

ESG-CV Recipient Office Hours

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0:00:05.5 Cherita Claitt: Hello, and welcome to the webinar. My name is Cherita Claitt, and I'm a TA provider with TDA Consulting. I'll be introducing today's webinar. This session is being recorded, and will last 90 minutes including time to answer questions from the chat box. During this webinar, all participants will be muted by default. If you are having trouble with your audio or want to ask a question, please do so in the chat box on the right-hand side of your screen. We will also answer as many questions as possible during the Q&A portion of the webinar. After the webinar, please submit any outstanding questions to the HUD AAQ. Presentation slides and recording will be available on the HUD Exchange.

[pause]

0:00:53.8 CC: Today's presenters are Marlisa Grogan with the SNAPS office. We also have Heidi Schilpp and Nora Lally serving as the HUD technical assistance providers, there are also various SNAPS and TA staff behind the scenes to assist in the chat. I will now turn the presentation over to Marlisa.

0:01:14.9 Marlisa Grogan: Hi, everyone. Thanks so much for being here and joining us for today. We wanted to provide this office hours opportunity as a chance to share strategies that will hopefully help you all meet the June 16th, 50% deadline. Having said that, we also acknowledge that we know all of the hard work that you've been doing, are consistently impressed and awed by the amount of dedication and hard work that you've all been. Not only with situations related to COVID, but also related to just economic impact, capacity constraints. So we wanted to really start this off with a big thank you and... Understanding [0:02:03.9] ____ hard work. Next slide, please. My connection [0:02:08.3] _____. Okay, thank you, Cherita.

0:02:16.5 MG: So today's webinar objectives are to provide strategies for you all... Of you all to help you meet the draw deadline, the 50% draw deadline on June 16th, 2022. To also develop... Assist you in developing strategies to maximize the amount that you draw down by that deadline, and then provide a lot of opportunities for you all to ask questions. And hopefully, that will help you all get closer to the draw... The draw deadline. Next slide, please.

0:02:54.7 MG: So a quick reminder on the background of where we are currently at. The April 22 notice, CPD 22-06 modified the progressive expenditure deadline, which had originally been March 31st, 2022 at 80%. And now, the notice 22-06 replaced that expenditure deadline with a 50% draw deadline, which is quickly approaching June 16th, 2022. Next slide, please. So we will be taking into account any recaptured funds, if you are a recipient that had funds recaptured based on not meeting the September 2021 deadline, your total award amount has been reduced, and we will be taking that into account when measuring compliance with the 50%. So we've got a couple of examples here to try to drive that point home. The first example is a situation where a recipient had no recapture. So their original award amount including both allocations, both the first and second allocations for ESG-CV was about \$8.5 million. So we're going to take 50% of that, and we will be looking in IDIS come June 16th to see that you drew down... Literally withdrew from IDIS \$4,297,040.

0:04:34.9 MG: And the closer you get to that target, the less that we would actually recapture. So if you don't meet the \$4.2 million but you get close, then we would not be recapturing a full 50%, but we would be recapturing the balance, whatever you don't withdraw. That is basically the balance of

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whatever you drew from that \$4.2 million target. An example of a recapture situation is that, let's say a program was or a recipient received a total award of \$8.5 million, with the recapture of \$1 million, we would subtract that amount, take 50% of that and so instead of the \$4.2 million target, we would be looking at a \$3.7 million target when calculating 50%. And next slide, please. With that, I'm gonna turn it over to Nora Lally, one of our technical assistance providers. Nora.

0:05:46.9 Nora Lally: Thanks, Marlisa, thanks for doing the math part. We wanna spend some time now talking about some actions and strategies you can take to meet that June 16th deadline...

0:06:03.7 NL: And a good first step is to come together. We know that ESG-CV duties are often distributed across multiple divisions, multiple offices. So now, it is a great time to bring together the ESG-CV family, which means your leaders, your financial staff, your IDIS staff, programs staff and set your course of action to meet that deadline. When you're gathered, you can figure out, how you want to check in and keep on course, will you have a regular check-in meeting, will you communicate via email, be really clear about how you're gonna to stay in touch with each other. You can also share tracking tools that you have, make sure everyone is aware of who's tracking what, and that those various tools, reconcile and have the same information about requests that have been submitted, approved and drawn from IDIS. And you can also make sure everyone knows what the steps and timeline along the process from voucher submission to review, to approval, to draw are. And then look at any ways that you can streamline that process and any ways that within that process, you can prioritize ESG-CV funds. This team can also be important to set those internal deadlines. So once you know what your process is, how long things are taking, work backwards from that June 16th deadline to make sure you know that within that timeframe, when all of those steps need to occur.

0:07:48.8 NL: And make sure that during your regular communication process, you're checking in on those targets, making any adjustments and just always mindful of what those deadlines are that are necessary to meet the June 16th deadline. I just mentioned that one method you can take is to make sure that you are sharing tracking tools and having consistency among them because it's important to have consistency internally. But also with the tracking of your expenditures and draws that are unseen, which is through the integrated disbursement information system, aka IDIS. So a great way to reconcile what you're showing internally to what HUD is seeing is to look at the ESG-CV financial summary report, aka the PR 91. Or if you're me, the beloved PR 91, because I love this report so dearly. It has so much information in it. By looking at a PR 91, you can tell where you are in relation to everything. ESG-CV, you can look at the program level, you can look at expenditures, you can look at draws, you can look at information by sub-recipients. And you can reconcile this with your internal records to always make sure that what you're tracking internally goes along with what HUD is seeing, and that all of the vouchers you have approved internally, have also been drawn from IDIS.

0:09:33.2 NL: We can see, I'll show you a little sneaker, a little screenshot here of the PR 91, in case you're not familiar with it, to give you a sense of how it's gonna to convey this information to you. So here you can see, for this ESG-CV recipient, the total grant amount. You can see the total amount that has been committed, the total amount that is not committed, which means there's some work to do as far as committing all of those funds. And you can see the grant funds drawn and the percent drawn and the percent remaining undrawn, 'cause this is gonna automatically update. It's real time information, whenever you draw it. So this is a great way to keep really, like as close as possible to live view on what's happening with your ESG-CV funding. You can also look at draws

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by components. So you can see the percentages of drawn amounts by the various ESG component types, which can give you a sense of, maybe where you want to focus some specific areas, if there's components, where there have been fewer withdrawals draws than others. That might be a way that you're prioritizing how you're gonna focus draws or just some other ways to look at how you want to focus your efforts.

0:10:55.8 NL: One place where you might want to focus is your administration funds. It's really important to remember in all of this, to pay yourself, to remember to draw your administration funds. In a recent national look at draws, we can see that 64% of ESG-CV, both vendors, those who are in the range of not hitting the 50% deadline, have less than half of their admin drawn. So by drawing your admin, this might be an area, where you can make some progress on your draw rate. Reconciling with getting looking at reports is important, making sure that you're in current, and on all of the things that you've already approved, all the costs that you know are eligible, and getting those into the IDIS system. I'm guessing there might be some of you who are feeling like, "that's great. I've already done that. But I am now buried under the stack of voucher requests. So what do I do about that?" So there are some ways that you can think about prioritizing and using system strategy to look at those voucher requests to maybe move them a little bit more fluidly through your process, or to move some of the bigger ones more quickly. So for example, if you have some vouchers that are what you might consider low risk vouchers. They're from the sub-recipient who...

0:12:26.7 NL: That has a history of submitting clean voucher request or maybe therefore a single eligible activity, those might be vouchers that you could prioritize and process those more quickly, you could also prioritize high dollar vouchers that could go first or vouchers for similar cost types that might be more low risk, like renewed rental assistance payments for participants who have received rental assistance in the past and you're just continuing to pay the rent, if it's possible to batch those across multiple vouchers, that might be a way that you can expedite the process. You should also know that HUD technical assistance is available to help with these strategies and some of these methods, so be sure to reach out with HUD technical assistance, 'cause that would be helpful to you, the contact... The link to request technical assistance is at the end of these slides, and the slides on the recording will be posted on HUD exchange in a couple of days. So another method that you can do is to work with your sub-recipient, you can use my beloved IDIS PR91 to identify sub-recipients that haven't met the 50% voucher target, or you can also look at sub-recipients who if they were to submit a request, it would have a really big impact on your draw rate.

0:13:54.9 NL: So looking at the sub-recipient level to focus on sub-recipients to need to make draws can be another method that is effective, and it's really important to communicate with sub-recipients about the internal deadlines that you have set, do they know that what their deadlines are? And if they're having challenges, struggles as there are too many barriers, they're not quite sure where to start, then you can work with them to try to help identify and remove those barriers with voucher submissions, you can consult with the HUD's field office for assistance, the HUD field office knows recipients, knows sub-recipients very well from all different kinds of perspectives, so they might have a lot of great troubleshooting suggestions. This is also another area where you can request technical assistance, and to think, have another perspective about how you might be able to see who some of the sub-recipients are, where you wanna focus on the tension. Heidi is gonna talk us through another way the PR91 can be helpful.

0:14:58.6 Heidi Schilpp: Good afternoon, thank you Nora for setting me up for... Again, so happy to hear somebody else love this PR91 report from IDIS. So there are a few different versions of that

report in IDIS and they can all be run separately for your CARES program, so that's the area of focus, which it is right now, you can run them for the CARES program, and another version of the PR-91 is the ESG sub-recipient vouchers report. And so just building off of what Nora was just speaking to, this is a really helpful report to look at your sub-recipients specifically and see if there's a little bit of a disconnect, if there's a little bit of a lag and see what's going on. So again, I know this is a small screenshot, but this is what the PR91 ESG sub-recipient voucher looks like, the report in IDIS, and so it's gonna list each of your sub-recipients, which you've identified on your activity fundings screen, it's gonna list the activity category type, which is really nice. And list the activity name, which is more often than not, a pretty duplicative of the activity category, it's gonna list the voucher numbers, and that's blurred out right here, it's gonna list the line item number for the voucher number, the paid date, which is really important and gives us really one of the first things that we can take a look at on this report.

0:16:18.0 HS: So this is the date that the voucher was paid by LOCC, so this report is only gonna list those vouchers that have been processed by LOCC, and so you can see some dates and you can do some analysis. Is the sub-recipient... Are they billing monthly? Are they billing quarterly? If they are not billing monthly or quarterly, what's going on? And so that gives you a little bit more information to have a really solid conversation with your sub-recipient. And looking at the second sub-recipient listed on this report, this sub-recipient has been funded for admin, for shelter and for rapid re-housing, and I've highlighted a few things in green, so for administration and shelter, the last voucher listed on this report was April 5th. It's like, Okay, that's a real good information to have. However, and looking at the Rapid Re-Housing category for that particular sub-recipients, they haven't had a voucher paid since December 2021. Well, that's a really good piece of information to have. So following up internally with your team, has a voucher been submitted? Where is it in that review process? Where is it stuck in the process? And then if a voucher hasn't been submitted and you're carrying that conversation forward with the sub-recipient, why was a voucher not submitted?

0:17:38.8 HS: What can we do to help you to get that, to submit that invoice? So that we can do our part and review it and get this drawn down from IDIS. So just another way to look at sub-recipients, where their funding is, when they've been paid and do another bit of analysis based on a canned report in IDIS. And just again, to echo everything that Nora and Marlisa have said earlier, really just wanting to prioritize payments at this particular moment in time for ESG-CV approved vouchers, so really, really making that process clear, transparent with everyone on your expenditure team as Nora identified earlier, getting those vouchers move forward in the process, prioritizing those vouchers, and again, just having that really clear, concise communication with your expenditure team, if a situation does arise, if there's a bottleneck, if something needs additional documentation, an additional review, where is that? Who's going to do what with that information? Have that mapped out now, we know things are gonna happen at the very last minute, and so having that mapped out ahead of time in order to prioritize the payment for these expenditures.

0:18:58.0 HS: And then just a few IDIS reminders that I wanted to point out for everyone. It takes two, to create a voucher in, or to complete a voucher in IDIS. You're gonna have Person A is going to open the voucher, they're gonna create the voucher, those words are somewhat used simultaneously. And for this moment in time, they mean the same thing. You're gonna create a voucher. Person B is going to approve that voucher. And they have to be different people, the same person cannot create and approve the same voucher in IDIS, the system will not let you do so. It's a separation of duties. It's a security risk. It's a financial risk. So it has to be two separate people. So I

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just wanted to clarify that is again, in a panic on June 15th, June 16th, you wanna make sure you have two people with access to IDIS that have the right privileges, that one person can create that voucher, and then the second person can approve that voucher in IDIS.

0:20:04.1 HS: And then just one more... A few more general IDIS reminders. In building off of all the wonderful reports that are in IDIS, there is a one-day lag between any information you enter in IDIS and what shows up on the reports. And so if you are looking at the PR91 Voucher, the PR91 Voucher report that I had said earlier, or the PR91 financial summary that Nora was speaking to. And if someone had just made a voucher in IDIS, or had just increased funding or moved funding around, that's not gonna reflect immediately on the report. So just be aware if there is a disconnect, it's more often than not because someone made a change in IDIS, there's just again, that one day lag. IDIS is used by over 1300 grantees. It just can't make those changes in the report simultaneously with that many transactions going on.

0:21:01.0 HS: The second thing I did wanna remind everyone of, I saw some folks on here from Hawaii, and I think even America, Samoa. IDIS is only operational Monday through Saturday from 7:00 AM to 10:00 PM Eastern Time. And so I'm sure our folks in Hawaii and farther west are well aware of those deadlines. But we do get a lot of Ask A Question on the IDIS desk. "Why can't I log in? I got kicked out of IDIS." The hours of operation once again, 7:00 AM, 10:00 PM Eastern time. So you will just be kicked out of IDIS. If you're in there at 9:58 PM, you start working on a voucher, you don't have it done, you will be kicked out at 10:00 PM Eastern Time. So just wanted to put that out there ahead of time. Especially also we get a lot of questions from folks trying to do things on Sundays. The system is down completely on Sunday. So again, Monday through Saturday 7:00 AM to 10:00 PM Eastern Time. And I think with that I am gonna turn it back over to Nora.

0:22:12.6 NL: There are things Heidi, we wanted to as we wrap up with the content section of these office hours to share with you some resources that are available and that we think might be helpful. Of course, this recording, and these slides will be available to you to refer back to the slides, or if there was something that you thought, "Oh, I wanna go back and listen to that again," that will be available for you. There also are resources that cover a multitude of aspects of meeting that deadline. So there are IDIS resources, They're how to use IDIS for the emergency solutions grant, especially Section Seven. And then the more specific page numbers in there, it's gonna be useful to you, as well as the webinar that was about setting up and drawing vouchers from IDIS for ESG-CV grants, and that's available to you. A few months ago, there were some office hours for state ESG-CV recipients and the content focused on some of those strategies about voucher review and some just methods you can do... Use to streamline your process, how you can manage grants, always according to 2 CFR-200, the federal requirements for financial management, how you can work within those requirements but also be as efficient and effective as possible. And that ever-present struggle between balancing the need for documentation and just streamline process.

0:23:58.8 NL: So that webinar provides that content which we think can be really helpful to you. We hope will be helpful and give you some good tools you can use right now. You can also send the questions to the IDIS Ask A Question for technical assistance related to creating and approving a voucher, and as referenced before, you can also get help through requesting technical assistance, like Marlisa said, we know that you are doing so many things, doing so much with so little, it can be so difficult. So don't hesitate to ask for help. You can do that by requesting technical assistance. You can ask a question about ESG-CV requirements or eligibility or that kind of thing? Through Ask A Question, you can also look at the ESG-CV frequently asked questions, which might already

have the answer to a question you might be thinking on, so you can utilize that as a resource. And other ESG resources are available on HUD Exchange and IDIS.

0:25:05.1 NL: That's more general information about the program, about the IDIS resources, if you're working, maybe you're even trying to as you're bringing that team together, maybe people aren't as familiar with the ESG Program, because they only see a certain component of it, through where they are within your team, this might be a great way for them to get... Have access to some resources about the program in general. And it's always good to have your IDIS resources at the ready. So we hope that those will be some useful tools for you. And then when you get the slides, oh yeah, all those links will be clickable so you'll be able to access those resources through the slides.

0:25:50.4 NL: And that ends the us talking at you period of the presentation. Now we meant... We see that you've been putting questions seriously in the chat, please continue to do so. Now what we're going to do is take some of those questions and respond to them through more of a moderate discussion which T. Baker is going to lead us through so T. I'm gonna turn it over to you.

0:26:21.9 T. Baker: Hey, thank you and good afternoon everyone, so we are going to go through some of the questions that y'all have entered into the chat and share them out loud so that we can kind of all get on the same page for answers, so I see that we have some questions here I will go ahead and read some out loud and then our lovely panelists will jump in and answer them as are relevant so we have, how can I run my PR91 reports? This one is probably for Heidi.

0:27:06.9 HS: Perfect. So you can, for step-by-step instructions, go to the HUD exchange and the using IDIS online for the emergency solutions grants program, I'm going to drop that link into the chat. That manual refer to section 10 it will give you step-by-step instructions on how to run the PR91 report, it will even give you screenshots specifically on how to run it for the CARES program and so all of the reports that are identified right in there in that manual to access it you would need to have access to IDIS so that's the first step, is if you don't have access to IDIS, find someone at your organization who does and have them run it for you and I think T. I saw a follow-up that, is there a print command for the PR91 since I'm talking about this report? There is, so that report really exports beautifully as a PDF document so you can save it immediately as a PDF and then you know you can save it electronically you can print it any... Anything you want to do you can... From a PDF you can annotate, add in comments all of those fun things as a PDF document, and that's it.

0:28:24.6 TB: Great. Thank you, Heidi. We have another question I think this one can go to Marlisa, have recaptures for all previous ESG-CV expenditure deadlines already been completed and are grant amounts updated to reflect this in IDIS?

0:28:47.6 MG: Yes, the recaptures have been processed in IDIS so if you are a recipient who from which had did recapture funds you should see a reduced grant amount in the system, however when HUD recaptures funds we don't adjust any activity funding amounts, so if your activity funding amounts actually exceed your total reduced award amount that's now in the system is that conflict or that discrepancy is flagged by the system and that causes your grant to be automatically blocked. So, if you are in a situation where that's happened and you notice that your grant has been blocked, please email me. I think my email address is in the chat somewhere and we can add it again, but please let me know and then and also copy your HUD... Your local HUD field office representative as well as your CARES act staff desk officer, if you know those folks, and then we will get your

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grant unblocked. We also have a an IDIS fact sheet that takes you through the process of reducing those activity funding amounts so that will help... Also hopefully help you navigate that process.

0:30:25.3 TB: Awesome. Thanks Marlisa. It looks like we have another eLOCCS question. This one is how long does it take eLOCCS to process vouchers submissions.

[pause]

0:30:53.1 NL: I think I'm gonna kick that one over to Heidi.

0:30:58.1 HS: We were doing a bit of a stall to see who would answer that one. When you when that second person approves a voucher in IDIS on a given day, Monday through Saturday, 7:00 AM to 10:00 PM eastern time that voucher will be batched along with all the other vouchers and will be sent to LOCCS that night, the LOCCS processing will happen roughly around 3:00 AM the following day.

0:31:35.2 HS: And I think that's... I think that's the answer to that one. So, it's, you know, you send it that night or all of the vouchers go to the LOCCS that night, they get processed by LOCCS very early in the morning the very next day.

0:31:50.2 TB: And related to that Heidi, how do I find out who in my organization can create and approve vouchers in IDIS? That's another question we received.

0:32:03.6 HS: There is a report in IDIS called the PR30. So that's PR30. That report will give you a listing of every individual at your organization and what their privileges are in IDIS, and so there is going to be a column for those individuals that can request a draw down, request means create or create or open and then there will be a separate column that indicates, you know, with an X, any individual who can approve a voucher. So you definitely wanna make sure you have folks that can do, again, those two things, and backups to backups, 'cause now is the time to have backups to backups. And then one more thing about the PR30 report. You wanna make sure that people have access to the HESG grant path in IDIS so all of today we've been talking about the emergency solutions grant program. We lovingly call it ESG, but in IDIS it's under the HESG grant path. So you really wanna make sure you're working within that grant path, because that's where all of your CARES funding is. So make sure when you're looking at that PR30 report that you're looking for individuals that can have access to that grant path, and again, the ability to create a voucher, the ability to approve a voucher.

0:33:38.0 TB: Great. Thank you another question that was received was, will HUD process a draw if a recipient is missing subrecipient backup documentation, but knows it will secure those documents after the 6/16/22 deadline? I think that one might be for Marlisa.

0:34:03.0 MG: Sorry, T, could you repeat that one?

0:34:06.7 NL: Yeah, I was gonna jump in. I'll take it.

0:34:09.4 MG: Oh, go for it, Nora.

0:34:11.8 NL: Yeah, no problem. Yeah. So as far as approving vouchers, HUD doesn't actually

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have to approve the vouchers or look at any documentation before the voucher request or the system request is made in IDIS. HUD's approach to verify costs is through the monitoring process. So you should really make sure that you have your internal, that you're following your internal process and where you can, that you are using those kind of streamlining strategies for about to review that we referenced today, and that are shared in some of those webinar resources.

0:35:04.0 TB: Thank you, Nora, we have another question that just came in, what type of TA has happened with communities that have struggled with spending ESGC-V funds? So what types of technical assistance has happened with communities that have struggled to spend down on ESG-CV?

0:35:36.1 NL: So I'll jump in and start with what I know. And then maybe Marlisa you can fill in anything that I missed. So there's been an array of technical assistance, provided some at the community level specifically with communities that either they have requested technical assistance through Ask a Question, or maybe the field office has request has recognized that either they're new to ESG or they've had a lot of staff turnover or that they've had, are facing a lot of capacity issues. So there's been some specific TA providers who are working alongside them, easy for me to say, with their ESG-CV aspects. There's also been as a connection with the COVID response technical assistance was provided really intensely to a number of communities and states in, throughout the countries, given really ongoing support that could be either broad rating, but also very specific about, programs like ESG-CV and what you can do.

0:36:54.9 NL: There's the regional technical assistance teams have offered a series of huddles, which are, some kind of smaller webinars about various topics related to ESG or ESG-CV points of contact are available for questions and answers. So I think there's been a lot, like I said, there can always be more. And if you are feeling like you are needing assistance, then feel free to use whichever method makes the most sense for you either reaching out to your field office or ask a question to connect with technical assistance. Marlisa, anything else to add there?

0:37:37.0 MG: No, nothing to add.

0:37:42.7 TB: So another one about sort of pending paperwork in advance of the 06/16 deadline. If the ESG recipient has several pending invoices under review, is the recipient able to process those invoices after a cursory review and subsequently reconcile in the future?

0:38:13.3 MG: I can take that one. So we did provide a really helpful... It was actually for state ESG recipients, but a recording of it is available for all of you, it's on the HUD exchange, and we can post a link to that. We get into detail about what the Part 200 requirements are for voucher processing and Related Financial Management, so one approach that can be taken is a risk-based approach to voucher review and approval, so if you do have a sub-recipient for instance that has like a long-standing relationship and no prior history of documentation issues or concerns or monitoring findings, you could decide to consider more of a risk-based approach to voucher review and approval.

0:39:14.7 MG: So... You know, and this may not... Making large changes to your financial management process may not necessarily help you in this short window between now and the June 16th deadline, however, we would definitely encourage you to review some of our materials such as the state office hours. You think through ways that you can streamline your voucher review process.

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I think we've encountered some recipients that have bottlenecks associated with just... Overly burdened some documentation requirements that really go way above and beyond the requirements in Part 200 for processing payments, so we really try in that office hours to help you think through ways that you can meet the standards, the requirements in Part 200, while at the same time, not making the process really a burden for sub-recipients in getting the vouchers approved and payments issued.

0:40:21.7 TB: Awesome, thanks Marlisa. So thinking through kind of the ability to spend down quickly and meet some of these deadlines, taking through these... Some spending ideas, a question we got with recommendations that had have for rapid spending or draw down of ESG-CV funds. Are there any big ticket items that are most impactful?

0:41:06.2 MG: I can start with this and then open it up, especially if Nora has any additional thoughts, but... Like... HMIS costs are often overlooked, I think, and really unnecessary costs to make sure that you're able as a recipient to meet reporting requirements, and you're able to tell the story about how you're using your ESG funds. So being able to equip not only recipients but also sub-recipients with your reporting capabilities is really important, and so HMIS cost should not be overlooked. Similarly, admin costs, we've had Heidi one of our TA providers who's really sort of finger on the pulse for how ESG-CV funds are being spent, did an analysis and found that recipients who are in jeopardy of having funds recaptured or had funds recaptured from... On the basis of non-compliance with the September 2021 expenditure requirement have low draws and expenditures for admin.

0:42:15.8 MG: So that is something that you should definitely make sure that you're paying attention to. Are you drawing down your admin funds regularly and, you know, are those funds being used, but that admin and HMIS are some obvious choices for a first look, other things, other costs that can be really helpful and really important for COVID response, but we've found to be under-utilized are landlord incentives, this can make a huge difference in actually getting people rehoused under their Rapid Re-Housing components, which... Expenditures through Rapid Re-Housing can be a lot slower, and one of the reasons is the difficulty in finding landlords that are willing to rent to people experiencing homelessness. So landlord incentives can go a long way, as well as vaccine incentives, so vaccine incentives, I think a lot of the focus has potentially shifted away from vaccines, and that's a \$50 payment that can go to people experiencing homelessness for a shot, so you could...

0:43:35.8 MG: One person could potentially receive three or maybe even more vaccine incentives for getting their first... First and second shot Boosters as applicable, so that's another important cost to consider, as well as infectious disease, PPE, staff training for infectious disease. So take a close look at the additional eligible activities that are provided under the ESG-CV notice to make sure you're using those flexibility to the greatest extent possible, because I think that can help you draw down funds where you're not necessarily having the greatest flexibility. If you're just sort of using your ESG-CV funds according to the traditional parameters under Part 576.

0:44:31.8 NL: Marley, so that was amazing. I'm gonna just throw one more intonate, which I think would be hazard pay, we know staff, staffing up, staff turnover, all of that is such a challenge right now, so a reminder that Hazard Pay is an eligible cost, so if that's not something that you've worked into your practices, then remember that that can be a way to really compensate people for the very difficult job that they're doing.

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0:45:13.0 TB: And similar to that we did get a question about, can ESG funding be used to pay for severance pay? So you mentioned hazard pay, but severance pay is a slightly different expense, and wondering if severance pay can be covered for the ESG-CV grant for staff who are funded under the ESG-CV grant?

0:45:37.4 NL: Yes.

0:45:37.8 MG: Yes. Sure, yes. You would...

0:45:39.3 NL: So, that's really... Oh.

0:45:41.3 MG: Oh, go ahead. Go for it, Nora.

0:45:42.9 NL: No, you go. [laughter]

0:45:43.6 MG: So the Part 200 allows Federal funds to be used for fringe benefits. And even though ESG, the ESG regs don't specifically call out severance pay, it is required, it is allowable under Part 200. And so fringe benefits and which could be included under or severance pay could be considered under that sort of overarching category that those types of personnel and staffing costs can be provided with ESG-CV funding.

0:46:26.6 TB: Right. So we know that a lot of different waivers have been in place during various times of the ESG-CV grant cycle. Question here is the FMR waiver, the Fair Market Rent waiver, still in place for ESG and ESG-CV, or did these waivers expire March 31st, 2022?

0:46:56.5 MG: Yes. The FMR waivers are still in place for fiscal year 2020 and older ESG funds dedicated to COVID response. So if a recipient designated those funds where COVID response, annual funds, 2020 and older can be used under the FMR waiver flexibility, as well as ESG funds. Otherwise the FMR waiver is no longer in place. So if you have 2021 funds, we had an FMR waiver in place for those, but it expired March 31st, 2022. And there's no waiver in place for annual funds 2022 and newer, going forward. So if you are interested in an FMR waiver for those more recent funds, then you would have to submit a waiver request through your field office. The one additional note for 2021 funds, is the mega waiver, which was published in December of last year. It does allow the FMR waiver to continue being in effect for any program participants whose lease was executed while that waiver was in effect. So if you had someone say, for instance, who entered into a lease under the FMR waiver in February, that waiver would stay, does stay in effect for that household throughout their period of assistance. So even if they're still receiving ESG, continuous ESG assistance now, that FMR waiver is still in effect for that particular household.

0:48:53.3 TB: Thank you. We have a question about reallocation and reallocated funds. If a recipient receives reallocated funds due to recapture elsewhere, are those reallocated funds included in the total when calculating the 50% draw down by June... By the June 16th deadline?

[pause]

0:49:29.4 MG: Sorry. I was answering questions in the chat. If a recipient receives reallocated funds due to recapture elsewhere, are those reallocated funds included in the total? That is a

confusing one. I'm trying to process the nuance there. So if a recipient received reallocated funds, so I don't think that's a possible scenario because we have not issued any reallocations. ESG-CV reallocations would take place in July to August. So once HUD does the recapture, the second recapture from June 16th, we are gonna run the formula on the full recapture pool or bucket that includes both the September, 2021 recapture and the June 16th recapture. And at that time, HUD's gonna do one reallocation around July or August. So at this point, it's not possible for a recipient to have received reallocated funds at the Federal level. If a recipient is receiving funds, like if, for example, a local government has received additional ESG-CV funds from a State, then that State funding would not be calculated to determine the 50% draw down target, the State's funds would be calculated for the State's allocation. So we don't take into account like sub-awards. If a recipient is also a sub-recipient, we're only calculating that 50% target at the recipient level. So I hope that answers the question, but if not, please feel free to submit a follow up.

0:51:46.7 TB: Thank you. A question about ESG funds being able to cover conference participation, specifically the National Alliance. Can ESG see these funds be used to pay for participation in the National Alliance and Homelessness, an NAH conference outside of the admin category?

0:52:16.1 MG: The answer to that one is that the National Alliance Conference a HUD approved training and so you can use ESG-CV funds to attend. However, it does have to be under the admin budget line item. The only way that you can pay for training not under the admin budget line item is for the expanded infection control related training under the ESG-CV notice. So because the National Alliance Conference is not specifically infection control related, that training would have to be covered under admin.

0:53:04.0 TB: Thank you. Looping back to the HMIS costs for just a moment. Can HMIS costs for other programs beyond ESG-CV, can ESG-CV be used to pay for these costs? So, HMIS costs for other programs outside of ESG-CV but using ESG-CV funds to cover those HMIS costs.

0:53:35.0 MG: HMIS costs do need to be prorated. So if you have HMIS costs that go beyond direct ESG-CV activities, you would need to prorate that. For example, if the staff person is doing data entry that includes ESG, but it also includes data entry for other programs, then you would need to prorate. However, the ESG-CV notice does provide for expanded HMIS costs. So if you're in a situation where you've needed to make adjustments to your HMIS to account for your COVID response. So maybe, for example, you included additional data elements that would track vaccines or you made changes to your coordinated entry system, if it's HMIS based that would account for prioritization related to COVID, your COVID response. Those expanded HMIS costs do not need to be ESG specific, but they do need to be related to COVID response.

0:54:49.1 MG: So I would say the best thing to do to... When you're considering a specific HMIS cost and trying to determine whether ESG-CV can pay for it is to take a close look at the ESG-CV notice and the HMIS costs under the additional eligible activity section. And then, if it's not clear, you're welcome to submit an AAQ on the HUD exchange and we can weigh in, try to provide you, with additional, with additional information. But there are expanded HMIS costs available and then notice as well as HMIS lead activities, greater flexibility for paying for those. Or in particular, like if you're a recipient but not an HMIS lead prior to the notice, you would not have been able to incur HMIS lead costs, but under the notice flexibilities, you can. So it's on, starts on page 26 of the ESG-CV notice. You wanna take a look at that.

0:56:00.1 TB: Before going to our next question, just a quick comment to highlight, thanks for sharing, Sarah. That Wisconsin is at 75% spent, and Sarah's happy to talk with anyone about their process and has put their email in the chat. Thank you for sharing that. Love to see that sharing between grantees here on the call. Thanks for sharing and offering that, Sarah.

0:56:24.6 TB: Another question revisiting the reallocation schedule, this person asks: I thought the existing regulations said that reallocations were supposed to occur in April and October, assuming that enough funds were available to reallocate it. Was there a waiver or something that changed the relocation schedule, or could you just review the relocation schedule again?

0:56:49.5 MG: Yes. There is a requirement in the ESG regs that sets a schedule for HUD to reallocate funds. We had to waive that requirement to give HUD the flexibility to get the reallocated funds out as quickly as possible. So that waiver is in CPD notice 22-06, and that will give HUD the ability to not only reallocate as soon as we have the recaptured funds available to do so, but also to use a different formula. The requirements in the ESG regs also require HUD to use a particular formula and so we will be using the alternative formula that was described in notice 22-06. So that was a good question. And again, we're anticipating reallocated funds to be distributed to eligible recipients around the end of July or August. That's our current projected timeline.

0:58:04.2 TB: Thank you. If a recipient has not reached the 50% expenditure target, is there any kind of special action, like a disbursement plan to prove the obligation during the next month so that the funds won't be recaptured?

0:58:25.6 MG: No, unfortunately, because HUD has a deadline and that was established in the CARES act to obligate all ESG-CV funds by September 30th, 2022. We have to complete all reallocations by that date. If we don't, then those funds are no longer available for the ESG CARES act program. So due to those timing constraints, we have to very quickly turn around or implement the June 16th deadline. And for that reason, we we're going solely off of draws and do not have any additional time or room for recipients to provide spending plans or anything like that as we did with the 20% expenditure deadline. So that is not part of our consideration. We're strictly going by whether or not the draws are, have been completed in IDIS by the deadline.

0:59:44.3 TB: Thank you. So a question about sort of the recapture and reallocation process after the deadline, would the July and August reallocations include funds that are recaptured due to not meeting the July 16th 50% draw down deadline?

1:00:13.2 MG: Yes. So the July, August reallocation will include both funds recaptured from the September, 2021 recapture as well as the June 16th.

1:00:36.3 TB: Marlisa, if a sub-recipient spent money prior to an executed contract date, is there a HUD waiver that would allow recipients to pay for these expenses retroactively?

1:00:52.4 MG: So the ESGCV notice allows funds or pre-award costs to be paid dating all the way back to the time a community began its COVID response. So HUD presumes that this date is January 20th, 2020, I believe, I would have to... It's been a while. But we have that date in the notice. However, recipients do have to have documentation on hand that basically substantiates the date that their community began COVID response. So if you have any sort of like website

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screenshots or meeting notes at the recipient level that make it clear that planning began at a certain date, if it wasn't January 20th, then maybe it was March or February. I'm just showing when your community began COVID response activities and pre-award costs are eligible back to that time period. So if you have a subrecipient that incurred those types of eligible ESG-CV costs dating back to that time period even though they weren't under sub-recipient grant agreement at the time, if those costs are consistent with the terms of the subrecipient grant agreement, those can be considered eligible costs.

1:02:25.5 MG: Again, important caveat to consider is whether or not a provider like when you're talking about these funds that can be covered retroactively. You're sort of dating along the lines of the maintenance of effort requirement, which for emergency shelter and street outreach costs, state that any local government that traditionally covers certain costs, those costs can't be supplanted with ESG funds. So for example, if you as a local government have traditionally been paying for a particular shelters operating costs, maybe it's a local government owned shelter, or if you've been paying for those costs in your budget, year after year after year, and then all of a sudden you wanna switch that funding to ESG that like just based on these very general facts, that would appear to conflict with the maintenance of effort requirement. So if you have any concerns about whether or not these funds retroactively applied would sort of get into that territory, feel free to submit an AAQ to the HUD exchange, but otherwise yes, eligible ESG-CV activity costs can be paid for retroactively up until that date, that your community started its COVID response.

1:04:09.3 TB: Thank you. If an agency spent funds before a contract was in place and an agreement was not be discussed, can an agreement drawn up at this time?

1:04:27.3 MG: So, I would say in general, you can, as a recipient, make changes or amend your subrecipient grant agreement to expand, expand eligible activity costs. So if you've only written the subrecipient grant agreement to include shelter, but you want to also be able to cover rapid rehousing or street outreach, then you could definitely do that. And I would just say, when you're talking about these types of costs that have been like already covered, I guess I'm just without knowing a lot of specifics about your particular situation, I'm hesitant to just say, go for it. So you may wanna submit an AAQ with more specifics about your particular situation.

1:05:33.8 TB: Thank you. I see a question here about, is there an updated version of the ESG waivers summary document? That's probably relevant to many of you on this call. Nora did respond in the chat that that will be posted soon and not yet available, but will be posted soon. Will we also be posting this Q&A as part of the final upload?

1:06:15.7 MG: I will let Cherita let us know if that's a possibility. But if we can, if it's possible for us technically, logistically to do that, we will definitely do that.

1:06:42.7 TB: I'm seeing that looks like Cherita says yes, that is a possibility. Are communities required to meet their obligations by June or September?

1:07:00.0 MG: So the ESG recipients have a lot of discussion to set their own internal deadlines. So if you are a subrecipient, I recommend that you contact your recipient to see what a recipient's internal deadline is. I will also say that we've had some questions about ESG grant agreements. So ESG grant agreements for ESG-CV grant agreements, establish a period of performance that hinges on the date of HUD's signature. So great ESG-CV grant agreements were issued prior to the ESG-

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CV notice, the initial ESG-CV notice, which established the, the initial expenditure deadline. So many of your, of your grant agreements have a period of performance end date that may not necessarily... That most likely does not align with the expenditure deadlines. However, we have in that ESG grant agreement terms and conditions. You wanna take a look at your terms and conditions in your ESG-CV grant agreement, if you're a recipient.

1:08:30.1 MG: You'll see that there's language that incorporates any changes to the ESG regulations that happen from time to time, as well as any notices that establish alternative requirements which are all incorporated in the grant agreement. So because of that language a grant agreement amendment was not necessary to just change the period of performance end date. The reason is that the ESG-CV notice because it establishes that expenditure deadline that that sort of trumps whatever period of performance end date was entered on the grant agreement. So for all recipients, the new expenditure deadlines in CPD notice 22-06 stand, regardless of what the period of performance end date is, whatever that date is on your grant agreement or your grant agreement amendment, you don't need to do anything special. It's CPD notice 22-06, is self implementing. So for all recipients, the expenditure deadline for ESG-CV round one and round two funds is now September 30th, 2023 with the exception of, HMIS and admin costs, and the expenditure deadline for that is December 31st, 2023. And then all reallocated funds must be expended by June 30th, 2024. So doesn't matter what your grant agreement period of performance end date reflects. Those are the expenditure deadlines for all recipients.

1:10:29.2 TB: Right. So this is a two part question, kind of, the first part we might be able to answer the second part. I'm not sure if we can estimate yet, but the question is, approximately how much funding was recaptured from the September, 2021 deadline and is there an estimate of how much might be recaptured for the June, 2022 deadline?

1:10:54.4 MG: Yes, for the September, 2021 deadline, it was approximately \$16 dollars that was recaptured across the board from all recipients impacted. And we don't have an estimate for the June 2022 deadline. I think there are a lot of factors that go into that number and we know that there's likely to be a lot of change. So I think any sort of number I throw out there would most likely be wrong. So we don't have a great idea. I think it's likely to be a lot more than 16 million just because we're talking about 50% instead of 20%. But the important point here is that everyone really has an incentive to draw down as much funding as they can, but for those recipients that don't meet the 50% deadline, the more you're... The more you draw down, the less HUD is able to recapture.

1:12:01.7 MG: So it's really an incentive to do as much as you can even if you don't fully meet the 50%. And I... Frankly, recipients that already know or have exceeded the 50% mark also have an incentive to continue to draw down as much as they can because the more you draw down by June 16th, the more likely you are to receive reallocated funds and the greater amount of reallocated funds you're likely to get, because the formula, the national formula, the second step two of the formula gives additional weight to recipients that have drawn the most for rapid rehousing and have also drawn the most overall. So everyone, draw as much as you can because it is in your benefit. And, of course, make sure that those draws are for actual incurred costs and and you're following the requirements in Part 200 for Federal Payment Standards.

1:13:22.5 TB: So we have another question. This one came in from California. In California, state eviction moratoriums have delayed rapid rehousing activity due to the lack of available units.

However, that eviction protection will expire on May 31st, 2022, can the ESG-CV rapid rehousing subrecipient be provided in advance to cover payments in the queue? And the recipient agency draw down for the advanced amount expected to be paid in advance of receiving the sub recipient's invoice for reimbursement?

1:14:01.3 MG: ESG... There's nothing in the ESG regs that prevent advanced payments. However, this type of an advance is likely unallowable because we would follow the Part 200 requirements around advancing funds and advances need to be connected to an imminence, an imminent expense. So in other words, if a recipient advances funds to a sub-recipient that subrecipient is... Needs to pay for an actual cost in a matter of days. I think, typically we look at like a two week time period. So if you're talking about paying for rent months in advance, that would not be permitted. The only time that we allow, I mean, it wouldn't be... Need to be a number of days for an advance payment of rent to be made. So we're talking like if the rent is due on the 1st of the month, maybe you're paying the rent on the 25th or the 29th or the 28th of the month prior to make that first of the month's deadline. But paying rent months in advance is not something that's permitted under the ESG program.

1:15:31.1 TB: Thanks, Marlisa. Seeing a few more questions come in about hazard pay. We did cover that hazard pay is an eligible cost. It depends on the activity performed in the category of employee performing the activity. So we can expand on that a little bit more, but we did get a question. Can we talk about retroactive or lump sum payments for hazard pay and if that would go under the payroll? So I think that the main part of the question is sort of lump some payments for hazard pay.

1:16:16.0 MG: So yes, you can pay hazard pay retroactively. You have to make sure that it's in, it's consistent with your internal policies and procedures. But if you did have a hazard pay program and...

1:16:32.1 MG: And or your... You want to begin a hazard pay program and you want to be able to cover hazard pay for months in the past, you could do that, you just... You need to make sure that the hazard pay is reasonable and appropriate, and so it's consistent with hazard pay rates for comparable work, you could take a look at hazard pay policies or other... The other providers potentially have in your area or however... I think there's a lot of flexibility in how you would document that, your hazard pay policy and the amount of compensation being provided as reasonable and appropriate, but if you do wanna make some of those payments retroactively, there's nothing preventing you from doing that. I think the thing you wanna definitely make sure you do is ensure that your policies and procedures are established and that the payments that you make are consistent with those.

[pause]

1:17:48.5 TB: Thanks, Marlisa. What type of documentation would be required for a lump sum or retroactive hazard pay?

1:17:57.9 MG: So you would need to make sure that you are accounting for a specific time period, so if you are going back like a number of pay periods, you want to specify, you know what pay periods are accounted for within that lump sum amount, so you just wanna sort of trace the documentation back with how much you're paying or how much your hazard pay compensation is,

and ensuring that the client or the staff person that you're paying the hazard pay for was actually in an eligible position that put them at increased risk for contracting COVID for that time period.

1:18:54.7 TB: Thank you. Moving on to some of the items we thought through for kind of spending down some different maybe unique strategies for spend down. How are the \$50 vaccine incentive payments made to individuals experiencing homelessness? What is the form of payment? Is it gift card, cash, another method, if you're able to provide any clarity around the best options for payment or incentives?

1:19:21.6 MG: We do have a handy reference document, a guidance document that explains how you can use ESG-CV for vaccine incentives, but in general, they have to be cash incentives, so it can be cash, it could be a check, which has its obvious drawbacks when you're trying to provide these to people experiencing homelessness. It could be PayPal, you could do cash cards, so like a Visa cash card that is, for example, that's unrestricted to a particular store, so while you wouldn't be able to do Walmart or Target gift cards, since that's restricted, you can only use that at those particular stores, you could do a Visa cash card where the client could use that \$50 anywhere. I think one of our office hours covered this recently, and the guidance document also covers it, but we know that... We've become aware that there are these activation fees, typically \$5 if you're using a Visa cash card, and you can pay for that activation fee with overhead costs, so you don't need to subtract like a \$5 overhead fee from the \$50. We wanna make sure that the client is receiving the full \$50, and then you can pay the overhead cost of the \$5 activation fee out of your grant funds.

[pause]

1:21:14.2 TB: Thank you. We have a few more about hazard pay that have come up, I think in response to your answers earlier. One question is that, area community providers in this community have done things differently for hazard pay, some have done X amount of dollars per week. During the pandemic some have looked at hours and added sort of a \$2 per hour increase. As long as an agency has an internal policy and sort of explain their rationale and decision, is either option okay, as long as it's kind of documented and makes sense is what... So I guess the question being, is it okay that they aren't necessarily consistent between community providers as long as they are documented?

1:22:01.5 MG: Yes, yes, absolutely. There are a lot of ways, there's a lot of flexibility for how to implement a hazard pay policy, and you have... You definitely have flexibility to choose what's gonna work best through your program. I think the important thing is documenting it and being consistent with that policy and being able to substantiate that it's a reasonable and appropriate level of compensation. And I think the one other thing is also making sure that there's already among staff, so you would not be able to implement a hazard pay program for just ESG staff, you would have to do that across the board for all of your staff that are in like positions. For example, if you have an ESG funded case manager, but then you have other case managers that are funded with other programs, program funds, or your local funds, you couldn't just pay... Provide hazard pay to that one ESG funded case manager, you'd have to be consistent across the board for all staff.

1:23:13.3 TB: And similar to that, if a sub-recipient doesn't have a hazard pay policy already in place, can they create one now?

1:23:28.1 MG: Yes, absolutely.

1:23:36.4 TB: Are vaccine incentive payment eligible costs for all ESG project types?

1:23:43.7 MG: No. So the qualification for hazard pay is... I'm sorry for vaccine incentives is that a program participant has to be experiencing homelessness. So they would have to meet the homeless definition in order to be eligible to receive a vaccine incentive. So that would exclude clients being served under homelessness prevention, as well as clients that are already housed under the rapid rehousing component.

1:24:24.5 TB: And is it allowable for hazard pay increase to be included as part of the payroll salary labor costs or would that have to be a separate line item for the hazard pay?

1:24:39.6 MG: It's really up to your discretion, how you would categorize that internally. I would just say that you do need to report on it separately as for HUD reporting. So we do ask for that to be reported out on the quarterly report. So that fact may have an impact on how you internally categorize those costs. So you would need to be able to report to HUD and say how much you spent on hazard pay. So if you are internally categorizing it as part of your payroll salary, labor costs, instead of a separate budget line item, as long as you can sort of separate those costs out for QPR reporting purposes, either way would work for us. It's up to your discretion.

1:25:44.4 TB: One question we received, and maybe we could just kind of put some clarity around what eligible expenses might be, but a question we got was can we be reimbursed for safety measures taken during COVID in the workplace? So kind of workplace safety measures that were taken during the pandemic, can we be reimbursed for those? And maybe it would be helpful to think about what some of those eligible safety measure expenses could be for whoever answers this question.

1:26:17.1 MG: Well, I've been kind of greedy with the floor. So anyone else can just... With three minutes left, can step in and answer some questions, but I can also just say that you would have to be careful about under which component you'd be funding these safety measures. So certainly, for emergency shelter, you have a lot of operations costs that could cover, if you wanted to set up partitions or separate spaces that would better facilitate social distancing and those types of things, that's certainly allowable. When you're talking about homelessness prevention and rapid rehousing, if you have office spaces where you're providing assistance to clients, that would be like if you're doing case management, for example, in your office space that has staff paid for with ESG-CV working there, then you could definitely use ESG overhead costs to pay for some of those safety measures. You can also pay for PPE under rapid rehousing, for example, but you would not be able to... I'm trying to envision other scenarios where you would want to implement safety measures, like we don't have costs under rental assistance or any supportive service costs that would allow you to do any sort of partitions or safety measures within units assisted with ESG-CV rental assistance. So to get into more specifics about the particular safety measures that you're trying to fund that may be an AAQ, or best answered via AAQ.

1:28:32.9 TB: Awesome. Thanks Marlisa and everyone who answered questions. We are almost out of time, so we'll start to wrap things up. Now, a reminder that a recording of today's sessions, along with the slide deck and a copy of the chat and Q&A will be posted to the HUD exchange within two to three business days and the AAQ is available for further questions. Marlisa, I'll pass it back to you if you wanna provide any wrap up thoughts before we close out today.

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1:29:02.4 MG: Yes, thank you for all of these great questions and for joining us. It really shows that you care about your program, and we really, really appreciate that, giving us the time to share some ideas with you. Please, if we haven't answered any of your questions submitted, just go to the AAQ and we can follow up on them that way. A huge shout out to all of the folks behind the scenes that have helped put this together and a big thank you to Cherita who's no longer gonna be with us after this point, but for all of the great support that you've provided us for such a long time through the pandemic, we're gonna really miss you. So thanks so much Cherita, and that concludes the webinar.