, the conflict-of-interest provisions at 24 CFR 85.36 and 24 CFR 84.42 apply. These regulations require grantees to maintain written standards governing the performance of their employees engaged in administering contracts. At a minimum, these standards must:

- i. Require that no employee, officer, agent of the grantee shall participate in the selection, award, or administration of a contract supported by HAP funds if their participation would create a real or apparent conflict of interest.
- ii. Require that grantee employees, officers and agents not accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub agreements.
- iii. Stipulate provisions for penalties, sanctions, or other disciplinary actions for violations of standards.

#### **E. DEHCR Notification**

The grantee's Conflict of Interest Policy must include a statement that any conflict of interest regarding HAP funding must be submitted to DEHCR for review. Example situations, and notification requirements, are described below.

- i. If a grantee identifies a possible conflict of interest, determines it's a conflict, and doesn't pursue it, DEHCR does not need to be notified.
- ii. If a grantee identifies a possible conflict of interest, determines it's not a conflict, and proceeds, DEHCR does not need to be notified.
- iii. If a grantee identifies a possible conflict of interest, determines it's a conflict, and wants to proceed offering the service, they must submit it to DEHCR for review/approval.

## 3.6 Coordinated Entry

Participation in coordinated entry is not a requirement of HAP funding. However, at the discretion of the HUD COC, it can be required for projects with a single target population that meets a HUD definition of homelessness/at-risk of homelessness.

Coordinated entry cannot be required for HAP-funded projects that serve populations outside of the HUD definitions. Projects must be allowed to serve all eligible populations, including those that cannot fit in the current CE system. Projects that do not participate in coordinated entry must have a written client selection policy and procedure.

## 3.7 Debarment

State funds may not be used to directly or indirectly employ, award contracts to, or otherwise engage the services of any contractor or Subrecipient during any period of debarment, suspension, or placement of ineligibility status. The Grantee and Subrecipients may not be listed in the federal publication which lists debarred, suspended and ineligible contractors.

## 3.8 Drug-Free Workplace

The Grantee and Subrecipients must provide a drug-free workplace by complying with the implementation of rules around drug prohibition, notification to employees of the rules, and disclosure of violations in accordance the rule.

The Drug-Free Workplace Act of 1988 has the following requirements:

- A. Agencies must have a formal drug-free workplace policy statement.
- B. Agencies must establish a drug-free awareness program.
- C. Agencies must ensure employees are aware that they must notify the agency within 5 calendar days if they are convicted of a criminal drug violation in the workplace.
- D. Agencies have 10 days to notify the granting agency that a covered employee has been convicted of a criminal drug violation in the workplace.
- E. Agencies must take on against an employee convicted of a workplace drug violation.

## 3.9 Equal Access and Gender Identity Rules

Grantees must have policies and practices to ensure clients have equal access to services regardless of sexual orientation, gender identity, family composition or marital status. Individuals must be placed in programs in accordance with their gender identity and family composition. There cannot be any requirements for individuals to "prove" gender identity or family composition.

[HUD's Equal Access Agency Assessment Tool](#) can help providers assess their compliance with regulations and best practices. It assesses the following areas: general adherence, harassment policy, managing and resolving violations, confidentiality practices, data collection, facility enhancements.

## 3.10 Equity Advancement & Culturally Responsive Practices

Each grantee is expected to identify any inequities between the population of BIPOC (Black, Indigenous, People of Color) in its service territory compared to the grantee's clients. If there are differences that negatively impact BIPOC populations, strategies should be defined to help close the gap and be more culturally responsive to the populations identified in the analysis.

## 3.11 Expectations of Lead Agencies

Lead applicants for HAP funds have the following expectations:

- A. Comply with all funding requirements
- B. Collect and ensure timely submission of all reports required by DEHCR in the grant agreement
- C. Ensure all funds are spent in an appropriate manner within the agreed-upon budget
- D. Reallocate funds as needed to fully spend out all funds
- E. Meet all HMIS compliance standards, if applicable

## 3.12 Expectations of Lead Agencies with Subrecipients

Lead applicants for HAP funds with subrecipients have the following expectations in addition to those listed above:

- A. Issue agreements or contracts with each subrecipient laying out expectations regarding matters such as the use of grant funds, monitoring expectations, payment requests, and eligible activities. All subrecipient agreements/contracts must be executed within 45 days of the DEHCR contract start date (exceptions may be granted on a case-by-case basis)
- B. Collect and review invoices from subrecipients to ensure proper payment requests. Financial backup documentation should be collected at least once per grant cycle to ensure proper usage of funds.
- C. Submit subrecipient expenditures to DEHCR within 30 days of receiving the expenditure report from the subrecipient.
- D. Ensure timely payment disbursement to subrecipients. Subrecipients must be reimbursed within 21 days of the lead agency receiving reimbursement from DEHCR.
- E. Collect and ensure timely submission of all subrecipient reports required by DEHCR in the grant agreement.
- F. Perform an annual monitoring for HAP program compliance with each subrecipient within 12 months of the contract start date. For new subrecipients, the lead agency must

perform a compliance monitoring within six months of the subrecipient first incurring expenses. At a minimum, DEHCR-created monitoring materials must be used.

- G. Provide training and technical assistance on grant compliance and program operations, especially with new subrecipients.
- H. Ensure that each subrecipient meets HMIS compliance standards (or comparable database standards for victim service providers).
- I. Notify DEHCR immediately if contractual issues arise with a subrecipient's performance.
- J. Ensure that information such as new rules or income/rent limits is promptly passed along to subrecipients.
- K. Facilitate communication for subrecipients.
- L. Ensure that the process for allocating HAP funds locally is fair and transparent.

### **3.13 Expectations of Subrecipients**

Subrecipients of HAP Lead Agencies have the following expectations:

- A. Comply with all funding requirements
- B. Submit invoices and reports on a timely basis
- C. Undergo and complete a monitoring review at least once every grant cycle
- D. Notify DEHCR of any concerns related to the performance of the lead agency
- E. Ensure all funds are spent in an appropriate manner within the agreed-upon budget
- F. Request budget adjustments to the lead agency as needed to fully spend out all funds

### **3.14 Faith-Based Activities/Religious Influence**

All HAP-funded activities must be administered in a manner that is free from religious influences and in accordance with the following principles.

- A. Grantees must not discriminate against any employee or applicant for employment and must not limit employment or give preference in employment to persons on the basis of religion.
- B. Grantees must not discriminate against any person applying for services and must not limit services or give preference to persons on the basis of religion.
- C. Grantees must provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing and exert no other religious influence in the provision of programs or services funded under HAP.
  - If a grantee conducts these activities, the activities must be offered separately in time or location from the programs or services funded under HAP, and participation must be voluntary for HAP program participants.

### **3.15 Financial Management**

All funding sources from the Department of Administration (Division of Energy, Housing and Community Resources) are to be tracked separately. Payroll expenses should include documentation from timesheet to paycheck. Timesheets should show hours spent on HAP eligible activities vs. other non- HAP activities. The Grantee should establish policies and

procedures for keeping backup documentation on expenditures so it can be produced upon request.

### **3.16 Financial Statements**

The grantee is required to provide access to financial statements and expenditure records upon request by representatives of the Department of Administration (DOA, DEHCR) and the Legislative Audit Bureau (LAB).

### **3.17 Housing First**

All projects receiving HAP funds must implement a Housing First approach to services (as defined by the HUD-designated CoC covering the project's service area).

### **3.18 Identification**

Grantees cannot require third party documentation such as birth certificates or photo identification as a condition of admitting an individual or family into a HAP program.

### **3.19 Involuntary Family Separation**

All individuals or groups of individuals regardless of age, gender identification, sexual orientation, and marriage status identifying as a family at must be served as a family by any project which serves families. There can be no involuntary separation. Any housing program that serves families must serve all eligible families regardless of their gender composition – e.g. programs which serve families may not serve exclusively women and children.

There can be no documentation requirement or need for “proof” of family, gender identification, and/or sexual orientation. Examples of prohibited inquiry and documentation include but are not limited to parentage, birth certificates, and marriage certificates.

Families with children under age 18 must not be denied admission to any family housing program based on the age of any child under age 18. An example of a prohibited admission policy would be denying a family admission because there is a 16-year-old in the family.

### **3.20 Monitoring**

The grantee shall comply with monitoring visits and/or desk monitoring from representatives of the Department of Administration (DOA, DEHCR) and the Legislative Audit Bureau (LAB) for HAP grant program compliance.

### **3.21 Nondiscrimination for Clients and Employees**

Each Grantee and Subrecipient must have a policy expressing discrimination against clients/potential clients and employees/potential employees based on based on race, color, religion, sex (including pregnancy, sexual orientation, or gender identity), national origin, physical condition, disability, age (40 or older) or genetic information (including family medical

history) is illegal and will not be tolerated. The policy should outline a way for clients/potential clients and employees/potential employees to report discrimination, and potential repercussions.

Recipients and subrecipients must also take steps to ensure meaningful access to programs and activities for people with limited English proficiency (LEP).

### **3.22 Participation in Continuum of Care**

Lead agencies and subrecipients are required to participate in their HUD-recognized COC and/or local homeless coalition to the extent necessary to ensure maximum coordination of services. Participation can take many forms including:

- Attend COC membership meetings.
- Participate in a COC committee.
- Participate in advocacy efforts organized by the COC.
- Use COC data when talking about homelessness in your community.
- Attend COC sponsored trainings.
- Participate in coordinated entry.

### **3.23 Procurement**

The Grantee and Subrecipients must have written procurement procedures which seek to avoid purchasing unnecessary items, mandate an analysis as to whether leasing or purchasing is more economical, and which meet the statutory solicitation requirements when seeking bids. Purchases of services from contractors or vendors by nonprofit grantees with HAP funds are subject to the state regulations governing procurement procedures.

### **3.24 Recordkeeping and Retention**

Lead agencies and subrecipients must have written policies and procedures in place to ensure all recordkeeping requirements are met. Lead agencies must also maintain a copy of any executed contract with any subrecipient which relates to project activities funded under their HAP contract.

Program and financial records for lead agencies and subrecipients must be maintained for a minimum of five years after the final expenditure under their HAP contract.

### **3.25 Residency**

Grantees and subrecipients shall not require homeless individuals and families to be residents of the state or locality to receive HAP services, nor shall they set differing allowed lengths of stay based on whether a homeless individual or family are residents of the state or locality.

### **3.26 Signatory Authority**

All grantees and subrecipients must have documentation designating the person or persons who have signing authority for their organization and must be able to provide it to DEHCR upon request.



## 3.27 Trauma-Informed Care

Recognizing that many clients have experienced different types of trauma, each grantee is required to have trauma-informed care practices in place. Trauma-informed care practices are defined as an approach to intervention and providing services that focuses on how trauma may affect an individual's life and their response to receiving services in various systems. All grantees are expected to provide training to their staff on trauma-informed care practices.

## 3.28 WBE/MBE

The Grantee and Subrecipients should utilize small businesses and women- and minority-owned firms to the greatest extent practicable. Furthermore, the Grantee and Subrecipients must comply with the reporting requirements as established by DEHCR.

# Chapter 4: Monitoring and Reporting

## 4.1 Monitoring

### A. Monitoring of Lead Agencies by DEHCR

#### *i. Notification of Monitoring*

DEHCR will annually monitor the performance of each HAP Lead Agency. In conducting performance reviews, information will be obtained from the records and reports from onsite or desk monitorings, audit reports, and information from HMIS. Monitoring reviews to determine compliance with specific program requirements will be conducted as necessary.

#### *ii. Components of a Monitoring*

During DEHCR's annual monitoring of lead agencies, several different components may be reviewed, including:

- a. Personnel policies and procedures, such as conflict of interest and confidentiality policies
- b. Fiscal policies and procedures, such as the agency's chart of accounts and allocation methodology
- c. Program policies and procedures, such as the termination procedure
- d. Funding-specific requirements, such as eligible activities
- e. Client files
- f. Financial backup documentation supporting reimbursement requests
- g. Participation and performance in HMIS or an HMIS-comparable database
- h. Involvement in the applicable HUD COC
- i. Participation in the January Point-in-Time (PIT) count
- j. Completion of monthly Housing Inventory Chart (HIC) report
- k. Completion of the Lead Agency Quarterly Performance Reports
- l. Performance as a lead agency
- m. Subrecipient monitoring process and procedures



### ***iii. Client Files***

Client files reviewed during a monitoring will be selected by DEHCR. The files must be submitted in a secure manner. Unredacted client files must never be provided through unsecure means.

### ***iv. Possible Corrective Actions***

- a. For unallowable expenditures: funds must be reimbursed and used for allowable program costs; submit documentation showing the reimbursement and reallocation of funds.
- b. For expenditures lacking appropriate documentation: provide documentation showing cost eligibility.
- c. For insufficient policies: submit a revised policy that is fully compliant with all requirements.
- d. For insufficient client files (varies depending on severity of deficiencies):
  - I. Submit a plan that describes how the agency will ensure future compliance with all client file requirements.
  - II. Provide training on HAP client file requirements to program staff and then notify DEHCR when training is completed.
  - III. Schedule a virtual training with DEHCR to take place within 30 days for all program staff.
  - IV. Submit client files along with each request for payment reimbursement; files must be compliant to receive the month's reimbursement.

## **B. Monitoring of Subrecipients by Lead Agencies**

Lead agencies are required to perform an annual monitoring with each subrecipient within 12 months of the contract start date. For new subrecipients, the Grantee must perform a monitoring within six months of the subrecipient first incurring expenses. The annual monitoring must ensure each subrecipient meets obligations specified in the grant agreement as well as minimum fiscal standards. Lead agencies must also review documentation supporting reimbursement requests, such as invoices and timesheets, to ensure proper payment requests are being made.

In summary, the monitoring should include the review of agency policies, program policies, fiscal policies, financial documentation, and client files. A summary of each subrecipient monitoring must be made available to DEHCR for review during its monitoring of the lead applicant as well as upon request.

## **4.2 Reporting**

### **A. Homeless Management Information System (HMIS)**

All lead agencies and subrecipients must participate in HMIS and comply with participation requirements. All HMIS participating agencies must comply with the State of Wisconsin HMIS Governance Charter, Policies & Procedures, and the HUD-recognized Continuum of Care Governance Charter. Agencies must adhere to the current HUD Data Standards Manual set forth by HUD.

Victim service providers cannot participate in HMIS and Legal Services Organizations may choose to not participate in HMIS. Providers which do not participate in HMIS must use a comparable database that produces unduplicated, aggregate reports. The comparable database must be capable of producing all HAP-required reports.

### **B. Housing Inventory Chart (HIC)**

Each COC must complete a census for the fourth Wednesday of the month for all emergency shelters, rapid re-housing programs, permanent housing, safe haven, and transitional housing programs. This information is reported on the Housing Inventory Chart (HIC) maintained by the HUD COCs. The data is required of all agencies with the above-referenced program types regardless of whether they participate in HMIS or a comparable system.

### **C. Lead Agency Quarterly Performance Report**

All lead agencies with subrecipients must complete a Lead Agency Performance Report each quarter. The report is due on the 20th of the month following the end of each quarter (January 20<sup>th</sup>, April 20<sup>th</sup>, July 20<sup>th</sup>, and October 20<sup>th</sup>). Lead agencies must be able to provide backup documentation upon request by DEHCR.

### **D. Performance Data**

All lead agencies and subrecipients shall provide the following information to DEHCR upon request:

- i. The total number of persons served.
- ii. The length of stay in housing of each person served.
- iii. The housing and employment status of each person served, at the time that the person leaves the housing program.
- iv. Any other information that the department determines to be necessary to evaluate the effectiveness of the housing program operated by the recipient.

### **E. Point-in-Time (PIT)**

All lead agencies and subrecipients receiving HAP funds must actively participate in the overnight Point-in-Time (PIT) street count conducted statewide during the last ten days of January. Participation in the July PIT count may be required by the HUD-recognized COCs.

## **Chapter 5: Allowable Costs**

### **5.1 Housing and Supportive Services**

The purpose of HAP funding is to provide housing and associated supportive services to homeless individuals and families to facilitate their movement to independent living.

HAP funds may be used to support a housing program that does all of the following:

- A. Facilitates the utilization, by residents, of appropriate social services available in the community.
- B. Provides, or facilitates the provision of, training in self-sufficiency to residents.
- C. Requires that at least 25 percent of the income of participants be spent on rent.

## Overview of Eligible Activities:

- A. **Housing Payments**, including but not limited to:
- i. *Rental application fees*, which are charged by the owner to all applicants.
  - ii. *Security deposits*.
  - iii. *Last month's rent*, may be paid along with security deposit and first month's rent, if necessary to obtain housing.
  - iv. *Rental payments*.
  - v. *Rental arrearages*, including any late fees on those arrears, provided the assistance will allow the client to retain their current permanent housing or to obtain new permanent housing.
  - vi. *Utility deposits* (gas, electric, water, sewage), which are charged by the utility company to all customers.
  - vii. *Utility payments* (gas, electric, water, sewage), may only be provided if the participant household has an account in their name with a utility company or proof of responsibility to make utility payments.
  - viii. *Moving costs* (e.g. truck rental, moving company, storage fees).
- B. **Supportive Services**, including but not limited to:
- i. *Education services* to improve knowledge and basic educational skills to increase a client's ability to be self-sufficient.
  - ii. *Employment assistance and job training* necessary to assist clients in securing employment and/or increase earning potential.
  - iii. *Housing search and placement* necessary to assist clients in locating, obtaining, and retaining suitable permanent housing.
  - iv. *Housing stability case management*, to pay the cost of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for a client who resides in permanent housing or to assist a client in overcoming immediate barriers to obtaining housing.
  - v. *Legal services* necessary to resolve a legal problem which prohibits a client from obtaining or maintaining permanent housing.
  - vi. *Life skills training* of critical life management skills to increase a client's ability to obtain/maintain permanent housing and be self-sufficient.
  - vii. *Tenant/landlord mediation* to assist with communication and conflict resolution.
  - viii. *Transportation* costs associated with client travel to and from employment, medical care, and other needed services; examples include public transportation fees, gas cards, and minor car repairs.

## 5.2 Administration

HAP funding has a 10% cap on administrative expenses. HUD CoCs may retain up to 5% admin for administration and monitoring of the funded projects. HUD CoCs must offer at least 5% admin to subrecipient projects; if agencies decline the full 5%, the funds must be used for direct housing activities. If a HUD CoC retains less than 5% admin for themselves, the subrecipients must be offered the additional admin (for a combined total of no more than 10%).

## **Overview of Eligible Activities:**

- A. General management, oversight, and coordination
- B. Reporting on the program as required by DEHCR
- C. Program administration costs
- D. Travel costs incurred for monitoring of subrecipients
- E. Costs of providing training on HAP requirements

# **Chapter 6: Client File Requirements**

The requirements in this section must be followed and documented in client files.

## **6.1 Client Eligibility**

Individuals and families who are homeless or at-risk of homelessness are eligible for HAP funds. Grantees may determine which definition of homelessness they will use in their program(s).

## **6.2 Agency-Owned Housing Units**

Lead agencies and subrecipients may provide tenant-based assistance to program participants that choose a housing unit owned by the granting agency. There must be documentation that the program participant had a choice of units and were not specifically directed to an agency-owned unit.

### ***A. Participants Currently Housed in Agency-Owned Units***

If a program participant seeking rental assistance is currently housed in an agency-owned unit, that agency cannot conduct the intake assessment/initial evaluation to determine HAP eligibility and household need. For example, if an individual is residing in a transitional housing unit of an agency, that agency cannot do the initial assessment of the client for enrollment into the agency's HAP rapid re-housing program. In such a situation, the agency could use another independent agency to perform the initial assessment. Once eligibility is confirmed and the need for assistance is identified, the initial agency can then provide the rapid re-housing assistance. Client files must clearly document the assessment done by the third-party agency.

## **6.3 Coordination with Homeless Services and Mainstream Resources**

Lead agencies and subrecipients must assist homeless individuals in obtaining permanent housing, appropriate supportive services, and other Federal, state, local, and private assistance available for such persons. Documentation of referrals to services, provided while enrolled in HAP programs, must be retained in client files.

Lead agencies and subrecipients should coordinate HAP-funded activities with other programs targeted to serving homeless households.

## **6.4 Evaluation of Eligibility and Need**

All households receiving HAP assistance must have at least an initial consultation with a case manager or other representative who can determine eligibility for HAP assistance and the amount and type of assistance necessary for the household to regain stability in permanent housing.

## **6.5 Government Issued Identification**

Lead agencies and subrecipients administering HAP programs cannot retain unredacted copies of government issued identification in HAP client files. Examples include social security cards, birth certificates, and driver's licenses. Such documentation is not required for HAP programs and presents a high security risk. As such, this documentation cannot be kept in any HAP client file, either hardcopy or electronic, unless fully redacted.

## **6.6 Habitability Standards**

Every HAP-assisted housing unit must comply with either HUD's minimum habitability standards for permanent housing or Housing Quality Standards (HQS). Agencies cannot use HAP funds to help a program participant remain in or move into housing which does not meet one of the standards. Lead agencies and subrecipients must document compliance with the applicable standards.

## **6.7 Lead Safety**

Every HAP-assisted housing unit must be free from lead-based paint contamination. A visual inspection is necessary if the unit was built before 1978 and a child less than 6 years of age and/or a pregnant woman is expected to reside there. The inspection must take place prior to providing any HAP rental assistance on the unit.

## **6.8 Lease Agreement**

When receiving rental assistance under any project type, clients must have a legally binding written lease agreement for the rental unit. Leases are encouraged to have an initial term of one year. Leases may be renewed or extended as needed for as long as a client remains eligible.

## **6.9 Rent Reasonableness**

Lead agencies and subrecipients providing rental assistance must create policies and procedures to ensure that all units meet rent reasonableness standards.

To calculate rent under this section, the unit's rent shall equal the sum of the total monthly rent for the unit, any fees required for occupancy under the lease (other than late fees and pet fees), and, if the tenant pays separately for utilities, the monthly allowance for utilities established by the public housing authority for the area in which the housing is located.

Agencies must determine whether a unit's rent is reasonable by comparing it to at least two unassisted units. To make this determination, the agency must consider:

- A. The location, quality, size, unit type, and age of the contract unit; and
- B. Any amenities, housing services, maintenance, and utilities to be provided by the owner per the lease.

To establish whether a unit meets rent reasonableness standards, it must be compared to at least two comparable units. Documentation of comparable units for a city or region must be updated at least annually. A sample "[Rent Reasonableness Checklist and Certification](#)" form is available for use.

[WIHousingSearch.org](#) is a potential resource for finding comparable units. It is a state-wide resource of affordable rental housing in a searchable database that is free to anyone seeking affordable rental housing. The website lists the number of bedrooms and other features for units.

Agencies must establish their own written policies and procedures for documenting comparable rents and ensure that they are followed when documenting rent reasonableness in case files. Policies must include a process for exceptional circumstances in the event the rent reasonableness standard cannot be met (accessibility, unit size, etc.).

Additional guidance can be found on the [HUD Exchange](#). Rent reasonableness requirements do **not** apply to clients only receiving assistance for rental arrears.

## 6.10 Rent Assistance Standard Operating Procedure

When providing HAP rental assistance, the following requirements apply.

- A. Compliance with Rent Reasonableness.
- B. Compliance with Habitability Standards or Housing Quality Standards
- C. Compliance with Lead-Based Paint standards: a visual assessment is required for all units receiving assistance if the unit was constructed before 1978 and a child under 6 or a pregnant woman will live there.
- D. A legally binding written lease agreement.
- E. A rental assistance agreement between the grantee agency and the landlord/property manager/owner.
- F. No HAP rental assistance can be provided to households receiving the same type of rental assistance from another public source for the same time period. For example, persons living in public housing units, using housing choice vouchers, or residing in project-based assisted units cannot receive monthly HAP rental assistance.
- G. The lead agency or subrecipient must make timely payments to owners per the rental assistance agreement. The lead agency/subrecipient is solely responsible for paying with non-HAP funds any late payment penalties that it incurs.
- H. Lead agencies and subrecipients may set a maximum dollar amount and maximum period for which a program participant may receive any of the types of assistance or services described within the regulatory maximums.

## 6.11 Terminating Assistance

To terminate assistance to a program participant, lead agencies and subrecipients must establish and follow their formal process that recognizes individual rights and meets all requirements. Lead agencies and subrecipients may terminate HAP assistance if a participant violates the rules of the program. Program termination is allowed in only the most severe cases. Assistance to a program participant who has been terminated from a program may resume at a later date.

## 6.12 Documentation Requirements

Lead agencies and subrecipients will be responsible for demonstrating how each requirement for documentation is met, maintained, and monitored. Regardless of how the documentation is maintained, it must be consistent for each client within the project.

1. *Demonstration of intake* and basic assessment of needs and program eligibility.
2. Documentation of *homelessness or at-risk of homelessness status* which demonstrates program eligibility.
3. Documentation of the *amount and type of assistance* provided to the program participant.
4. *Termination procedure* documentation demonstrating that clients have been informed of their rights and of the procedure, as well as any correspondence related to a termination proceeding, if applicable.
5. Documentation of *referral and connection to homeless and mainstream services* made during enrollment in the HAP program.
6. *Rental assistance agreements and payments* which must include copies of all leases and rental assistance agreements for the provision of rental assistance and documentation of payments made along with supporting documentation for the payments.
7. Documentation of providing, or facilitating the provision of, *training in self-sufficiency*.
8. Documentation showing that at least *25% of client income is spent on rent*.
9. Documentation of unit compliance with *Rent Reasonableness*.
10. Documentation of unit compliance with *Habitability or Housing Quality Standards*.
11. Documentation showing *entry and exit dates* to the program.
12. Documentation showing the *housing and employment status* of each client at program exit.

# Chapter 7: Financial Management

## 7.1 Financial Management

All Grantees and Subrecipients must ensure compliance with regulations and requirements pertaining to the following key areas of financial management: allowable costs, source documentation, internal controls, budget controls, cost allocation plans, cash management, accounting records, procurement, property asset controls, and audits. Furthermore, the Grantee and Subrecipients must use HAP program funds only for eligible activities and in accordance with the DEHCR approved program budget. Any changes from the planned expenditures must be approved in advance by DEHCR. HAP funds may not be used for



activities other than those authorized in the regulations and approved by DEHCR. Furthermore, all expenditures must be in accordance with conditions such as funding ceilings and other limitations on HAP eligible costs.

## 7.2 Tracking of Funds

All grantees must track each funding source from DEHCR separately. Each expenditure billed to the HAP grant must have backup documentation that can be produced upon request. Payroll expenses should include documentation from timesheet to paycheck and should show allocation of hours by funding source. Grantees are required to provide access to financial statements, charts of account, and expenditure records upon request by representatives of Department of Administration (DOA, DEHCR) or the Legislative Audit Bureau (LAB).

## 7.3 Indirect Cost Allocation

Indirect costs billed to the HAP grant should follow standard accounting practices. Backup documentation supporting these costs should be able to be produced upon request.

## 7.4 Audit

The grantee shall have a certified annual audit performed utilizing generally accepted accounting principles and generally accepted auditing standards.

If an audit is required by federal law and if the grantee is also the recipient of state funds under the same or a separate contract program, then the state funded programs shall also be included in the scope of the federally required audit.

Governmental and non-profit grantees, or their assignees, which received state funds during their fiscal year, shall comply with the requirements set forth in the State Single Audit Guidelines issued by the Department of Administration. Audit reports are due to the Department of Administration within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.

For information on submission of the audit reporting package please see the [Department of Administration's Single Audit Compliance Supplement](#).

# Chapter 8: Method of Payment

## 8.1 HAP Payment Request Forms

Grantees may draw on Department funds as reimbursement of actual reported expenditures. To initiate each payment, grantees must complete and submit a monthly HAP Payment Request form on or before the twentieth (20<sup>th</sup>) of the following month for a month's expenses. Before submitting a payment request, lead agencies should review the payment request to ensure no rows are overdrawn. All columns should add up as expected. If any errors are identified, contact the HAP Program Manager.



If corrections need to be made to the expenses reported in past months, do not edit the expenses which have already been submitted and reimbursed. Past omissions in reimbursable expenses can be added to the current month's column on the payment request. If previously reported expenses were reported incorrectly and need to be removed from the request, this correction can be made in the current month's column on the payment request. Those funds should be subtracted from any requested funds in the current month so all totals update accordingly. Also, if lead agencies identify unallowable costs that have been previously reimbursed, they must indicate in their next reimbursement request the extent to which the new payment request has been reduced to account for the error. If a budget category would turn negative if the correction were to be entered in a single month's column, spread the negative funds across multiple payment requests.

### **A. Payment Minimum**

Each payment request must abide by a \$100 minimum. To request reimbursement, the total amount must be a minimum of \$100. If there is less than \$100 of expenses in a given month, hold those expenses and report them on a later request when the combined expenses are at least \$100. The only exception is when submitting final expenses (i.e. expensing the remainder of the budget, which may be less than \$100).

### **B. Email/Naming Convention**

Each payment request should be submitted in its own email to the HAP Program Manager as well as [DOADEHCRFiscal@wisconsin.gov](mailto:DOADEHCRFiscal@wisconsin.gov). The following naming convention should be used in your email subject line when submitting your monthly requests for reimbursement:

- i. Contract Number, Grantee Name, Month of Request (example: EHH 23-01  
ADVOCAP October 2023)

## **8.2 Budget Adjustments**

If an agency's needs are different than anticipated and funds need to be allocated to a different budget category (assistance/admin), the lead agency will need to request a contract amendment. Changes to the approved cost categories must be requested via email to the HAP Program Manager. Subrecipients requesting an adjustment should submit their request to the lead agency, which will submit the adjustment request on their behalf. Amendments cannot put an agency over the 10% cap for administration. Contract amendments must be approved by DEHCR. Once an amendment is approved, DEHCR will send a revised payment request form to the lead agency.

## **8.3 Program Income**

Program income includes any amount of a security or utility deposit returned or rent payment made to a lead agency or subrecipient. Lead agencies and subrecipients are prohibited from requiring or suggesting repayment of any service or financial assistance except for security deposits, utility deposits, and rent payments.

Program income must be used for HAP-eligible expenses (e.g. expenses the agency may request reimbursement for on the HAP Payment Request Form).

There must be an auditable trail that details how the program income was spent. Documentation of program income expenditures may be requested during monitoring visits.

## **8.4 Reallocation**

DEHCR will review grant balances throughout each grant cycle and reserves the right to reallocate funding as needed among HAP Lead Agencies. HAP Lead Agencies have the right to reallocate funding as needed among their subrecipients.

## **8.5 Final Payment Request & Close Out:**

Grantees must submit a final payment request and a financial closeout report within 60 days of the contract's performance period end date.

# Chapter 9: Resources

Information on the following topics can be found at the resources listed below:

- DEHCR website:
  - <https://energyandhousing.wi.gov/Pages/AgencyResources/ehh-program.aspx>
  - Includes required forms
- Continuum of Care Contact Information:
  - <https://www.hud.gov/states/wisconsin/working/cpd/cocontacts>
- Balance of State Local Homeless Coalitions:
  - <https://www.wiboscoc.org/find-services.html>
- Affirmative Action
  - <https://doa.wi.gov/Documents/DEO/WIAffirmativeActionRequirements.pdf>
- At-Risk of Homelessness Criteria:
  - <https://www.hudexchange.info/resource/1975/criteria-for-definition-of-at-risk-of-homelessness/>
- Homelessness Criteria & Documentation Requirements:
  - <https://www.hudexchange.info/resource/1974/criteria-and-recordkeeping-requirements-for-definition-of-homeless/>
- HUD Exchange/ESG:
  - [https://www.hudexchange.info/programs/esg/?utm\\_source=HUD+Exchange+Mailing+List&utm\\_campaign=b0590262b8-SNAPS Redesign Pages 11 1 23&utm\\_medium=email&utm\\_term=0\\_b0590262b8-%5BLIST\\_EMAIL\\_ID%5D](https://www.hudexchange.info/programs/esg/?utm_source=HUD+Exchange+Mailing+List&utm_campaign=b0590262b8-SNAPS+Redesign+Pages+11+1+23&utm_medium=email&utm_term=0_b0590262b8-%5BLIST_EMAIL_ID%5D)
- HUD's Equal Access Agency Assessment Tool
  - [https://www.hudexchange.info/resource/4952/equal-access-rule-project-self-assessment-tool/?utm\\_source=HUD+Exchange+Mailing+List&utm\\_campaign=ef72d86245-Equal-Access-Rule-Assessment 11.4.21&utm\\_medium=email&utm\\_term=0\\_f32b935a5f-ef72d86245-19521985](https://www.hudexchange.info/resource/4952/equal-access-rule-project-self-assessment-tool/?utm_source=HUD+Exchange+Mailing+List&utm_campaign=ef72d86245-Equal-Access-Rule-Assessment+11.4.21&utm_medium=email&utm_term=0_f32b935a5f-ef72d86245-19521985)
- Rent Reasonableness
  - <https://www.hudexchange.info/resource/3070/esg-rent-reasonableness-and-fmr/>
  - <https://www.hudexchange.info/resource/2098/home-rent-reasonableness-checklist-and-certification/>
- SAM.gov
  - <https://sam.gov/content/home>
- State Single Audit Guidelines
  - <https://doa.wi.gov/Pages/StateFinances/State-Single-Audit-Guidelines.aspx>