



**The Commonwealth of Virginia's Department of Housing and  
Community Development**

**HOME-ARP (American Rescue Plan)  
Tenant Based Rental Assistance (TBRA) Program Guidelines and  
Application Instructions**

**November 2023**

# Contents

- Virginia Department of Housing and Community Development ..... 4
- The HOME American Rescue Plan (HOME-ARP) ..... 4
- DHCD HOME-ARP Rental Assistance ..... 4
- Qualifying Populations..... 4
- Referral Methods for Activities ..... 6
  - Centralized or Coordinated Assessment/Entry System ..... 6
- Eligible Activities and Costs ..... 6
  - Rental Assistance ..... 6
  - Maximum Subsidy..... 7
  - Rent Standard..... 7
  - Operating Assistance..... 8
  - Capacity Building Assistance ..... 9
  - Ineligible Costs..... 9
  - Tenant Protections..... 10
  - Master Lease ..... 10
  - Portability of Assistance ..... 10
  - Housing Quality Standards ..... 10
- Grant Management Requirements ..... 12
  - Other Federal Requirements and Nondiscrimination** ..... 12
    - Nondiscrimination and Equal Opportunity Requirements..... 12
    - Disclosure Requirements..... 12
    - Debarment and Suspension..... 12
    - Drug-free Workplace..... 12
    - Affirmative Marketing and Minority Outreach ..... 13
    - National Environmental Policy Act of 1969 (NEPA) and Related Laws..... 13
    - Lead Hazard Control Requirements..... 13
  - Conflicts of Interest ..... 14
  - Organizational Conflicts of Interest ..... 14

Written Standards of Conduct.....	14
Individual Conflicts of Interest .....	14
Reporting and Performance Reports .....	15
Recordkeeping.....	16
Accounting Standards.....	17
Financial Statement and Audit Policy.....	18
Monitoring .....	19
RFP/Application Process.....	20

## **Virginia Department of Housing and Community Development**

The Virginia Department of Housing and Community Development (DHCD) partners with state, federal, local and nonprofit entities to implement housing and community and economic development initiatives. DHCD programs strive to maintain the vibrancy of communities throughout the Commonwealth and include providing decent, safe and affordable housing and universal broadband access, investing in economic development initiatives, promulgating the statewide building and fire regulations, addressing homelessness, and reducing eviction rates across the state.

## **The HOME American Rescue Plan (HOME-ARP)**

In 2021, President Biden signed into law the American Rescue Plan Act (ARPA), which provides more than \$1.9 trillion in one-time relief to support the economy, public health, State and local governments, individuals, and businesses during the ongoing COVID-19 pandemic. Congress appropriated \$5 billion in ARPA funds to be administered by the Department of Housing and Urban Development (HUD) through the HOME Investment Partnerships Program (HOME) to provide homelessness assistance and supportive services. This program is called HOME-ARP.

## **DHCD HOME-ARP Rental Assistance**

- DHCD was allocated \$39,724,473 of HOME-ARP funding from HUD. Eligible HOME-ARP activities must benefit qualifying individuals and families who are homeless, at-risk of homelessness, or part of other vulnerable populations. The Commonwealth will provide \$8.1 million for HOME-ARP Tenant Based Rental Assistance (TBRA) program to qualifying populations (QPs). This funding will be administered by grantees selected through a competitive application process to units of local government, including tribal governments, and nonprofit organizations. Qualified population households who receive assistance, also called program participants, may receive a voucher for a maximum of three years.

Nonprofit organizations that are providing HOME-ARP TBRA will additionally be eligible for nonprofit operating and capacity building assistance.

## **Qualifying Populations**

HOME-ARP [defines five categories of qualifying individuals or families](#):

- (1) Homeless as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. 11302(a)) (“McKinney-Vento”); meaning

an individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- a. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
  - b. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
  - c. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
- (2) at risk of homelessness, as defined in section 401 of McKinney-Vento;
- a. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
  - b. No subsequent residence has been identified; and
  - c. The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;
- (3) fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking;
- (4) other populations where providing supportive services or assistance would prevent a family's homelessness or would serve those with the greatest risk of housing instability; or
- (5) veterans and families that include a veteran family member that meet the criteria in one of (1)-(4) above.

Please note, that while all QPs are eligible, the priority is to serve those that are experiencing homelessness.

## **Referral Methods for Activities**

### *Centralized or Coordinated Assessment/Entry System*

All grantees must coordinate with local Continua of Care (CoCs) to select qualifying households as recipients of HOME-ARP TBRA. Referrals for TBRA will be managed through two systems. Individuals who are experiencing homelessness and those who are fleeing domestic violence will continue to utilize the existing CoC Coordinated Entry (CE) system to access resources. The existing CE system used by CoCs in Virginia prioritizes internally according to the length of time an individual has spent homeless and a discrete vulnerability score. If there is no qualifying individual to fill a unit or receive a voucher through the CE system, then individuals from the Unite Virginia referral system will be considered for placement. Those who are at risk of homelessness and other populations will use the Unite Virginia system. The complementary referral systems will provide access for all QPs.

All grantees must be coordinated with CoCs and accept referrals through Coordinated Entry and Unite Virginia.

## **Eligible Activities and Costs**

Eligible activities for DHCD's HOME-ARP Tenant Based Rental Assistance program include:

- Rental Assistance
- Operating Assistance
- Capacity Building

### *Rental Assistance*

Rental assistance is tenant-based rental assistance that can be used to allow individuals and families to obtain and remain in rental units with the goal of ensuring households are able to stabilize in housing and reduce the experience of homelessness. Funds cannot be used for mortgage assistance. Some staffing cost associated with providing rental assistance are allowable. Eligible costs include:

- Rental assistance (includes utilities)
  - Security deposits
  - Utility deposits
- Project Delivery Costs
  - Staff costs associated with determining household eligibility
  - Staff costs associated with unit inspections

HOME-ARP funds may be used to pay for up to 100% of these eligible costs. A grantee using HOME-ARP TBRA funds to provide security deposits may not require the repayment or return of the security deposits. Security deposits-only are allowable. Security deposit assistance may not exceed the equivalent of two months' rent for the unit. Utility deposit assistance is an eligible cost only if rental assistance or a security deposit payment is provided.

### *Maximum Subsidy*

While it is allowable for grantees to utilize HOME-ARP TBRA funds to pay up to 100% of the rent (includes utilities), assistance should be needs based, meaning that grantees should determine the amount of assistance based on the minimum amount needed to help the project participant maintain housing stability in the near term. This will allow communities to use program resources efficiently to serve as many households as possible.

Grantees may require a project participant to share in the costs of rent, however inability of a project participant to contribute to the rent should not be a determination for termination from the program. Grantees must determine and document the amount of rental assistance provided. Methodologies for the household contribution to costs of rent can include but are not limited to the following:

- Shallow subsidies (payment of a portion of the rent)
- Graduated/declining subsidies
- Sharing costs of rent with households at 30% of the household income

Grantees must use Section 8 as the income standard when calculating household income.

Program participants may receive DHCD HOME-ARP TBRA for up to three years (issued in one-year agreements, with annual recertifications). Once qualified as a qualifying population, the program participant household remains qualified for assistance through the three-year period.

Adjustments to the program participant portion of the rent must be done at least annually at recertifications. In order to recertify, program participant households must need the assistance in order to afford the rent (not pay more than 30 percent of their household income on rent) and have no other mainstream resources, such as Housing Choice Vouchers available for assistance. All TBRA program participant agreements must end no later than June 30, 2030.

### *Rent Standard*

Consistent with [24 CFR 92.209\(h\)\(3\)](#), DHCD requires that grantees follow the standards of rent reasonableness to for HOME-ARP TBRA by unit size that is based upon local

market conditions or the Section 8 Housing Choice Voucher program under [24 CFR part 982](#). The grantee must determine whether the rent for a qualifying household meets the standards of Rent Reasonableness for the HOME-ARP program and must disapprove a lease if the rent does not meet these standards.

Rent reasonableness means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner.

The following Rent Standards documentation must be included in all HOME-ARP program participant records:

- A completed [Rent Reasonableness Worksheet](#).
- A copy of the completed utility allowance worksheet. Grantees must utilize the appropriate utility allowance ([from Virginia Housing](#)) for any utilities that are paid by the project participant.

Grantees must not make rent payments directly to project participants, but only to landlords, project owners or property management companies. In addition, an assisted property may not be owned by the grantee or their parent, subsidiary, or affiliated organization (see Conflict of Interest).

### *Operating Assistance*

Operating expenses are defined as reasonable and necessary costs of operating the nonprofit organization. These costs include employee salaries, wages and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment, materials, and supplies.

HOME-ARP funds awarded for operating expenses must be used for the “general operating costs” of the nonprofit organization. These operating costs must not have a particular final cost objective, such as a project or activity, and must not be directly assignable to a HOME-ARP activity or project.

The actual costs of implementing a specific activity or project, including staff costs to deliver supportive services or administer HOME-ARP TBRA, are considered HOME-ARP project delivery costs or project soft costs and are not eligible costs under Nonprofit Operating and Capacity Building Assistance.



In any fiscal year, operating assistance provided to a nonprofit organization may not exceed the greater of 50 percent of the organization's general operating expenses, as described above, for that fiscal year or \$50,000.

### *Capacity Building Assistance*

Capacity building expenses are defined as reasonable and necessary general operating costs that will result in expansion or improvement of an organization's ability to successfully carry out eligible HOME-ARP activities. Eligible costs include salaries for new hires including wages and other employee compensation and benefits; costs related to employee training or other staff development that enhances an employee's skill set and expertise; equipment (e.g., computer software or programs that improve organizational processes), upgrades to materials and equipment, and supplies; and contracts for technical assistance or for consultants with expertise related to the HOME-ARP QPs.

If an organization receives both operating assistance and capacity building assistance in any fiscal year, the aggregate total amount of assistance it may receive is the greater of 50 percent of the organization's total operating expenses for that fiscal year or \$75,000.

### *Ineligible Costs*

HOME-ARP TBRA may not be used to pay for the homebuyer program as defined at [24 CFR 92.209\(c\)\(2\)\(iv\)](#). Additionally, the following list, while not exhaustive, provides specific examples of ineligible and prohibited activities.

- Grantee past due taxes
- Grantee late fees
- Repayment of loans from the project participant to the grantee
- Return of utility or security deposits to the grantee
- Construction or rehabilitation
- Project participant credit card bills or other debt
- Vehicle repair
- Medical or dental care and medicines
- Expenses related to drug and alcohol testing
- Clothing and grooming
- Home furnishings
- Pet care
- Payment of third-party security deposits such as surety bonds

- Entertainment activities
- Project participant work- or education-related materials
- Cash assistance to project participants, including gift cards and gas cards
- Expenses to develop discharge planning programs from institutional settings
- Any payments made to project participants
- Any payments to ineligible third parties
- Any fees charged to the project applicant or participant
- Employee bonuses
- Repairs to damage costs incurred by tenant
- Landlord Risk Mitigation

#### *Tenant Protections*

Grantees are required to verify that there is an executed lease between the qualifying household that receives rental assistance and the owner of the rental unit or between the owner of the rental unit and the grantee (HOME-ARP sponsor) with a sublease between the qualifying households and the grantee, in accordance with [24 CFR 92.253\(a\)](#). Copies of signed lease agreements must be maintained in the program participant record.

#### *Master Lease*

Master leasing where a HOME-ARP sponsor is a nonprofit organization that provides housing or supportive services to qualifying households and facilitates the leasing of a rental unit to a qualifying household or the use and maintenance of HOME-ARP TBRA by a qualifying household is allowable with DHCD prior approval. The HOME-ARP sponsor must then sublease a unit to a qualifying household. The lease between the qualifying household and the rental unit owner or the sublease between the HOME-ARP sponsor and the qualifying household cannot contain any of the prohibited lease terms specified in [24 CFR 92.253\(b\)](#). Master leasing must follow a housing first approach and be appropriate for the QP and program participant.

#### *Portability of Assistance*

Program participants must be allowed to use the assistance in a unit of their choice that otherwise meets all HOME-ARP requirements.

#### *Housing Quality Standards*

Housing occupied by a qualifying household receiving HOME-ARP TBRA must comply with all housing quality standards required in [24 CFR 982.401](#) (or subsequent inspection standards issued by HUD). All HOME-ARP TBRA units [must also pass a visual inspection for lead on the premises](#). The inspection must be signed by all required parties and included in all program participant records for HOME-ARP TBRA.

While the habitability standards do not require a certified inspector, the inspector must meet one of the following criteria:

- Program staff (grantee/sub-grantee staff); or
- Staff from or hired by an agency of the grantee/sub-grantee, such as a city department that is designated to conduct inspections, or a contractor hired for that task; or
- Staff from another subsidy program that is providing assistance and requires an inspection (e.g., Section 8, Public Housing).

## **Grant Management Requirements**

### ***Other Federal Requirements and Nondiscrimination***

The requirements in [24 CFR 92.350](#) apply to the HOME-ARP program. Grantees must comply with the Federal requirements set forth in [24 CFR part 5](#), subpart A, including: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; drug-free work; and the nondiscrimination requirements at section 282 of NAHA. Grantees must also comply with the Violence Against Women Act (VAWA) requirements set forth in [24 CFR 92.359](#).

### ***Nondiscrimination and Equal Opportunity Requirements***

Grantees must comply with all applicable fair housing and civil rights requirements. In addition, grantees must make known that HOME-ARP TBRA is available to all qualifying populations on a nondiscriminatory basis, ensuring equal access to information about and equal access to the assistance provided under this program. A statement of such must be included in the Project Participant Agreement, signed by the project participant, and maintained in the project participant file.

Among other things, this means that each grantee must take reasonable steps to ensure meaningful access to programs to persons with limited English proficiency (LEP), pursuant to Title VI of the Civil Rights Act of 1964. This may include providing language assistance or ensuring that program information is available in the appropriate languages for the geographic area served by the grantee and that LEP persons have meaningful access to this assistance.

### ***Disclosure Requirements***

For the purposes of determining monthly rent costs and assistance to HOME-ARP TBRA recipients, disclosures must be provided with recipient social security numbers (SSN) and employee identification numbers (EIN) to verify income. If an adult member of a household has no verifiable income, the grantee must have the person self-attest in writing to having zero income.

### ***Debarment and Suspension***

Contractors and participants must not be debarred, suspended, or ineligible based on the excluded parties list.

### ***Drug-free Workplace***

Grantees are required to certify to and maintain a drug-free workplace.

### *Affirmative Marketing and Minority Outreach*

The requirements in [24 CFR 92.351](#) apply to HOME-ARP TBRA. Grantees must affirmatively market TBRA to qualifying populations regardless of race, color, national origin, religion, sex, age, familial status, or disability who are least likely to apply in the absence of outreach and maintain records of marketing activities.

Grantees have a duty to affirmatively further fair housing opportunities for classes protected under the Fair Housing Act. Protected classes include race, color, national origin, religion, sex, disability, and familial status. In addition, Virginia's Fair Housing Law further protects "elderliness," individuals age 55 or older, from housing discrimination and the Virginia Values Act extends existing state non-discrimination protections for housing on the basis of sexual orientation and gender identity

### *National Environmental Policy Act of 1969 (NEPA) and Related Laws*

The environmental requirements in [24 CFR 92.352](#) apply to eligible activities under this Notice. The environmental effects of each activity carried out with HOME-ARP funds must be assessed in accordance with the provisions of NEPA and the related authorities listed in HUD's implementing regulations at [24 CFR part 58](#).

HOME-ARP TBRA as defined at [24 CFR 58.35\(b\)](#) is categorically excluded, not subject to the Federal laws and authorities at [24 CFR 58.5](#) (CENST) or exempt from review under NEPA. Grantees may complete a single CENST review categorized under [24 CFR 58.35\(b\)](#) for their HOME-ARP TBRA program where participants choose their own unit and are not restricted to units within a pre-determined specific project site or sites. There is no need to complete reviews for every unit selected by participants.

### *Lead Hazard Control Requirements*

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at [24 CFR Part 35, subpart M](#) apply to HOME-ARP TBRA.

HUD's lead-based paint rules apply to all housing units that a family with children moves into with assistance. Specifically, lead-based paint rules apply when:

1. Housing to be assisted was constructed before 1978; and
2. Residents will include a pregnant woman or a child 6 years of age or younger.

Note: Studio units are exempt.

All housing meeting the above criteria must receive a lead-based paint visual assessment before assistance may be provided. Staff must complete an [online training course](#) before performing visual assessments and retain the certification on file.

### *Conflicts of Interest*

Grantees must have conflict of interest policies that clearly prohibit personal gain or benefit and meet other program requirements. Grantees engaging in any of the activities defined this Notice shall be subject to the conflicts of interest provisions at [24 CFR 92.356](#), including but not limited to the conflicts of interest exception process defined in [24 CFR 92.356\(d\)-\(e\)](#).

### *Organizational Conflicts of Interest*

The provision of any type or amount of assistance may not be conditional on a household's acceptance or occupancy of housing owned by the grantee, sub-grantee, parent organization, or subsidiary. An organization may not both participate in decision-making related to determining eligibility and receive any financial benefit. For example, no grantee may, with respect to individuals or families occupying housing owned by the grantee, or any parent, affiliate, or subsidiary of the grantee, administer financial assistance that includes rental payments, utility deposits, security deposits, or first and last month's rent with HOME-ARP TBRA.

A grantee may request a waiver for an organization to both administer HOME-ARP tenant-based rental assistance and place households in units owned by the same organization, a parent organization, or subsidiary where critical local necessity can be demonstrated and where project participant evaluations will be provided by another unrelated organization. Waiver requests must be submitted in writing to DHCD prior to the provision of TBRA assistance specific to the requested waiver.

### *Written Standards of Conduct*

Grantees must maintain written standards of conduct covering the conflicts of interest and organizational conflicts of interest requirements under this Notice and [2 CFR 200.318](#). The written standards of conduct must also provide for internal controls and procedures to require a fair and open selection process for awarding HOME-ARP funds pursuant to this Notice. These standards must include provisions on if and how Continuum of Care board members may participate in and/or influence discussions or resulting decisions concerning the competition or selection of an award or other financial benefits made pursuant to the HOME-ARP Notice, including internal controls on when funds may be awarded to the organization that the member represents.

### *Individual Conflicts of Interest*

Individual conflicts of interest apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the grantee or its sub-grantee. For the procurement of goods and services, the grantee and/or its sub-grantee must comply with the agency code of conduct and conflict of interest policies.

Individuals (employees, agents, consultants, officers, or elected or appointed officials of the grantee or sub-grantee) may not both participate in decision-making related to determining eligibility and receive any financial benefit. This financial benefit may not be received by the specific individual, any member of his/her immediate family or a business interest. The restriction applies throughout tenure in the position and for a one-year period following tenure.

Upon written request of the grantee, DHCD may grant an exception to the restrictions in the paragraph above on a case-by-case basis when it determines that the exception will serve to further the goals of the program and promote the efficient use of program funds. In requesting an exception, the grantee must provide a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made. In most cases, additional HUD waivers are required.

#### *Reporting and Performance Reports*

All information related to the use of HOME-ARP funds and program participant data must be made available to DHCD, HUD and Office of the Inspector General (OIG) staff upon reasonable notice.

Grantees must ensure that data is complete and accurate. Each grantee is expected to enter all project participant data into the Homeless Management Information System (HMIS), complete periodic data quality checks, and work with the local HMIS administrator to ensure that complete quality data is submitted to DHCD by the specific due dates. Grantees should already be part of HMIS, but if this is not the case, capacity building funds can be provided for readying the grantee for HMIS use. Grantees primarily serving survivors of domestic violence and sexual assault must meet HMIS data standard requirements in an equivalent database while protecting program participant households' confidentiality.

Grantees must be able to track and report program activities, project participant data, and spending separately from other activities. Grantees will report on outputs, such as the number of persons served and the demographic characteristics of persons served, program funds expended by activity type, as well as outcomes related to housing stability. Most reporting elements will be generated from HMIS data. Adherence to required HMIS data standards will be essential to performance reporting. Grantees that currently use HMIS must use HMIS for their HOME-ARP reporting requirements.

All grantees must be collecting all HUD reporting requirements synonymous with HMIS standards. All grantees are required to meet these HUD requirements. This includes all required data elements and reporting formats and deadlines.

### *Recordkeeping*

Grantees must keep any records and make any reports (including those pertaining to assistance received, project participant housing status, race, ethnicity, gender, and disability status data) that DHCD requires within the specified timeframe. All contractual and project participant records must be maintained for at a minimum of five years. Records include both program records, financial records such as bank statements, and project participant records. Copies of cancelled checks/bank statements or expenses associated with the project participant must also be retained. Grantees are required to maintain a record of all HOME-ARP TBRA participants that are screened and classified as ineligible. This must include documentation of the reason for the determination of ineligibility.

The following is a list of records grantees are required to maintain and provide to DHCD/HUD documenting their HOME-ARP TBRA program use:

- HOME-ARP TBRA written agreements (between grantee and program participant and the grantee and the landlord)
- Documentation of program participant eligibility
- Documentation of income and calculation to determine program participant share of the rent
- Copy of the lease
- Rent reasonableness calculation sheet
- Record of unit inspections
- Compliance with the applicable uniform administrative requirements
- Records documenting tenant and participant protections under Master Leasing situations
- Required inspections, monitoring reviews and audits, and the resolution of any findings or concerns.
- Records concerning other Federal Requirements
  - Equal Opportunity and Fair Housing records
    - Data on racial and ethnic groups, and gender of single-headed households who have applied for, participated in, or benefited from HOME-ARP TBRA
    - Documentation of grantee commitment to Affirmatively Furthering Fair Housing
    - Records demonstrating compliance with nondiscrimination and equal opportunity requirements
- Affirmative Marketing records
  - Records demonstrating compliance with affirmative marketing procedures
  - Documentation and data showing steps taken to implement outreach programs



- Records demonstrating compliance with the environmental review and flood insurance requirements
- Records regarding lead-based paint requirements as applicable
- Records regarding conflict-of-interest requirements as well as any exceptions granted by HUD or DHCD
- Records regarding compliance with debarment and suspension requirements
- Records concerning intergovernmental review
- Records of emergency transfers pertaining to victims of domestic violence, dating violence, sexual assault, or stalking, including data on the outcomes of those requests

For more information about documentation requirements see Accounting Standards in the subsequent section.

### *Accounting Standards*

In addition to establishing a system of accounting sufficient to accurately record and report transactions, adequate source documentation must be maintained as support for these transactions. Source documentation includes but is not limited to the following:

- Purchase Requisitions
- Purchase Orders
- Contracts
- Contract Invoices
- Bank Statements
- Cancelled Checks
- Draw downs
- Payment Vouchers
- Employee Time Sheets
- Travel Advance Requests
- Travel Reimbursement Vouchers
- Vendor Invoices
- Journal Voucher Entries
- Cash Receipts

All source documents must be coded by a reference number so that a clear link exists between the fiscal records and these documents. Coding could include the check number used to make the payment, the journal entry in which transaction was recorded or the page number from the cash receipt journal. Purchase order numbers and payment voucher numbers may also be used to provide the necessary audit link. HOME-ARP TBRA supporting documents can be copies or originals but must be sufficient in detail to support the transaction and to justify it as an allowable grant expense.

The grantee must keep copies of the source documents and be made available for HUD and/or DHCD review upon request for a minimum of five (5) years.

The grantee must maintain proof of cancellation (e.g., copy of check’s backside, bank statement, or photocopy of check’s cancellation) for all payments. While these are not required in the project participant files, they must be readily available for monitoring purposes.

*Financial Statement and Audit Policy*

All grantees, sub-grantees, CHDOs, sub-recipients, localities, developers, or any other organizations that receive funding during a program year and/or have projects in progress are required to submit financial statements to DHCD. Required statements are as follows: Financial Statement(s)\*\*, Reviewed Financial Statement(s) prepared by an Independent Certified Public Accountant (CPA), Financial Statement(s) that have been audited by an Independent CPA or an audit required by the Code of Federal Regulations (CFR), (2 CFR 200 Subpart F), audited by an independent CPA. Please see the table below to determine which documents your organization is required to submit.

The threshold requirements outlined below are the minimal standards required by DHCD. We strongly encourage all organizations receiving funds from DHCD to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

<b>Threshold Requirement</b>	<b>Document</b>
Total annual expenditures <\$100,000 (Regardless of source)	Financial Statement(s) prepared by organization**
Total annual expenditure between \$100,001 and \$300,000 (Regardless of source)	Reviewed Financial Statement(s) prepared by an Independent Certified Public Accountant (CPA)
Total annual expenditures > \$300,000 (Regardless of source)	Financial Statement(s) that have been audited by an Independent CPA
Federal expenditures >\$750,000	2 CFR 200 Subpart F Audit – Audited by an Independent CPA

\*\* Does not require preparation by a CPA

Required financial statements must be submitted yearly, within nine (9) months after the end of your fiscal year or 30 (thirty) days after it has been accepted (reviewed financial statement(s), audited financial statements, and 2 CFR 200 Subpart F audit only) - whichever comes first.

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at:

<https://www.dhcd.virginia.gov/sites/default/files/Docx/audit-policy/dhcd-audit-policy.pdf>

A financial compliance monitoring may include the following:

- An organizational chart showing titles and lines of authority for all individuals involved in approving or recording financial (and other) transactions
- Written position descriptions that describe the responsibilities of all key employees
- A written policy manual specifying approval authority for financial transactions and guidelines for controlling expenditures
- Written procedures for the recording of transactions, as well as an accounting manual and a chart of accounts
- Adequate separation of duties to ensure that no one individual has authority over an entire financial transaction
- Hiring policies to ensure that staff qualifications are equal to job responsibilities and that individuals hired are competent to do the job
- Access to accounting records, assets, blank forms, and confidential records is adequately controlled, such that only authorized persons can access them
- Procedures for regular reconciliation of its financial records, comparing its records with actual assets and liabilities of the organization
- Accounting records/source documentation
- Cash management procedures
- Cost allocation plans
- Procurement procedures
- Property controls
- Annual Audit

### *Monitoring*

DHCD is responsible for monitoring all program activities carried out by a grantee to ensure that the program requirements are met. Monitoring can include both programmatic and financial reviews. DHCD and HUD may monitor any funded project, as applicable. Grantees must make available organizational and project related records to both DHCD and HUD with notice.

Grantees are responsible for all programmatic and contractual terms. The grantee is responsible for ensuring that these terms and requirements are met regardless of partnership arrangements or MOUs with other organizations.

### **RFP/Application Process**

Grantees must be either a nonprofit or a unit of local government, including tribal governments, and able to demonstrate the experience and capacity to effectively administer the HOME-ARP Rental Assistance program.

All applications for funding must be submitted to DHCD through the online application and project management system called [CAMS](#) (Centralized Application and Management System). Please allow up to two business days for responses to any CAMS help desk request. Applications must be submitted in CAMS by 11:59 PM on January 16, 2024.

- Please note that DHCD technical assistance is limited to normal business hours.

CAMS Assistance: [CamsHelp@dhcd.virginia.gov](mailto:CamsHelp@dhcd.virginia.gov)

- HOME-ARP Rental Assistance Questions:

Will Kerner at [William.Kerner@dhcd.virginia.gov](mailto:William.Kerner@dhcd.virginia.gov)

To be considered for funding, applications must meet minimum requirements including scoring at least 60 points. Scoring criteria are as follows:

- Meeting local housing needs (40 percent);
- Approach (30 percent); and
- Capacity (30 percent).

Funding will be awarded through a competitive application process, which will require applicants to demonstrate capacity through a proven track record and will assign points for projects that will serve high-impact areas of the commonwealth. Nonprofit organizations that are providing TBRA would additionally be eligible for nonprofit operating and capacity building funds through a competitive application process. Applicants will submit requests, annual budgets and annual projected numbers served for up to six years of funding. Annual contracts will be renewable based on performance.

All applicants must be current on 990 filings and upload a current audit in CAMS.

For more information about the application process, please join us at one of the two following How to Apply Workshops held on:

- Monday, December 11<sup>th</sup>, 2023
- Tuesday, December 12<sup>th</sup>, 2023