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Guidance on ESG Case Management Without the Provision of Financial Assistance or Shelter

Essential Services can be delivered/ provided by an agency that is not providing shelter or rent payment assistance, as long as the following criteria are met:

For a program to use ESG it must request allowable costs in the appropriate project type.

In the ESG Program, recipients/subrecipients may provide essential services under Street Outreach, Emergency Shelter, Prevention and Re-Housing components. However, the specific allowable costs under each component depend on the population being served and where the services are provided.

Unsheltered homeless persons staying on the streets or in other places not meant for human habitation can receive services in outreach programs. *Homeless definition 576.2(1)(i)*

Sheltered Persons 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) can receive services in an emergency shelter program. *Homeless definition 576.2(1)(i)*

**Only those transitional housing projects that were grandfathered into the Emergency Solutions Grant Program in 2010 are eligible to receive funding.

Persons who are imminently at-risk of losing their primary residence because of an eviction that will occur within 14 days can receive services in a homelessness prevention program.

Persons who were literally homeless or escaping imminent danger in a domestic situation and are re-housed can receive services in a rapid re-housing program.

For a program to use ESG funds it must follow the requirements that apply to ESG recipients and subrecipients with respect to the type of funded activity for which it is applying.

- Each client must be homeless, and must be evaluated for eligibility and assistance needed. This evaluation must be conducted in accordance with 24 CFR § 576.401(a);
- Each client's eligibility and homeless status must be documented in accordance with the requirements in 24 CFR § 576.500(b);
- Client and activity data must be entered into the local HMIS. This must be completed in accordance with the requirements in 24 CFR § 576.400(f); and
- The project must follow the written standards required under 24 CFR § 576.400(e)

For a program to use ESG funds where there are both eligible and ineligible activities and eligible and ineligible clients in the program that is receiving the ESG, then the project's eligible costs must be allocated in proportion to "the relative benefits received," as set forth in the OMB Cost Principles.

OMB Circular A-122 sets out the accounting standards that a program that benefits homeless individuals and families but which is not a homeless services organization must follow.

Allocable costs.

- a. A cost is allocable to a particular cost objective, such as a grant, contract, project, service, or other activity, in accordance with the **relative benefits received**. A cost is allocable to a Federal award if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it:
 - (1) Is incurred specifically for the award.
 - (2) Benefits both the award and other work and can be distributed in reasonable proportion to the benefits, or
 - (3) Is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.
- b. Any cost allocable to a particular award or other cost objective under these principles may not be shifted to other Federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the award.

For a program providing ESG case management Services through an Emergency Shelter Project without providing directly for the shelter then the service must occur while the individual or household is residing in a "shelter".

According to 576.102, ESG funds may be used for the cost of providing essential services to homeless families and individuals in emergency shelters regardless of which entity funds the shelter (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)

**Only those transitional housing projects that were grandfathered into the Emergency Solutions Grant Program in 2010 are eligible to receive funding.

NOTE: limitation on Case Management under the Emergency Shelter Component

There is no provision in the Emergency Shelter component that allows for acceptable costs to be accrued for individuals and families who are not in currently emergency shelters, a transitional housing program, or hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low income individuals)**

**Only those transitional housing projects that were grandfathered into the Emergency Solutions Grant Program in 2010 are eligible to receive funding.

For a program providing ESG Case Management Services without Rental or Financial Assistance the service must occur with the current or prior provision of prevention or re-housing financial assistance even if that service isn't paid for with ESG or HPP.

Under the Rapid Re-Housing and Homelessness Prevention components, **ESG funds can be used for case management services (or other services) alone.** That is, although rental assistance cannot be provided independent of case management services, case management can be provided independent of rental assistance. For example, services (such as case management) could be provided after the term of a program participant's rental assistance expires, as long as the 24-month cap for each type of assistance is not exceeded.

ESG "stand alone" case management or other services can also be provided to support program participants who receive rental assistance through non-ESG programs, as long as the individual or family is eligible for ESG assistance at the time of the intake evaluation and any recertification(s) of eligibility.

NOTE: Limitation on Housing Stability Case Management under the Rapid Re-Housing Component

Often, households that are eligible for Rapid Re-Housing assistance reside in an emergency shelter or in a place not meant for human habitation while they wait for a unit to be identified. The following principles for charging the costs of housing stability case management under Rapid Re-Housing apply in these situations:

- Recipients/subrecipients may provide housing stability case management assistance under the Rapid Re-Housing component for up to 30 days during the period these program participant is residing on the street or in an emergency shelter and seeking permanent housing (see § 576.105(b)(2)).
- If the program participant needs more than 30 days of housing stability case management assistance while they are sleeping in an emergency shelter or on the street (or other place not meant for human habitation), it must be charged either to Emergency Shelter: essential services or Street Outreach: case management, as appropriate. The costs are then subject to the cap on these components.
- Once the program participant is in permanent housing, housing stability case management can be provided under the Rapid Re-Housing component for up to 24 additional months.