

HOME-American Rescue Plan (HOME-ARP)

2025-2026

Non-Profit Capacity Building and Operating Cost Policies and Procedures



TABLE OF CONTENTS

INTRODUCTION	1
Background	1
Intent	1
NON-PROFIT CAPACITY BUILDING AND OPERATING EXPENSES	2
Capacity Building	2
Operating Expenses	
Understanding Project Delivery Costs VS. Operating and Capacity Building Costs	2
ELIGIBLE ACTIVITIES	3
FUNDING LIMITATIONS.....	4
APPLICATION AND SELECTION.....	5
Risk Assessment	5
Written Agreements with Subrecipients	5
Agreement Termination	5
Insurance Requirements	6
AFFIRMATIVE MARKETING	8
INTERNAL CONTROLS	9
Record Retention	9
Confidentiality	9
FEDERAL REQUIREMENTS	10
Code of Conduct.....	10
Code of Ethics.....	10
Conflict of Interest.....	10
MONTHLY REPORTS	11
Invoice and Disbursement.....	11
MONITORING	12
Monitoring Goals.....	12
Program Monitoring Process.....	12
Source Documentation.....	13
Review of Records	13
Salaries, Revenues & Other Operating Expenses	14
Monitoring Reports and Appeals	14
Response to Monitoring Report	14
Response to Subrecipient Response	15
Appeals.....	15
ATTACHMENT A: HOME CONSORTIUM AFFIRMATIVE MARKETING PLAN.....	16

INTRODUCTION

BACKGROUND

The Tri-Cities HOME Consortium (“Consortium”) was originally formed in 1996 under the HOME Investments Partnership Program (“HOME”) to create affordable housing for low-income families residing in Kennewick, Richland, and Pasco. On March 11, 2021, President Biden signed the American Rescue Plan (“ARP”) into law, which provides over \$1.9 trillion in relief to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses.

Of the \$1.9 trillion allotted by the ARP plan, Congress appropriated \$5 billion in funds to be administered through the HOME Program to perform activities that **must** benefit qualifying individuals and families (“QPs” or “Participants”) who are homeless, at risk of homelessness, or in other vulnerable populations in order to address the need for homelessness assistance and supportive services. This program is known as HOME-ARP (“Program”).

The Tri-Cities HOME Consortium received \$2,394,949 in HOME-ARP funding to be used within the Cities of Kennewick, Richland, and Pasco. The City of Richland (“Lead Entity”) receives and administers HOME-ARP funds on behalf of the three cities. The Consortium will distribute funds each year to eligible agencies until all funds have been expended.

INTENT

The Tri-Cities HOME Consortium has allocated \$119,000 for non-profit operating and \$119,00 for non-profit capacity building. This document is the Policies and Procedures for non-profit operating and capacity building. Each agency may receive up to \$29,750 for non-profit operating and \$29,750 for operating.

NON-PROFIT CAPACITY BUILDING AND OPERATING EXPENSES

HOME-ARP funds are available to support nonprofit organizations by covering operating expenses and capacity-building costs necessary to successfully implement a current HOME-ARP activity.

CAPACITY BUILDING

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 qualifying populations.

OPERATING EXPENSES

Operating expenses are defined as reasonable and necessary costs of operating the nonprofit organization. HOME-ARP funds used 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, or must not be directly assignable to a HOME-ARP activity or project. For example, HOME-ARP funds for operating expenses may not be used for staffing costs to provide supportive services as these costs are included as "Project Delivery" in your HOME-ARP Supportive Services contract and is already a billable expense.

UNDERSTANDING PROJECT DELIVERY COSTS VS. OPERATING AND CAPACITY BUILDING COSTS

To comply with HOME-ARP requirements, nonprofits receiving nonprofit operating and/or capacity building assistance must understand how HOME-ARP project delivery and administrative costs differ from HOME-ARP nonprofit operating and capacity building expenses.

Subrecipients must not use nonprofit operating or capacity building assistance to pay for project delivery costs. If a given cost would be eligible as a project/activity delivery cost that cost cannot be supported with HOME-ARP nonprofit operating and/or capacity building funding.

ELIGIBLE ACTIVITIES

TYPE	NONPROFIT CAPACITY BUILDING	NONPROFIT OPERATING ASSISTANCE
Payroll	Salaries for new hires including wages and other employee compensation and benefits not tied to a specific program project or activity	Existing employee salaries, wages and other employee compensation and benefits, but not project delivery for hours already billed through HOME-ARP Supportive Services.
Training	Costs related to training or other staff development that enhances an employee's skill set and expertise to fully carryout the current HOME-ARP contract. (not to exceed State per diem and mileage allotment).	General employee education, training and travel (not to exceed State per diem and mileage allotment).
Equipment and Materials	Equipment (e.g. computer software or programs that improve organizational processes) and upgrades to materials and equipment and supplies. Equipment, materials, and supplies must be tracked and reported if aggregate is over \$10,000.	Equipment, materials and supplies.
TA and Consultant	Contracts for technical assistance or for consultants with expertise related to the HOME-ARP activity being undertaken and with qualifying populations (requires pre-approval before hiring).	N/A
Operating/ Overhead	Renting office space to accommodate increased staffing resulting from participation in the HOME-ARP program. Office space must have been procured.	Rent and utilities for the nonprofit's general office space and communication costs.

FUNDING LIMITATIONS

In any fiscal year, operating and capacity building provided to a nonprofit organization may not exceed the greater of 50 percent of the general operating expenses of the organization, as described above, or \$29,750. 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 \$59,500. The contract period for funding will be one (1) year. Funding will start on June 1st and expire on May 31st. Funding is in correlation with receiving and complying with the current HOME-ARP contract. If funding for the HOME-ARP contract expires or contract is terminated, the operating and/or capacity building contract will also be terminated.

All grant funds are disbursed on a reimbursement basis only. The Agency must first incur and pay expenses for which it has been funded for and submit a request for reimbursement for allowable expenses. The request must be accompanied by proof the payment has been made. Compliance with all Federal regulations and local policies are required to access funds. The reimbursement will be dependent upon Agency's compliance and reporting.

APPLICATION & SELECTION

1. Agency must have a current HOME-ARP Supportive Service Contract in good standing in order to apply.
2. Applications are to be completed electronically.
3. The proposed request must meet the specific capacity building and/or operating cost requirement. Proposals that include project delivery costs for supportive services or requests that do not qualify as capacity building and/or operating costs will be denied.
4. This application will be in combination with the submitted 2025 HOME-ARP Supportive Services application.
5. Selections will be made, and funds distributed based on the Risk Assessment.
6. HOME-ARP applications are reviewed and Subrecipients are chosen by all three Consortium Member Cities.
7. Prospective projects may also be identified by the Consortium.
8. All sections of the application package must be complete. Incomplete applications will be returned to the Applicant.

RISK ASSESSMENT

Risk assessment will be based on a standardized risk assessment form. This form will be used to determine if the applicant is low, medium, or high risk. This is calculated by the following questions:

1. Is the applicant in full compliance with their current HOME-ARP contract?
2. Does the applicant have a clear plan for utilizing the capacity building and/or operating expenses?
3. Have all prior monitoring issues or findings been corrected?
4. Have performance goals been met with the current HOME-ARP contract?

WRITTEN AGREEMENTS WITH SUBRECIPIENTS

If the applicant is approved, a written Subrecipient Agreement (“Agreement”) will be signed by all parties. The Agreement will denote responsibilities attributable to each party and shall outline in exact measure the funding provided, the methods of accountability, and a schedule for payment.

Execution of the Agreement binds the Subrecipient for a specified period of time and may be revised only upon written authorization from the Lead Entity. Compliance with the stipulations within these Policies & Procedures is a requirement of the Agreement. The Agreement remains in effect during any period that the Subrecipient is operating or implementing a program in which HOME-ARP funds are being invested.

*An environmental review **must** be complete, and a written Agreement **must** be executed with the Subrecipient prior to the release of HOME-ARP funds by the Consortium.*

AGREEMENT TERMINATION

The Lead Entity or the Subrecipient may terminate an Agreement for default for any of the following reasons:

- Failure to comply with eligible activities only.
- Failure to perform work in a timely manner.
- Violation of an Agreement clause, such as the prohibition against gratuities.
- Repeated violations of labor standards or other violations.

A default clause must be included in the agreement that provides for termination without negotiation when the Subrecipient fails to perform as specified in the agreement. Agreements terminated for the convenience of the HOME-ARP Subrecipient likewise requires immediate work stoppage; however, termination costs are negotiated until a satisfactory settlement is reached.

The HOME-ARP Subrecipient shall terminate an Agreement for convenience or default only by a 30-day written notice via certified mail to the Lead Entity. The notice shall state the following:

- That the Agreement is being terminated for the convenience of the HOME-ARP Subrecipient or that it is being terminated for default, under the Agreement clause authorizing the termination.
- If terminated for default, the acts or omissions constituting the default and the Consortium's determination that failure to perform is not excusable.
- Whether the Agreement is terminated in whole or in part.
 - For partial termination, identify the specific items being terminated.
- The effective date of termination.

INSURANCE REQUIREMENTS

The Subrecipient and its employees, volunteers, contractors, and consultant shall provide to the Consortium, and carry throughout the life of the Agreement: Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, and other coverage as may be appropriate or required by State or Federal law.

Insurance is to be placed with insurers with a current rating by the Housing Agencies, of at least Class VI for financial status and at least B+ for performance from the A.M. Best Company, or a rating of at least A from Demotech, Inc. This insurance shall include the following:

- Commercial General Liability: Commercial General Liability Insurance shall be written on Insurance Services Office ("ISO") occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors, personal injury, and advertising injury. The insurance shall include the Consortium, its members, officers, officials, employees, and agents with respect to performance of services, and shall contain no special limitations on the scope of protection afforded as an additional insured. If the liability coverage is written as a claim made policy, then evidence of an extended reporting period or "tail" coverage for a three-year period after project completion must be purchased or otherwise maintained for the three-year period.
 - Employers Liability Coverage: If this agreement is over \$50,000 then Employers Liability Coverage shall also be maintained. Coverage shall include limits of not less than \$1 million per occurrence, and \$2 million aggregate.
- Comprehensive Automobile Liability Insurance: Business Automobile Liability Insurance with a minimum combined limit no less than \$1 million per accident for bodily injury and property damage shall be maintained. Coverage shall include owned, hired, leased, and non-owned automobiles. Coverage shall be written on ISO form CA 00 01 or a substitute form providing

equivalent liability coverage. If deemed necessary, the policy shall be endorsed to provide contractual liability coverage.

- Professional Legal Liability: Subrecipient shall maintain Professional Legal Liability or Professional Errors and Omissions coverage appropriate to the Subrecipient's profession and shall be written subject to limits of not less than \$1 million per claim and \$1 million policy aggregate limit. The coverage shall apply to liability for a professional error, act or omission arising out of the scope of the work for this agreement. Coverage shall not exclude bodily injury, hazards, or property damage related to the work in this agreement, including testing, monitoring, measuring operations, or laboratory analysis where such services are rendered as part of the agreement.
- Worker's Compensation (Industrial Insurance): Workers' Compensation Insurance as required by Title 51 RCW shall be maintained and Subrecipient shall provide evidence of coverage if required.

Subrecipient shall furnish the Consortium with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement listing the Tri-Cities HOME Consortium, evidencing the insurance requirements prior to the commencement of the work. The insurance policies are to contain, or be endorsed to contain, the following provisions for Commercial General Liability insurance, Comprehensive Automobile Liability Insurance, and Professional Legal Liability:

- The insurance coverage shall be primary as respect to any insurance or self-insurance covering the Consortium, its members, elected and appointed officers, officials, employees, and agents.
- Any insurance, self-insurance, or insurance pool coverage maintained by the Consortium and its members shall be excess of the Subrecipient's insurance and shall not contribute with it.
- The insurance shall not be cancelled by either party, unless 30 days prior written notice has been given by certified mail, return receipt requested, to the Consortium.

AFFIRMATIVE MARKETING

ALL HOME-ARP funded programs and projects must be affirmatively marketed to attract eligible persons without regard to race, color, national origin, sex, religion, familial status, or disability. Affirmative marketing procedures must include requirements detailed in 24 CFR Part 92, §92.351. A detailed affirmative marketing plan must be submitted to the Lead Entity at the start of a project.

The Consortium is committed to providing equal access and opportunity to all persons. The three cities will not discriminate and will require that all contractors, subcontractors, recipients, Subrecipients, owners, landlords, and vendors not discriminate against any person on the basis of race, color, national origin, gender, sex, religion, disability, or familial status. For more information on the HOME Consortium's Affirmative Marketing Plan, see *Attachment A*.

Actions to provide information and attract eligible persons in the community that otherwise would not be aware of these projects or funding opportunities may include displaying advertisements in Spanish and English in local newspapers; hosting neighborhood meetings; direct mailing to social service agencies or businesses that employ or are frequented by the qualifying populations; providing information to housing authorities, advertising in periodical newsletters; distributing flyers or brochures at community events to businesses that have ties to the qualifying populations; providing community service announcements on television, radio networks and maintaining contacts with community agencies and people who have agreed to act as interpreters and mentors for non-English speaking residents.

INTERNAL CONTROLS

Subrecipient **must** have written Policies & Procedures that define board and staff qualifications and duties, lines of authority, separation of functions, and access to assets and sensitive documents.

Subrecipient must have written accounting procedures for approving and recording transactions. Financial records must periodically be compared to actual assets and liabilities to check for completeness and accuracy.

A good internal control system should include several basic features. The features include:

- The Subrecipient's plan to safeguard resources by segregating duties.
- A system of authorization and recording procedures that provide effective accounting control over assets, liabilities, revenues, and expenses.
- An established system of procedures followed by each organizational component in performing its duties and functions.
- Personnel capable of performing their responsibilities.
- An effective system of internal reviews.

Internal controls can help provide assurance that operations comply with Federal requirements. For example, responses to question such as those below can affect the outcome of an audit:

- Are there payroll records to support charges to Federal funds?
- Are there procedures to verify that charges are allowable under grant provisions?
- Are there adequate procedures to verify that program participants are eligible?
- Are corrective actions recommended and implemented as a result of self-monitoring activities?

RECORD RETENTION

The Subrecipient will retain program and project records for at least six years after the contract completion date. The period for maintaining records may be extended due to any of the following:

- Records that are the subject of audit findings must be retained for at least three years after such findings have been resolved; the six-year minimum record retainage requirement still applies.
- If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

CONFIDENTIALITY

The Subrecipient agrees to participate with the Consortium in any project evaluation or performance report – as designated by the Consortium or the appropriate Federal agency – and to make available all information required by such evaluation process, provided that compliance is maintained with applicable confidentiality laws.

Access to personally identifiable information will be restricted to only the staff that need to access the data to carry out their duties. Staff will be held accountable for ensuring privacy and confidentiality of the data.

FEDERAL REQUIREMENTS

CODE OF CONDUCT

The Subrecipient shall maintain written Standards of Conduct governing the performance of the employees engaged in the award and administration of Agreements.

No member of the Subrecipient organization shall participate in the selection, award, or administration of an Agreement supported by Federal funds if a real or apparent conflict of interest would be involved. An example of such a conflict is if the employee, officer, or agent, any immediate family, his / her partner, or an organization which employs or is about to employ any of the parties indicated above has a financial or other interest in the firm selected for an award.

The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from parties to Agreements with Subrecipients. The Subrecipients may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Subrecipient.

CODE OF ETHICS

A Subrecipient's oversight body is expected to demonstrate a commitment to integrity and ethical values. Subrecipients must have a written Code of Ethics reflecting this commitment for members of their Board of Directors.

CONFLICT OF INTEREST

The general rule is that no employee, board member, officer, agent, consultant, or staff member of a Subrecipient receiving funds under a HOME-ARP Program may have during their tenure or for one year thereafter:

- Responsibilities with respect to the HOME-ARP funding.
- Participate in decision-making processes.
- Have access to inside information with regard to the activities that could result in a personal or financial interest or benefit from a HOME-ARP-assisted activity.

Agencies must maintain a written Code of Conduct that governs the purchase of materials, product, supplies, and services. Personnel involved in the procurement process must be trained to recognize situations that create a conflict of interest or the appearance of a conflict of interest. The Subrecipient personnel should:

- Be familiar with the Subrecipient's Code of Ethics, Code of Conduct, and potential conflict of interest issues.
- Not take gifts or gratuities from persons or organizations associated with the procurement process. Procurement must comply 24 CFR 92.356.
- Assure the proposal evaluators or member of their immediate families do not have financial interest in the companies.

Additional guidance regarding Conflict of Interest is found at 2 CFR 200.112, §200.317, and §200.318.

MONTHLY REPORTS

Subrecipients are required to submit quarterly reports. The reports will be due on September 15th, December 15th, March 15th, and June 15th.

INVOICE AND DISBURSEMENTS

The Subrecipient shall be reimbursed for eligible expenses after the Lead Entity has reviewed and approved invoices, statements, other billings, and supportive documentation. **If costs have accrued, disbursement must be requested within 90 days of accrual.**

To access funds, the Subrecipient must submit the following documents:

- Invoice and Disbursement Request Form
- Subrecipient invoice
- Any other applicable back-up documentation, such as:
 - Expense Reports
 - Payroll Summaries
 - Time sheets
 - Receipts
 - Et Cetera

MONITORING

HUD requires monitoring of Subrecipient agencies on an annual basis. Monitoring is an ongoing process of reviewing performance using documented data to make judgments about Subrecipient performance, and to assist in improving performance.

The Lead Entity is responsible for monitoring HOME-ARP Subrecipients to ensure compliance with all Federal, State, and local rules, regulations, and laws. This is accomplished through phone conversations, written correspondence, desk monitoring, and on-site monitoring visits. Technical assistance is offered throughout the year.

Monitoring visits by the Lead Entity may be scheduled or unannounced. The Lead Entity reserves the right to inspect all files and other documentation necessary to monitor performance in accordance with applicable laws and in compliance with HUD guidelines.

MONITORING GOALS

The goal of monitoring is to review:

- If systems are in place to properly document all Agreement requirements.
- If expenditures of allocated funds are being used in accordance with the Agreement and programmatic requirements.
- If systems are in place to properly document financial transactions, the use of allocated funds, the use of program income, and any other Agreement, Federal, State, or local requirements. In some cases, it may be necessary to perform a follow up monitoring visit or conduct monitoring more frequently than once per year.

Substandard performance, as determined by the Lead Entity, will constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the Lead Entity, Agreement suspension or termination procedures will be initiated.

PROGRAM MONITORING PROCESS

Lead Entity staff will contact the Subrecipient to arrange for a monitoring visit. Records should be ready for review in an understandable format. Alternatively, the Lead Entity may conduct a desk-top review and may require the Subrecipient to submit documents to the Lead Entity's office. During these visits, the Lead Entity will:

- Meet staff responsible for preparing reimbursement requests, payroll, and maintaining accounting records.
- Review records selected for monitoring and discuss record keeping methods with the staff that maintain them. Copies of certain documents and records may be made for purposes of preparing the report. Records to be reviewed by the Lead Entity may include, but are not limited to:
 - Time and attendance reports (time sheets or timecards)
 - Payroll registers
 - Cash receipts journal
 - Check disbursement journal or check register

- Bank statements, canceled checks, and/or direct deposit verification
- General ledgers
- Invoices and purchase orders
- Bank reconciliation
- Any additional items (vouchers, documents, financial reports, records, etc.) needed to verify transactions

Subrecipients must agree to provide all requested documentation to the Lead Entity within five (5) business days to maintain compliance with the HOME-ARP Program and related laws, rules, regulations, and policies.

All Subrecipient records, with respect to any matters covered by this Agreement, shall be made available at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within thirty (30) days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this agreement and may result in the withholding of future payments.

SOURCE DOCUMENTATION

All accounting records must be supported by source documentation. Supporting documentation is important to retain for all program expenditures. Documentation must specifically prove that expenditures charged to the grant are:

- Incurred only during the period of the Agreement between the Lead Entity and Subrecipient
- Were actually paid out (or properly accrued within 15 days of dispersal request for reimbursement)
- Allowable and reasonable
- Approved by a responsible official in your organization

Source documentation must explain the basis of the costs incurred. For example:

- With respect to staff time charged to the grant, you must have time sheets signed by the employee and supervisor that explicitly state the hours charged to the grant.
- Attendance sheets should be available at all times to verify that the time charged to the grant is accurate.
- This information must be available at all times to verify that costs charged to the HOME-ARP Program are accurate.

REVIEW OF RECORDS

The Lead Entity will check the Subrecipient's records against submitted records and reports (*this list is not exhaustive*):

- To determine that:
 - Amounts in Subrecipient's records match amounts submitted to the Lead Entity.
 - Reports are presented in a timely manner (by the date specified in the Agreement).
 - Reports are accurate and completed in a satisfactory manner.
 - Proposed goals and timeline for completion are being met.
 - Project / Activity is following HOME-ARP program Policies & Procedures.

- Only expenses agreed upon in the Agreement are billed to the HOME-ARP Program.
- Files are complete and maintained in an orderly fashion.
- To ensure there is sufficient documentation that:
 - The provision of services and scope of work meet the terms of the Agreement.
 - HOME-ARP Program agreements are dated and signed by the applicant and Subrecipient prior to the commitment of funds.

SALARIES, REVENUE & OTHER OPERATING EXPENSES

The Lead Entity will verify salaries by:

- Reviewing time and attendance reports for time billed to HOME-ARP and verification of reports by supervisor.
- Checking that there is a clear audit trail between the time and attendance reports, payroll register, general ledger accounts, and Federal and State reports.
- Testing computation for gross amounts, deductions, and net payments.
- Verifying canceled checks for amounts and endorsements.
- Comparing employees' time from timecards to the time reported on reimbursement requests.
- Verifying that the costs requested for reimbursements are allowable and reasonable under the terms of the Agreement.
- Verifying invoices and payments.
- Verifying that purchase of equipment matches general ledger account and financial reports.
- Ensure that purchased equipment is allowable.
- Verifying calculation of depreciation (if applicable).
- Make physical inspection of equipment (if applicable).

MONITORING REPORTS AND APPEALS

Within thirty (30) days after the completion of the monitoring visit or desk-top review, a written report of the results of the monitoring visit will be forwarded to the Subrecipient. If the program and fiscal monitoring were performed concurrently, the reports for both will be combined under a single cover letter.

The monitoring report contains:

- A detailed list of areas reviewed.
- A detailed list of findings, if any.
- A recommendation will accompany each finding explaining how the deficiency can be corrected.
- A detailed list of concerns, if any.
- Depending on the nature of the concern, a recommendation may be included on how to eliminate the concern.
- Observations, if any, made regarding the Subrecipient's operation.
- If findings are severe, the letter accompanying the report may place a hold on further reimbursements to the Subrecipient until the findings are cleared or may require the suspension of the activity until satisfactory corrective actions are made and approved by the Lead Entity.

RESPONSE TO MONITORING REPORT

Within thirty (30) days after receipt of the monitoring report, the Subrecipient must submit a written

response to the monitoring report. The response should include:

- A response to each individual finding and concern, if applicable.
- Copies of any documentation to back up the response to the findings (copies of corrected employee monthly time reports, etc.).

RESPONSE TO SUBRECIPIENT RESPONSE

Upon receipt of the Subrecipient's response to the monitoring report, a review of the response will be conducted to determine if the findings have been satisfied. A written response to the Subrecipient's response will be sent, to include the following:

- Those findings which have been satisfied will be noted as closed; if all findings are closed, the Subrecipient's monitoring for the year under review is considered to be complete.
- Findings which are not satisfied will remain open and will require further response or action on the Subrecipient's part.
- The Subrecipient will be given an adequate period of time to take any further action needed to correct the findings and respond in writing.
 - If these actions are satisfactory, the findings are noted as closed and the monitoring is considered to be complete.
 - If these actions are not satisfactory, further correspondence is required until such time as all findings are closed, and the monitoring is concluded.
 - The close of the Agreement does not necessarily close the monitoring or the corrective actions required.

Correspondence will continue until all findings are closed. Reimbursement may also be held until findings are closed.

APPEALS

In the event that the Subrecipient and the Lead Entity cannot come to an agreement on one or more findings of the Lead Entity's monitoring visit, an appeal may be made in writing to the City of Richland's Development Services Director. The appeal should state clearly the finding being appealed, and the basis for the appeal. HUD does not accept appeals of decisions by the Lead Entity regarding monitoring issues.

ATTACHMENT A: HOME CONSORTIUM AFFIRMATIVE MARKETING PLAN

AFFIRMATIVE MARKETING / MINORITY OUTREACH PROGRAM (\$92.351)

The Consortium is committed to providing equal access and opportunity to all persons to encourage participation in the programs offered in the Cities of Kennewick, Pasco, and Richland. The three cities will not discriminate, and will require that all contractors, subcontractors, Subrecipients, owners, landlords, and vendors will not discriminate against any person on the basis of race, color, national origin, gender, sex, religion, disability or familial status.

Actions to provide information and attract eligible persons in the community may include the following:

- Advertisements will be placed in the Tri-City Herald and Tu Decides, or other Hispanic publication. The circulation of these newspapers in Benton and Franklin Counties reaches a combination of Caucasian and minority readers in proportion to demographic characteristics of the populations in Benton and Franklin Counties.
- Direct mailings or inclusion as a utility bill insert of program opportunities and Fair Housing Laws will be distributed to the public.
- Brochures and flyers will be distributed to social service agencies.
- Brochures and flyers will be distributed to businesses with ties to the qualifying populations.
- Brochures and flyers will be distributed to the 4 local libraries and Housing Authorities.
- Brochures and flyers will be distributed at City and community events, as applicable.
- Community service announcements and press releases for special events and activities will be placed on local radio stations and on television stations.
- All announcements, program advertisements, solicitations, brochures, and flyers will display the Equal Housing Opportunity logo or slogan.
- Fair Housing and Equal Opportunity posters in Spanish and English will be displayed at each respective City Hall.
- Fair Housing and Equal Opportunity posters in Spanish and English will be distributed to each Subrecipient.
- Community contacts will be maintained with people who have agreed to act as interpreters and mentors for non-English speaking residents.

All Subrecipients funded with HOME-ARP dollars will be required to provide an Affirmative Marketing and Minority Outreach Plan to the Lead Entity. Subrecipients and owners who do not implement the plan could lose HOME-ARP funding for the project.

The plan at a minimum will include the list above and the following:

- A timeline for affirmative marketing and minority outreach efforts.
- Actions that will be taken to promote the inclusion of all persons.
- The names and types of commercial media that will be used to advertise the program.
- Displaying a Fair Housing and Equal Opportunity poster at their business location.
- Actions that will be taken to inform and solicit applications from persons who are not likely to apply without special outreach, such as notifying community organizations, places of worship, employment centers, fair housing groups, counseling centers or agencies, etc.

Records will be maintained describing the actions taken by the Consortium, Subrecipients and owners

for a period of six (6) years following program completion and will be available for public and HUD review. The Lead Entity will assess the success of affirmative marketing actions and determine if any corrective or additional strategies are needed to better inform all persons of housing opportunities at least annually.