

# Capital Grant Recipient Guide

## VA Homeless Providers Grant & Per Diem Program

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# **Capital Grants**

## **Overview:**

Congratulations on your successful grant application. This guide has been established to assist your organization in developing the grant-funded project. The information presented in this guide is to be used as a reference only and not meant to take the place of the Homeless Providers Grant/Per Diem (GPD) Program's regulations. Your organization is still required to be cognizant of and in compliance with any federal, state or local laws pertaining to the provision of services for homeless individuals.

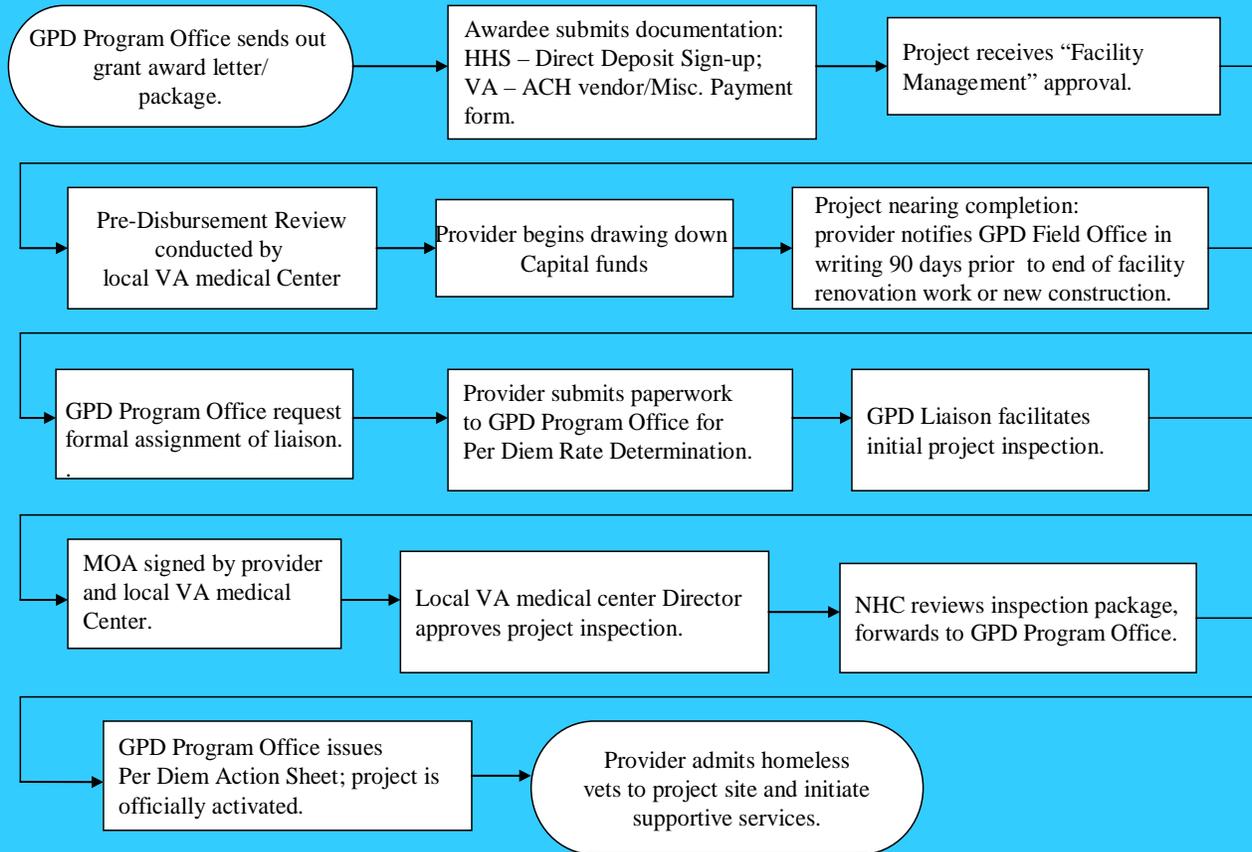
GPD Project Development Specialist, Susan Langer, will be coordinating with your organization to track progression of the capital portion of your award. Representatives from your organization will have regular contact with her through monthly conference calls, provider trainings, and possibly site visits. Additionally, your organization will be required to submit to the Project Development Specialist documentation indicating your progress in meeting the milestones set in your grant application.

We hope you will find the following guidelines helpful. Our intention is to work closely with your organization to develop the best possible partnership to serve the homeless Veterans of our nation.

## **Overview of the Capital Grant Development / Payment Process:**

1. Complete Direct Deposit Sign-Up Form and the Payment Management System Access Form and submit the original to the GPD Program Office;
2. Fill out the ACH Vendor / Miscellaneous Payment Form and fax it to Austin FSC;
3. Begin project approval review through VA Central Office (VACO) Office of Construction and Facilities Management (OCFM);
4. Contact local VA medical center to conduct the Pre-Disbursement Review;
5. Begin work on your project after GPD Program Office's final approval;
6. Request capital reimbursement for allowable costs incurred;
7. Notify the GPD Program Office in writing 90 Days prior to capital project completion so program staff may formally request that a liaison be appointed at the local VA medical center to facilitate the initial inspection of your project. At the same time, you should complete the paperwork required to establish a per diem rate from the GPD Program Office (transitional housing and service center projects only);
8. GPD Liaison will facilitate an initial inspection of the project by the local VA medical center;
9. Memorandum of Agreement (MOA) is signed between the GPD provider and local VA medical center;
10. Local VA medical center director formally approves the inspection package and forward to the Network Homeless Coordinator (NHC) for review;
11. Completed inspection package is submitted to the National GPD Program Office for official project activation; and
12. GPD Program Office issues a Per Diem Action Sheet (PDAS) to the GPD provider and local VA medical center officially activating the project. The PDAS indicates the start date, per diem rate and number of beds approved. Placement of Veterans prior to the issuance of the PDAS is at the GPD providers own risk as there is no guarantee of back-payment.

# Capital Development Process Flow



**Note: Providers should review the GPD Providers Webpage, Capital Grant Recipient Guide, and participate on applicable monthly conference calls throughout lifecycle of Capital grant.**

## Grant Funds Disbursement:

**Direct Deposit Sign-Up Form:** VA’s disbursement mechanism is a system operated by Health and Human Services (HHS). HHS will disburse your payments through Electronic Funds Transfer (EFT). You will need access to the Internet in order to submit for payment reimbursement. The Direct Deposit Sign-Up and Payment Management System Access forms are included in this package (Appendix). The forms must contain original signatures, your tax ID number, and your financial institution must complete Section 3. The tax ID number on the Direct Deposit Sign-Up Form must be the same number you used on your Application for Federal Assistance (SF 424) when you applied for the grant. Please complete and mail the ***original*** signed documents to the Grant and Per Diem Program Office, 10770 N. 46<sup>th</sup> Street, Suite C-200, Tampa, FL 33617. Allow several weeks for HHS to establish your account for electronic funds transfer.

**ACH Vendor / Miscellaneous Payment Form:** In order for VA to establish your agency as a vendor you will need to fill out the ACH Vendor / Miscellaneous Payment Form (Appendix) and fax it to the Austin Financial Services Center (FSC) at (512) 460-5221 or (512) 460-5239. If your agency has

received a previous capital grant with the VA and has faxed this form to Austin FSC before, you will not need to do this step.

**OMB Circulars & Regulations:** As the recipient of an award under the Grant/Per Diem Program, your organization is required to comply with all applicable OMB Circulars and regulations. The OMB Circulars that apply to non-profit organizations are A-110, A-122, and A-133; state, local, and Indian Tribal Governments must follow Circular A-102, A-87, and a-133. You may obtain a copy of these circulars at <http://www.whitehouse.gov/omb/circulars/index.html>. All awardees must comply with the Grant/Per Diem regulations (38 CFR 61.0), you may download a copy at <http://www.va.gov/HOMELESS/GPD.asp>.

**Allowable Grant Costs:** Some costs in the First & Second Submissions of your grant proposal may not have been allowable per the applicable OMB Circulars. To determine allowable costs, review the applicable OMB Circulars. It is your agency's responsibility to ensure that any costs charged to the project are in accordance with applicable OMB Circulars. If you have questions contact the GPD Program Office at (toll-free) 1-877-332-0334.

**Project Award Costs:** OMB Circular A-122 for Non-Profit Organizations and OMB Circular A-87 for state, local, and Indian Tribal Governments define the composition of total award costs. In accordance with the circulars, total costs of the award must in general meet the following criteria:

1. Identified as direct or indirect;
2. Are allowable, allocable, and reasonable;
3. Include applicable credits; and
4. Obtain competitive bids for work performed.

Costs directly related to the project are limited to those related to the construction, renovation, and/or acquisition of the facility or acquisition of the van. Certain preparation costs may be included, however, they are limited. Refer to the circulars for specific details concerning the composition of project award costs.

**Reimbursement:** Requests for reimbursement must be submitted electronically within the HHS system. In addition, a completed copy of the SF 270 (acquisition property/vans) and/or SF 271 (rehabilitation and/or new construction) must be submitted to the GPD Program Office. Written instructions/guidance and forms related to requesting reimbursement, are available on the Grant/Per Diem Provider website at [http://www.va.gov/HOMELESS/GPD\\_ProviderWebsite.asp](http://www.va.gov/HOMELESS/GPD_ProviderWebsite.asp). In order to facilitate efficient approval of requests, please read and follow the posted detailed instructions. If you have any questions you should contact Michelle Lewis (toll-free) 1-877-332-0334.

Please note that the reimbursement for each project activity may not exceed the allowable cost of work performed times the VA percentage share of the activity (VA%). The VA% cannot exceed 65% and is calculated by dividing the VA award for the activity by the total cost of the activity per column A of the SF 424C Construction Budget.

Prior to approval of payment, the GPD Program Office may request additional documentation related to the reimbursement. Therefore, be sure to save all records necessary to provide sufficient evidence that the costs requested for reimbursement were incurred. This is particularly important for in-kind matches. A copy of the HUD settlement statement or sales contract (acquisition) and the van purchase invoice are additional documents that must be submitted with the applicable SF Form.

**Budget Modifications:** As the recipient, you are responsible to ensure that the SF 424C included in your grant application is current, accurate, and complete. If it is no longer current or accurate then the

SF 424C must be revised and submitted to the GPD Program Office. Increases to the budget will result in a downward adjustment to the VA%. Adjustments to the VA% should be factored into your reimbursement requests.

**Evidence of Site Control and Construction & Facilities Management Approval:** In addition to the fiscal documentation, funds will not be disbursed without evidence the grantee has site control (deed, capital lease, or executed sales agreement) and has received VA Construction and Facilities Management approval from the GPD Architect. Note: In the case of the activity being acquisition, VA may disburse the funds to facilitate the site control.

**Payment Time-Lines:** We know that many projects operate with limited resources. We attempt to reimburse your expenditures within thirty days of the date they are received by our office in the proper format. Sometimes, however, this may not be possible because of budget restrictions, federal holidays, or other administrative limitations. Please try to submit your reimbursements as soon as possible to avoid any work slowdowns that may result because of delayed reimbursement schedules that are beyond our control.

**Final Payment:** Our office may hold back the last payment until a final inspection of the project has been completed. The local VA medical center, our office, or a designee of our office may perform this inspection. You should be prepared that this last payment may be delayed, as it is dependent on the inspection. As a part of the final inspection you will be asked to show documentation of the 65/35 match expenditures and complete the SF 425 Federal Financial Report (FFR) to document your actual incurred costs for the project.

### **Office of Construction and Facilities Management Project Approval:**

Prior to beginning any work and before any funds can be drawn, the project must be reviewed for compliance with Fire/Safety and Accessibility, be assessed for Historic Preservation, and undergo an Environmental Review. VACO's Office of Construction and Facilities Management (OCFM) will complete this process. Your contact in this office is Dennis Hancher (202) 461-8215. Mr. Hancher requires project plans to determine compliance with Fire/Safety and Accessibility standards. If you have not submitted plans to his office, you must do so as soon as they are available. Assessment of Historic Preservation and Environmental Reviews are conducted on a case-by-case basis. The OCFM review is based on the following four categories:

#### **1. Accessibility Review**

Public Law 90-480 requires all construction, renovation, or leasing with federal funds to meet Uniform Federal Accessibility Standards (UFAS). Five percent of the total number of units, or at least one unit, whichever is greater, must be accessible. UFAS and the Americans with Disabilities Act Accessibility Guidelines (AADAG) are similar but there are differences. It is our intent to use the highest standard for our projects to meet state and local requirements covered by AADAG and federal requirements covered by UFAS.

#### **2. Environmental Review**

Projects involving less than 75,000 gross square feet qualify as a categorical exclusion from the National Environmental Policy Act (NEPA) compliance process under Title 38, CFR, Part 26.6. Any existing asbestos, lead, or other hazardous materials located on the site must be removed or

properly treated in conformance with state and local regulations. Additional costs involved in these operations should be included in the estimates.

### **3. Fire Safety Review**

The applicant must demonstrate that all local and state fire/building code requirements have been followed. The project must also comply with the applicable requirements in the 2009 edition of the Life Safety Code published by the National Fire Protection Association (NFPA). In most cases, the Life Safety Code will require a fire sprinkler system to be installed.

### **4. Historic Preservation Review**

The applicant must demonstrate that requirements for complying with Section 106 of the National Historic Preservation Act have been completed for this project. The first step is for the applicant to contact the State Historic Preservation Officer (SHPO), notifying them of the proposed federally funded project and requesting an opinion regarding the significance of the property. While this is officially done with a written request, it is also worthwhile for the applicant or their architect to call the SHPO. The SHPO may request further information.

Once these four items are reviewed, the VACO Office of Construction and Facilities Management will send you a letter indicating that the project has been recommended for approval to the National Grant/Per Diem Program Office. You will not be reimbursed for your project costs until these compliance issues have been addressed. You should also contact the Grant/Per Diem Program Office once you receive your letter to ensure that your agency has met all additional conditions required for funds disbursement. It should be noted that all projects must comply with VA, state and local requirements/inspections. It is your responsibility to ensure that a pre-disbursement review is conducted with the local VA medical center prior to incurring any costs. Once all acquisition/renovation/construction activities are complete the project will not be approved for per diem payments until the site passes the medical center final inspection.

**Important distinction: These letters are not a final inspection of your project and do not authorize per diem payments. They document that your project has complied with VACO Office of Construction and Facilities Management review requirements.**

Please note: in some very select cases, you may have to start the work without one of these components approved (i.e., if you are purchasing a property it may necessitate that we provide acquisition funds without compliance in an area because no plans exist) but this is generally the exception.

### **Pre-Disbursement Review by the VA Medical Center:**

In addition to the approval processes discussed above, we strongly recommend you have your project reviewed by the local VA medical center fire/safety/engineering department prior to incurring any costs. As these are the staff that will be inspecting the physical plant upon completion, you can save both time and money by having them review the project on the front end rather than on the back end, and then finding out you really did need that sprinkler system or some other construction component was not addressed. The Pre-Disbursement Review consists of a site visit conducted by the VA medical center to ensure the scope of the project is reasonable, considering the funds requested, and that the plans submitted reflect the work that is to be accomplished.

It is important to note that Grant and Per Diem Program rules and regulations require that projects adhere to the Life Safety Code of the National Fire Protection Association as well as local or state codes / laws. At times these codes may conflict. The Pre-Disbursement Review also facilitates getting the medical center vested in your project in the beginning stages so that conflicts in codes can be addressed early and do not arise later in the inspection stage, thereby delaying program activation. For questions regarding the Pre-Disbursement Review call the Grant and Per Diem Program Office at (toll-free) 1-877-332-0334.

### **VA Expectations of Grant Recipients:**

There are many expectations for recipients of federal funds. You are required to follow all the guidelines and laws for receiving federal grants; not only federal laws but also state and local laws may apply. Audit requirements as set forth in the OMB Circulars (available on our website), can be cumbersome. It is very important that if no one in your agency has the expertise in complying with these requirements, you secure the services of a professional in that capacity. In addition to the administrative requirements mentioned above, VA's expectations of your organization include:

**GPD Provider Website:** In order to help ensure timely and efficient administration of VA Grants, the GPD Program continually assesses the effectiveness of current procedures. To ensure your organization is following the most current procedures and is aware of all available guidance we recommend that providers visit the Grant/Per Diem Provider website on a monthly basis:  
[http://www1.va.gov/HOMELESS/GPD\\_ProviderWebsite.asp](http://www1.va.gov/HOMELESS/GPD_ProviderWebsite.asp).

**Conference Calls:** From time-to-time conference calls are initiated for all non-operational grant recipients. These calls are used to offer updated information, answer your questions, and provide a forum for discussion. Our office will notify you of when these calls will occur (usually by fax) and facilitate these calls. It is expected that a representative from each grant awarded organization attend.

**Milestones:** It is important to revisit the dates your agency stated it would achieve the milestones of your project. These are in the original proposal (VA Form 10-0361, first submission). We realize that purchasing or renovating buildings is not necessarily a predicable endeavor, however, if the project is not progressing as delineated in the milestones, our office must be notified in writing so that we can make adjustments. Our office uses the milestone dates for budgeting and scheduling. The Project Development Specialist who is assigned to work with your grant will be requesting a brief quarterly status update on your milestones. It is extremely important that we know of changes in these dates. Undocumented changes could result in budgeting error, which could affect the ability of completed programs to receive per diem.

**Reports to VA:** Although you provided milestones in your application, VA may request, by regulation, additional information on the progress of the project. Generally, these reports are only to clarify information or plans you have already provided and to update VA on your progression towards meeting the milestones outlined in your grant application.

**Program Changes:** We expect that there may be changes in the projects as they move towards operation. Significant changes require approval by our office. Changes in site, scope (program design), funding-mix (i.e. amounts split for renovation and acquisition), total project cost, or the population to be served all need to be reviewed and approved by our office. If you have a significant change in the project, and VA does not approve it, you may not pass a final inspection and could be required to return grant funding.

**Project Costs:** It is your organizations responsibility to ensure that all costs assigned to the grant are allowable and charged in accordance with GPD Program Regulations and the applicable OMB Circulars. Approval of capital or per diem payments does not constitute approval of individual costs charged as part of the payment. If VA subsequently determines through a fiscal review or audit that costs were not charged appropriately, VA may issue a Letter or Indebtedness to collect for the over-billing. Submission of budgets or other information as part of your grant application or through subsequent changes of scope does not constitute approval for charges that violate program regulations or OMB Circulars.

**Fiscal Reporting:** All Providers are required to complete the SF 425 Federal Financial Report (FFR) on an annual basis for each activity. The reporting period is the GPD provider's financial reporting fiscal year. If your fiscal year does not end on 3/31, 6/30, 9/30, or 12/31 please contact our office to set a reporting period. Annual FFR's are due no later than 90 days after the end of the reporting period. The final FFR is due no later than 90 days after the end of the grant. The SF 425 replaces the previously required SF 269 Financial Status Report.

## **Per Diem Payments – The Next Step**

As a grant recipient, your agency does not need to reapply for per diem by application. Our office will keep your grant application on file and review the necessary portions of that application for per diem approval. When your entire project is **90 days from completion**, you should notify our office in writing so program staff may formally request that a liaison be appointed at the local VA medical center to facilitate the initial inspection of your project. At the same time, you should complete the paperwork required to request a per diem rate from the GPD Program Office. A physical plant and programmatic content inspection will be required as well as fiscal documentation to set your per diem rate. Several other things should be considered if you are interested in pursuing per diem payments for your project:

1. The facility you created with the grant project must be able to "house" or "accommodate" the design as set forth in the proposal and meet the Life Safety Code (LSC) of the National Fire Protection Association (NFPA) as it relates to that facility;
2. The organization *structure* and the *project design* must be in place and the same as stated in the proposal;
3. The operations of the program must meet the criteria of section 61.80 of the Grant and Per Diem Program rules and regulations; and
4. It is expected that projects will be brought up in their entirety prior to beginning receipt of per diem payments.

### **VA Expectations of Programs Receiving Per Diem Payments:**

We have summarized the law and regulations for your review regarding the expectations of operating programs. Please keep the following in mind as your project is implemented.

Community providers funded under the Grant and Per Diem Program will:

1. Provide services for which the grant is furnished at locations accessible to homeless Veterans;
2. Maintain referral networks for, and aid such Veterans in, establishing eligibility for assistance and obtaining services under available entitlement and assistance programs;
3. Ensure the confidentiality of records maintained on homeless Veterans receiving services under the grant;
4. Establish procedures for accounting with respect to the grant;
5. With respect to service centers, meet specified requirements concerning service hours, space for federal agencies and other organizations, and necessary services, including job training and placement;
6. Seek to employ homeless and formerly homeless Veterans in positions created for purposes of the grant; and
7. Help homeless Veterans, primarily those living in places not ordinarily meant for human habitation or in an emergency shelter to: achieve residential stability; increase their skill levels and/or income; and obtain greater self-determination.

### **Role of the GPD Liaison:**

Once your agency notifies the GPD Program Office that your project is 90 days from completion, the GPD Program Office will formally request that the local VA medical center have a liaison assigned to your project. The GPD Liaison is the key point of contact between your agency and the GPD Office. Your liaison will facilitate the initial inspection and be responsible for the medical center oversight of the project. At a minimum this oversight will include the following:

1. Facilitating initial and yearly re-inspections;
2. Verifying the Veteran status and eligibility of program participants;
3. Verifying admission and discharge dates of program participants for billing purposes;
4. Collecting and submitting GPD-funded program participant data as outlined by NEPEC evaluation procedures;
5. Providing oversight of GPD-funded program participants' care;
6. Monitoring the care in, and assessing the compliance of the program receiving per diem as outlined in the recipient's original grant application; and
7. Intervening to facilitate compliance, or correction, of the program, when appropriate.

*NOTE: Your agency has the primary responsibility for the Veteran's care. Your organization must provide care as prescribed in the original grant proposal or as authorized through any change of scope approvals.*

## Inspections:

The initial and re-inspection procedures are comprehensive reviews guided by the program regulations. Initial inspections of projects must be conducted at the completion of the grant phase prior to per diem being awarded. Recurring inspections are to occur annually thereafter between the months of January through March. It is recommended that your agency have a discussion with your GPD liaison about the inspection process prior to the actual inspection to assist you in your preparation.

The initial inspection will include a verification of the 65/35-grant ratio for the project (i.e., VA grant funding / matching funds). This initial inspection will also place special emphasis on ensuring that the provision of supportive services will be delivered as per the original grant and facility compliance with the Life Safety Code by including in the inspection team VA staff with clinical backgrounds and experience working with homeless Veterans, as well as fire and safety personnel.

The annual re-inspection of community providers receiving per diem will be conducted in the same manner as the initial inspection ensuring that the services are still being delivered as described in the original proposal. For recurring inspections, the verification 65/35-ratio is not necessary. Also, a certificate of occupancy need not be included as this document is usually applicable for the duration of the use of the facility. Scheduling of initial inspections and re-inspections will be coordinated locally between the awardee and VA medical center.

The team for all inspections will include: the Network Homeless Coordinator or his/her designee, the VA Liaison, and personnel from the local VA medical center. Medical center personnel to be included in the inspection will be those personnel typically responsible for inspections of community-based care facilities including representatives from Social Work Service, Nutrition and Food Service, Contracting Service, Nursing, and Facilities Management/Engineering, Mental Health and Behavioral Sciences, and VA Security Service as necessary, based on the scope of the awardee's original grant application.

Inspection reports will be reviewed by the local VA medical center and approved or disapproved by the VA Medical Center Director. Copies will be sent to the Network Homeless Coordinator for review and then forwarded to the GPD Program Office. **The Network Homeless Coordinator should receive re-inspections not later than March 30<sup>th</sup> of each year.** Programs that are not inspected or do not pass their inspection may have funding withheld until the required inspections are completed.

All community providers will be inspected at least annually as discussed above and outcomes of reports will be recorded, deficiencies will be noted and recorded, and follow-up corrective actions will be monitored by the VA medical center.

Areas of concern raised by the inspection team will be reviewed by the VA medical center in consultation with the Network Homeless Coordinator and the GPD Program Office to determine consequences of noted deficiencies. If corrective action is necessary the VA medical center will coordinate these actions and dates for completion. Upon the completion of your initial inspection and annual re-inspections you will receive a copy of your inspection report.

The Grant/Per Diem Program Office may conduct unannounced site visits of community providers currently receiving per diem. Network Homeless Coordinators will be asked to be available on an as needed basis to accompany the GPD staff to inspections when necessary.

## **Performance Monitoring and Improvement Activities:**

Per diem recipients will be expected to monitor, on a regular basis, program process and outcome measures. These measures, as put forth in your project plan section of the application, are the basis of inspections. Organizations must be able to document, during VA inspections and upon request, a systematic process of reviewing project goals and objectives. In addition, if the results of these reviews indicate that goals are not being met, a process of performance improvement must be implemented. Performance improvement activities must be documented. VA staff can assist in these efforts.

**Changes in Scope:** The GPD Program Office must approve any changes in scope. This includes any changes to the original application such as services provided, staffing, admission and/or discharge criteria, etc. You will be responsible to operate the program as stated in the original proposal and if changes are not submitted and approved by the GPD Program Office, inspections could be deficient. Changes in scope are also reviewed by your VA Liaison and they should inform the GPD Program Office of their concurrence or non-concurrence with your request.

**Project Numbers:** Project numbers are assigned to the awardee's applications as they arrive in any given funding period. The first two numbers denotes the year of funding, the second set of numbers denotes the sequence the application was received, and the third section consists of characters representing the state in which the project will exist.

For example: 00-66-KS, would have been funded in 2000, was the 66<sup>th</sup> application received, and is located in Kansas. **It is essential that all correspondence and documents contain the project number! This is required even when the correspondence is e-mail.**

**Special Reporting Circumstances:** At times, situations occur that will require additional reporting actions. Community providers may not be aware of what must be reported to the VA. Some examples may be injury, medication overdose, and death. The guidance for these types of occurrences and the required reports currently exists in VA policies, directives, and regulations. Consult your VA Liaison, who in turn will consult with the VA medical center's Quality Management Department, Compliance Officer, and HIPPA Officer to establish the proper procedures. Establishing this requirement when projects are initiated and reestablishing it annually will alleviate many "after the fact" situations.

**Allegations of Impropriety:** Any and all allegations of impropriety at the provider site by your employees, by VA employees, or by program participants will be immediately addressed and documented through use of the appropriate VA mechanism, (i.e., VA Patient Representative, Quality Management, Board of Inquiry, Office of the Inspector General). This is paramount for the health and safety of the Veterans served. As a condition of your grant, you are required to cooperate with these inquiries.

**Length of Stay & Extensions:** Length of Stay in transitional housing programs is limited to 24 months. However, individual participants may be extended past their 24-months, "if permanent housing for the Veteran has not been located or if the Veteran requires additional time to prepare for independent living" (38 CFR 61.80(d)). Requests for extensions should be given to your VA Liaison, who is the sole source for approval or denial.

**Participant Eligibility:** For the purposes of eligibility for participation in the Grant and Per Diem Program, "Veteran" is defined as a person who served in the active military, naval, or air service, and who was discharged or released there from under conditions other than dishonorable.

VA will not pay per diem for supportive housing for any homeless Veteran who has had three of more episodes (admission and discharge for each episode) of supportive housing services paid for by the Grant and Per Diem Program without a waiver. VA may waive the episode requirement if the services offered are different from those previously provided and/or may lead to a successful outcome. The VA liaison may give this waiver based on their best clinical assessment of the individual case. Waiver could be granted if the services offered are clinically appropriate for the Veteran and the Veteran is ready for these services. A memo for record from the liaison stating that a waiver has been granted should be forwarded to the Grant and Per Diem Program Office and NEPEC.

**Participant Absence:** VA will not pay per diem for any additional days of absence when a Veteran has already been absent for more than 72 hours consecutively (scheduled or unscheduled). Note: a patient must be discharged and readmitted after an absence longer than seven days. If it is not known where the patient has gone then the patient is AWOL then the Veteran should be discharged within the first 24 hours.

**Funds Allocation:** Per diem funds for the awardees' projects are sent to the medical center each quarter and will be paid to your organization monthly by the VA medical center for services rendered.

**Request for Per Diem Payments from VA** A web site has been created for Grant and Per Diem Providers. It is [http://www.va.gov/HOMELESS/GPD\\_ProviderWebsite.asp](http://www.va.gov/HOMELESS/GPD_ProviderWebsite.asp). Organizations seeking per diem payment must go to this web site and read and download the appropriate forms to establish a per diem rate and continued per diem payment.

**Per Diem Action Sheet:** The Grant and Per Diem Program Office will issue a *Per Diem Action Sheet* notifying your organization and your liaison of your projects activation and/or of any approved per diem rate changes. The *Per Diem Action Sheet* will indicated the activation date of the project, approved per diem rate and approved number of beds. Your organization may choose to place Veterans prior to the issuance of the *Per Diem Action Sheet* but there is no guarantee of reimbursement by VA.

**Billing / Payment:** The liaison should establish a system of billing with the awardee for the purpose of per diem payment. This should be done in line with the VA Austin Financial Services Center On-Line Certification System and coordinated with the VA medical centers Fiscal Service to ensure that all medical center business rules are being met.

For transitional housing, billing will be based on bed days of care multiplied by the established per diem rate for this specific program; for service centers it is based on the number of hours served (not to exceed eight (8) hours in any given day) multiplied by the hourly rate established for the specific program.

Per diem payment is for services and housing by day so you must, at a minimum, provide an invoice that reflects who is receiving services daily; in the case of service centers, it would be hourly. Additional documentation needed for billing will depend upon your VA medical center's business rules and the sophistication of your record keeping system. Generally, awardees provide a monthly listing of Veterans by individual, an identifier, and the days present, adjusted daily for any absence. For service centers, it is usually a list with the Veteran's name, an identifier, what services they received, and for how long (hourly rate). Periodically, liaisons should verify invoices by asking to see the supporting documentation, (i.e., daily sign-in log, or other documentation showing that the Veteran was present and receiving services on that day).

**Per Diem Payment Voucher:** The awardee will summarize the billing information using the Per Diem Payment Voucher Form and submit it with their individual listing to the Austin FSC. Your liaison may ask that you also provide a copy to them to aid in the approval of payments once processed by the Austin FSC. The liaison will fax a copy of **just** the voucher to the GPD Program Office. In addition to serving as the voucher for per diem payment, the completion and submission of the voucher is essential as it determines the amount of funding that will be allocated to the VA medical center for the project.

**Fiscal Reporting:** All Providers are required to complete the SF 425 Federal Financial Report (FFR) on an annual basis. The reporting period is the Providers financial reporting fiscal year. If your fiscal year does not end on 3/31, 6/30, 9/30, or 12/31 please contact our office to set a reporting period. Annual FFR's are due no later than 90 days after the end of the reporting period. Detailed instructions/guidance and forms are available on the Grant/Per Diem Provider website at [http://www.va.gov/HOMELESS/GPD\\_ProviderWebsite.asp](http://www.va.gov/HOMELESS/GPD_ProviderWebsite.asp). The SF 425 replaces the previously required SF 269 Financial Status Report.

**Retroactive Payments:** Retroactive payment of per diem is limited to not more than three days before VA approval of participant eligibility is determined.

**Corrective Actions / Due Process:** Any items that are identified on an inspection or a visit to an awardee project by VA that are not in compliance or have become problematic will be addressed in writing to the awardee and include a specific response date (generally 30 days after issuance of notice for non-health or safety issues). **Health and Safety Issues must be addressed immediately.** This becomes the first level in a sequence of due process. A specific plan of corrective actions that address the item(s) should be returned to the liaison for review with a follow-up scheduled. The parties may negotiate the corrective actions so long as corrective actions meet governing law and regulations. Any major departure from the original grant application will require a change of scope.

Should negotiation fail, VA may withhold per diem payment until the situation is adequately rectified. For more severe infractions the VA medical center may issue a suspension of per diem payment. The awardee will be notified in writing of the intent to withhold or suspend per diem and be given 30 days to respond as to why withholding or suspension should not occur for non-health or safety issues. For health or safety issues withholding may take place immediately as VA will not, by regulation, pay for substandard care.

If funds are withheld, and the situation is corrected, the awardee may be paid the funds withheld for the services rendered. However, if funds are suspended, even though the situation is corrected, the awardee will not be paid for those services rendered during the suspension period. Per diem may be reinstated from the date of satisfactory correction.

As a last resort, projects can be terminated. The Grant and Per Diem Program Office is the office of primary responsibility for the termination of a GPD award. When termination occurs, VA will conduct a complete audit to determine if any funds are due the government.

**NEPEC Program Evaluation:** The United States Congress has mandated that homeless programs receiving federal funds be monitored and evaluated. In VA, The Northeast Program Evaluation Center (NEPEC) is responsible for this task. As a condition of receiving funding, the grant recipient agreed to comply with this monitoring effort. Your liaison should have contacted you to arrange for NEPEC training.

Generally, both you and your liaison receive this training at the same time in order to delineate appropriate responsibilities for monitoring. If you have not received this training, contact your liaison.

NEPEC is the office of primary responsibility for any questions concerning program evaluation. Failure to submit the NEPEC documents may result in funds being withheld, for non-compliance, until the documents have been received.

## **Contact Information:**

### **GPD Program Staff:**

Roger Casey, Director

Chelsea Watson, Deputy Director

Guy Liedke, Program Analyst

Jeff Quarles, Clinical Manager

Sue Sigwart, Administrative Officer

Bob Gegan, Auditor

Michelle Lewis, Budget Analyst

Susan Langer, Project Development Specialist

**Phone:** (toll-free) 1-877-332-0334

**Fax:** (toll-free) 1-877-332-0335

### **VA Office of Construction and Facilities Management:**

Dennis Hancher, Architect

**Phone:** (202) 461-8215

**Fax:** (202) 565-6083

REMINDER: It is your organizations responsibility to keep the Grant/Per Diem Program informed of changes in your agencies organizational leadership, address, phone numbers, etc.

# Appendix

- **ACH Vendor/Miscellaneous Payment Form**
- **HHS Direct Deposit Sign-Up Forms**
- **Voucher Form**
- **Agency Contact Information Sheet**
- **Regulations (38 CFR part 61)**

NEW

OMB No. 1510-0056

VENDOR: Homeless Grant/Per Diem Program Vendor Applicant

**ACH VENDOR/MISCELLANEOUS PAYMENT  
ENROLLMENT FORM**

STA Sta Contact Name \_\_\_\_\_ Sta Contact Telephone \_\_\_\_\_

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion.

**Privacy Act Statement**

The following information is provided to comply with the privacy act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments thru the Automated Clearing House Payment System.

Federal Program Agency:

**DEPARTMENT OF VETERANS AFFAIRS - FINANCIAL SERVICES CENTER**

Agency Identifier:

**111036183**

Agency Location Code (ALC)

**36001200**

**PO Box 149971**

**Austin, TX 78714-8971**

Contact Person Name:

**VENDORIZING UNIT**

Telephone Number:

**1-877-353-9791**

Additional Information:

**FAX BACK COMPLETED FORM TO (512) 460-5221**

**QUESTIONS: VISIT - <http://www.fms.treas.gov> or call 1-877-353-9791**

Check One: VA Employee  CWT/IT Worker  Other Individual  Company  MLAC/LGY

1. PREVIOUS NAME (IF CHANGING INFORMATION)

2. PREVIOUS SSN NO. or TAXPAYER ID NO.

3. CURRENT NAME

4. CURRENT SSN No. or TAXPAYER ID NO.

5. ADDRESS

6. CITY, STATE, ZIP

7. TELEPHONE NUMBER

8. CONTACT PERSON NAME

9. COMMENTS:

**FINANCIAL INSTITUTION INFORMATION**

10. BANK NAME:

11. BANK ADDRESS:

12. CITY, STATE, ZIP

13. ACH COORDINATOR NAME:

14. TELEPHONE:

( )

15. NINE-DIGIT ROUTING TRANSIT NUMBER:

16. DEPOSITOR ACCOUNT TITLE:

17. DEPOSITOR ACCOUNT NUMBER:

18. TYPE OF ACCOUNT:

Checking

Savings

19. ACH FORMAT:

CCD+

CTX

20. SIGNATURE OF PERSON WHO CAN AUTHORIZE/VERIFY BANK INFORMATION:

Telephone:

DATE:

( )

SF 3881 (Rev 12/90)

Please fax an additional copy to the GPD Field office at (toll-free) 1-877-332-0335

**Instructions for Completion of the  
DIRECT DEPOSIT SIGN-UP FORM (SF-1199A)**

*(Please Read This Carefully)*

## **OVERVIEW**

### **What is the purpose of this form?**

For Department of Health & Human Services (DHHS) Grant Recipients

It collects the information necessary for the Payment Management System (PMS) to have Federal funds electronically deposited into the recipient's bank account.

For NON-DHHS Grant Recipients

Grant Recipients must have established, active accounts in the Payment Management System (PMS) in order to request authorized funds. The accounts are established in PMS once the completed SF-1199A and Payment Management System Access forms have been received by DPM. It is the responsibility of the Awarding Agency to provide the requisite **Direct Deposit Sign-Up Form (SF-1199A)** and DPM's **Payment Management System Access Form** to the grantee for completion. It is also the Awarding Agency's responsibility to ensure the accuracy of the forms' information prior to forwarding them to DPM for processing.

### **Who must complete this form?**

For Department of Health & Human Services (DHHS) Grant Recipients

**SF-1199A**: Sections 1 and 2 are to be completed by the recipient. Section 3 is to be completed by the recipient's financial institution.

For NON-DHHS Grant Recipients

**SF-1199A - Section 1** is to be completed by the grant recipient. **Section 2** is to be completed by the Awarding Agency. **Section 3** is to be completed by the recipient's financial institution.

### **Who must disseminate copies of this form?**

For Department of Health & Human Services (DHHS) Grant Recipients

The recipient's financial institution is responsible for disseminating copies of the three-part form in accordance with the copy designation stamped at the foot of the form. The "Government Agency Copy" will be forwarded to the Division of Payment Management. The "Payee(s) Copy" will be forwarded to the recipient. The "Financial Institution Copy" will be kept by the recipient's financial institution.

For NON-DHHS Grant Recipients

The Awarding Agency should retain *copies* of the SF-1199A and Contact Information forms. The financial institution will retain its copy of the SF-1199A. Both originals must be mailed to the Awarding Agency.

### **What if some of the information changes (banking or contact information)?**

#### For Department of Health & Human Services (DHHS) Grant Recipients

The recipient must obtain and complete a new SF-1199A. Blank forms are available on the DPM website at <http://www.dpm.psc.gov> and should be available at the recipient's financial institution as well. Once all sections are completed, please include a cover memo stating that the accompanying SF-1199A form is being submitted to change account information in the Payment Management System. The memo should list all the Payee Account Numbers (PANS) that are affected.

#### **Send to: Division of Payment Management**

**Regular Mail Only – Post Office Box 6021, Rockville, MD 20852**

**Express Mail Only – 5600 Fishers Lane – Parklawn Bldg Room 11-33, Rockville, MD 20857**

#### For NON-DHHS Grant Recipients

The recipient must obtain and complete a new SF-1199A. Blank forms are available on the DPM website at <http://www.dpm.psc.gov> and should be available at the recipient's financial institution as well. Once all sections are completed, please include a cover memo stating that the accompanying SF-1199A form is being submitted to change account information in the Payment Management System. The memo should list all the Payee Account Numbers (PANS) that are affected. **All information should be forwarded to your Awarding Agency.**

### **Who must complete the DPM Payment Management System Access Form?**

The form must be completed and accompany the SF-1199A for “each” individual who wants to gain access to the Payment Management System. The form should accompany the SF-1199A. Forms should also be submitted for personnel changes and/or account access deactivations.

### **ADDITIONAL INFORMATION**

- The back of the SF-1199A must be read carefully before signatures are made.
- All information is to be typed or printed in ink on the SF-1199A.
- All signatures must be original and in ink.
- Alterations such as erasures, correction fluid and strike-outs are unacceptable and will invalidate the form.
- All data elements on the SF-1199A must be completed unless a blank is indicated.
- The SF-1199A can not be faxed
- Payment Management Access Form must have signature in order to be valid

**Section 1 (To be Completed by Payee)**

- A. **TYPE OR PRINT YOUR ORGANIZATION'S NAME, ADDRESS AND TELEPHONE NUMBER.** Do not enter an individual's name in this block. Forms containing white out or any alterations to the payee name are unacceptable.
- B. **TYPE OR PRINT YOUR ORGANIZATION'S NAME.**
- C. **Claim or Payroll ID Number:** The form cannot be processed without this information. This is your organization's 12-digit Central Registry (CRS)/Entity Identification Number (EIN) or your organization's 9-digit Tax Identification Number (TIN). For DHHS Grant Recipients, this number is also found on your Notice of Grant Award (NGA) issued by the DHHS awarding agency.
- D. Check type of Bank account "Checking" or "Savings".
- E. **TYPE THE ACCOUNT NUMBER** at your Financial Institution to which the funds will be "Direct Deposited". Do not use white out or make any alterations to the account number.
- F. Check the box "**Other**" and type the name of the awarding Federal agency.
- G. Leave blank.

Payee Account Holder's Certification: The individual(s) having signature authority for the bank account should sign and date.

**Other Required Information:** At The Top Right Hand Corner, Please Type "Duns" Followed By Your Organizations Duns Number (Dun And Bradstreet Number)

**Section 2 (To be Completed By Payee)**

For DHHS Grant Recipients: Type or print "Division of Payment Management" & the address "Post Office Box 6021, Rockville, Maryland 20852"

For Non-DHHS Grant Recipients: Awarding Agency Information

**Section 3 (To be completed by your Financial Institution)**

The bank's representative must sign the form and provide a telephone number for contact purposes. The depositor account title must be filled in and should match the payee name in most cases. Maintain the payee(s) copy for your records. Note: If "ALL" portions of this section are not completed, this will cause a delay in your organization being established in PMS.



## BURDEN ESTIMATE STATEMENT

The estimated average burden associated with this collection of information is 10 minutes per respondent or record-keeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Financial Management Service, Facilities Management Division, Property & Supply Section, Room B-101, 3700 East-West Highway, Hyattsville, MD 20782 or the Office of Management and Budget, Paperwork Reduction Project (1510-0007), Washington, D.C. 20503.

## PLEASE READ THIS CAREFULLY

All information on this form, including the individual claim number, is required under 31 USC 3322, 31 CFR 209 and/or 210. The information is confidential and is needed to prove entitlement to payments. The information will be used to process payment data from the Federal agency to the financial institution and/or its agent. Failure to provide the requested information may affect the processing of this form and may delay or prevent the receipt of payments through the Direct Deposit/Electronic Funds Transfer Program.

## INFORMATION FOUND ON CHECKS

Most of the information needed to complete boxes A, C, and F in Section 1 is printed on your government check:

- (A) Be sure that the payee's name is written exactly as it appears on the check. Be sure current address is shown.
- (C) Claim numbers and suffixes are printed here on checks beneath the date for the type of payment shown here. Check the Green Book for the location of prefixes and suffixes for other types of payments.
- (F) Type of payment is printed to the left of the amount.

United States Treasury <sup>1551</sup>/<sub>0001</sub>  
AUSTIN, TEXAS

Check No  
0000 - 4157815

Month Day Year  
08 31 84

Pay to  
29-893-775-00 C

the order of  
JOHN DOE  
123 BRISTOL STREET  
HAWKINS BRANCH, TX 76543

28 28  
VA COMP

DOLLARS CTS  
\$ 10 00

NOT NEGOTIABLE

⑆00000051⑆ 041571926⑆

## SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS

Joint account holders should immediately advise both the Government agency and the financial institution of the death of a beneficiary. Funds deposited after the date of death or ineligibility, except for salary payments, are to be returned to the Government agency. The Government agency will then make a determination regarding survivor rights, calculate survivor benefit payments, if any, and begin payments.

## CANCELLATION

The agreement represented by this authorization remains in effect until canceled by the recipient by notice to the Federal agency or by the death or legal incapacity of the recipient. Upon cancellation by the recipient, the recipient should notify the receiving financial institution that he/she is doing so.

The agreement represented by this authorization may be cancelled by the financial institution by providing the recipient a written notice 30 days in advance of the cancellation date. The recipient must immediately advise the Federal agency if the authorization is cancelled by the financial institution. The financial institution cannot cancel the authorization by advice to the Government agency.

## CHANGING RECEIVING FINANCIAL INSTITUTIONS

The payee's Direct Deposit will continue to be received by the selected financial institution until the Government agency is notified by the payee that the payee wishes to change the financial institution receiving the Direct Deposit. To effect this change, the payee will complete the new SF 1199A at the newly selected financial institution. It is recommended that the payee maintain accounts at both financial institutions until the transition is complete, i.e. after the new financial institution receives the payee's Direct Deposit payment.

## FALSE STATEMENTS OR FRAUDULENT CLAIMS

Federal law provides a fine of not more than \$10,000 or imprisonment for not more than five (5) years or both for presenting a false statement or making a fraudulent claim.



Division of Payment Management  
5600 Fishers Lane, Room 11-33  
Rockville, Maryland 20852

## Division of Payment Management Payment Management System Access Form

\*\*\*This form must be completed in its entirety in order to be processed\*\*\*

Please print or type

**Action Requested (check one):**

- Establish New User Access
- Change Existing User Access: Current PMS Username \_\_\_\_\_
- Update Existing User Contact Information: Current PMS Username \_\_\_\_\_
- Deactivate User Access: Current PMS Username if not known, print or type first and last name of person to be deactivated \_\_\_\_\_  
Reason for deactivation (required) \_\_\_\_\_  
Complete sections 1, 2 and 5 below for deactivation.

1. Name of Institution/Organization: \_\_\_\_\_

2. Payee Identification Number(s) (PIN) if not known, list EIN: \_\_\_\_\_

Is the action requested for all accounts associated with this PIN(s)?  Yes  No

**3. Request to Establish/Change User Access or Update Contact Information for:**

Name (Please Print): \_\_\_\_\_

Title: \_\_\_\_\_

Telephone #: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

**4. Type of access requested for user. Please select one in each category if applicable.**

**Payment Requests and Inquiries**

- Payment Requests and Inquiries
- Inquiry Only

**Federal Financial Report (FFR)**

- FFR Preparer Only
- FFR Certifier Only
- FFR Preparer and Certifier

**5. Supervisor's Approval of requested action (recipient organization authorized representative)**

Supervisor Name (Please Print): \_\_\_\_\_

Supervisor's Signature: \_\_\_\_\_

Supervisor's Title: \_\_\_\_\_ Supervisor's Telephone Number: \_\_\_\_\_

IF THIS IS A NEW ACCOUNT, PLEASE MAIL THIS FORM ALONG WITH YOUR SF-1199A DIRECT DEPOSIT FORM.

IF YOUR BANKING INFORMATION HAS BEEN ESTABLISHED IN THE PAYMENT MANAGEMENT SYSTEM, YOU MAY FAX THIS FORM TO DIRECTLY TO THE DIVISION OF PAYMENT MANAGMENT AT 301-443-8362.

**VA Homeless Providers  
Per Diem Payment Voucher**

The Per Diem Payment Voucher is to be used after the recipient is determined eligible for per diem payments and should be submitted monthly to the VA Liaison. Who in turn will forward it to the GPD Field Office.

PROGRAM NAME AND ADDRESS	DATE
	PROJECT NUMBER
PO NUMBER:	BILLING PERIOD: <i>(mm/dd/yy to mm/dd/yy)</i>

**BILLING AMOUNTS - Complete the appropriate sections below**

**Supportive Housing:** The rate of per diem payments for each veteran in supportive housing shall be the lesser of (i) The daily cost of care estimated by the per diem recipient minus other sources of payments to the per diem recipient for furnishing services to homeless veterans that the per diem recipient certifies to be correct (other sources include payments and grants from other departments and agencies of the United States, from departments of State and local governments, from private entities or organizations, and from program participants), or (ii) The current VA State Home Program per diem rate for domiciliary care.

TOTAL NUMBER OF BED DAYS OF CARE	MULTIPLIED BY THE RATE OF PER DIEM	EQUALS	TOTAL AMOUNT REQUESTED	AMOUNT PAID BY VAMC
		=		

**Service Centers:** The per diem amount for service centers shall be one eighth of the lesser of the amounts in paragraphs (i) and (ii) for supportive housing above, not to exceed eight hours in any day (e.g., State Home Rate is \$34.40 then hourly rate is \$4.30).

TOTAL NUMBER OF 1 HOUR VISITS	MULTIPLIED BY 1/8 RATE OF PER DIEM	EQUALS	TOTAL AMOUNT REQUESTED	AMOUNT PAID BY VAMC
		=		

**VALIDATION - Complete the appropriate sections below:**

**SERVICE PROVIDER AUTHORIZED AGENT SIGNATURE:** To the best of my ability I certify the billing requested is accurate, based on actual costs, and when divided does not exceed 100% of the daily cost of care, per veteran, per day.

NAME	TITLE	DATE
------	-------	------

SIGNATURE	
-----------	--

**VA GPD LIAISON VALIDATION SIGNATURE:** To the best of my ability I certify the billing is accurate and the funds paid are for the services and/or housing that have been provided.

NAME	TITLE	DATE
------	-------	------

SIGNATURE	
-----------	--

After Completion Fax to: **VA Homeless Providers Grant and Per Diem Program**  
@ (813) 979-3569

**NOTE: Liaisons, when faxing completed voucher to GPD Office the daily census should not be included.**

**GRANT/PER DIEM PROGRAM  
CONTACT INFORMATION SHEET**

Name of Agency: \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Number(s): \_\_\_\_\_

Address to Send Correspondence: \_\_\_\_\_

**PRIMARY CONTACT (i.e. Executive Director):**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Cell \_\_\_\_\_ Fax \_\_\_\_\_

E-mail: \_\_\_\_\_

**ALTERNATE CONTACT:**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Cell \_\_\_\_\_ Fax \_\_\_\_\_

E-mail: \_\_\_\_\_

**OFFICER'S OF THE BOARD:**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Cell \_\_\_\_\_ Fax \_\_\_\_\_

E-mail: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Cell \_\_\_\_\_ Fax \_\_\_\_\_

E-mail: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Cell \_\_\_\_\_ Fax \_\_\_\_\_

E-mail: \_\_\_\_\_

**PLEASE FAX THIS FORM TO THE GRANT/PER DIEM PROGRAM OFFICE AT (toll-free) 1-877-332-0335**

38 CFR Parts 61

VA Homeless Providers Grant and Per Diem Program;  
Interim Final Rule – published in the *Federal Register* on March 19, 2003;  
Final Rule – published in the *Federal Register* on September 26, 2003.

PART 61--VA HOMELESS PROVIDERS GRANT AND PER DIEM PROGRAM

Sec.

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- 61.1 Definitions.
  - 61.10 Capital grants--general.
  - 61.11 Applications for capital grants.
  - 61.12 Threshold requirements for capital grant applications.
  - 61.13 Rating criteria for capital grant applications.
  - 61.14 Selecting applications for capital grants.
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  - 61.31 Application for per diem.
  - 61.32 Ranking non-capital grant recipients for per diem.
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  - 61.52 Threshold requirements for technical assistance grant applications.
  - 61.53 Rating criteria for technical assistance grant applications.
  - 61.54 Awarding technical assistance grants.
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- 61.60 Notice of Fund Availability.
- 61.61 Agreement and funding actions.
- 61.62 Program changes.
- 61.63 Procedural error.
- 61.64 Religious organizations.
- 61.65 Inspections.
- 61.66 Financial management.
- 61.67 Recovery provisions.
- 61.80 General operation requirements for supportive housing and service centers.
- 61.81 Outreach activities.
- 61.82 Resident rent for supportive housing.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

Sec. 61.0 Purpose.

This part implements the VA Homeless Providers Grant and Per Diem Program which consists of the following components: capital grants, per diem, special needs grants, and technical assistance grants.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

Sec. 61.1 Definitions.

For purposes of this part:

Area or community means a political subdivision or contiguous political subdivisions (such as precinct, ward, borough, city, county, State, Congressional district, etc.) with a separately identifiable population of homeless Veterans.

Capital grant means a grant for construction, renovation, or acquisition of a facility; or for acquisition of a van.

Capital lease means a lease that will be in effect for the full period in which VA may recover all or portions of the capital grant amount under this part.

Chronically mentally ill means a condition of schizophrenia or major affective disorder (including bipolar disorder) or post-traumatic stress disorder (PTSD), based on a diagnosis from a licensed mental health professional, with at least one documented hospitalization for this condition sometime in the last 2 years or with documentation of a formal assessment on a standardized scale of any serious symptomology or serious impairment in the areas of work, family relations, thinking, or mood.

Fee means a fixed charge for a service offered by a recipient under this part, that is in addition to the services that are outlined in the recipient's application; and are not paid for by VA per diem or provided by VA, (e.g., cable television, recreational outings, professional instruction or counseling).

Fixed site means a physical structure that under normal conditions is not capable of readily being moved from one location to another location.

Frail elderly means 65 years of age or older with one or more chronic health problems and limitations in performing one or more activities of daily living (such as bathing, toileting, transferring from bed to chair, etc.).

Homeless means: (1)(i) Lacking a fixed, regular and adequate nighttime residence; or

(ii) Having a primary nighttime residence that is--

(A) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);

(B) An institution that provides a temporary residence for persons intended to be institutionalized; or

(C) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(2) The term homeless does not include imprisonment or other detention pursuant to Federal or State law. Imprisonment or other detention does not include probation, parole or electronic custody.

New construction means the building of a structure where none existed or an addition to an existing structure that increases the floor area by more than 100 percent.

Nonprofit organization means a private organization, no part of the net earnings of which may inure to the benefit of any member, founder, contributor, or individual. The organization must be recognized as a 501(c)(3) or 501(c)(19) nonprofit organization by the United States Internal Revenue Service, and:

(1) Have a voluntary board;

(2) Have a functioning accounting system that is operated in accordance with generally accepted accounting principles, or designate an entity that will maintain a functioning accounting system for the organization in accordance with generally accepted accounting principles; and

(3) Practice nondiscrimination in the provision of supportive housing and supportive services assistance.

Operating costs means expenses incurred in operating supportive housing, supportive services or service centers with respect to:

(1) Administration (including staff salaries; costs associated with accounting for the use of grant funds, preparing reports for submission to VA, obtaining program audits, and securing accreditation; and similar costs related to administering the grant after the award), maintenance, repair and security for the supportive housing;

(2) Van costs or building rent (except under capital leases), e.g., fuel, insurance, utilities, furnishings, and equipment;

(3) Conducting on-going assessments of supportive services provided for and needed by participants and the availability of such services;

(4) Other costs associated with operating the supportive housing.

Outpatient health services means outpatient health care, outpatient mental health services, outpatient alcohol and/or substance abuse services, and case management.

Participant means a person receiving services based on a grant or per diem provided under this part.

Public entity includes:

(1) A county, municipality, city, town, township, local public authority (including any public and Indian housing agency under the United States Housing Act of 1937), school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government, and

(2) The governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in section 3 of the Alaska Native Claims Settlement Act, 85 Stat 688) certified by the Secretary of the Interior as eligible for the special programs and services provided by the Bureau of Indian Affairs.

Rehabilitation means the improvement or repair of an existing structure. Rehabilitation does not include minor or routine repairs.

State means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments. The term does not include any public and Indian housing agency under United States Housing Act of 1937.

Supportive housing means housing with supportive services provided for homeless Veterans and is:

(1) Transitional housing, or

(2) A part of, a particularly innovative project for, or alternative method of, meeting the immediate and long-term needs of homeless Veterans.

Supportive services means services, which may be designed by the recipient or program participants, that provide appropriate services or assist such persons in obtaining appropriate services to address the needs of homeless Veterans to be served by the project. Supportive services does not include inpatient acute hospital care, but does include:

(1) Outreach activities;

(2) Providing food, nutritional advice, counseling, health care, mental health treatment, alcohol and other substance abuse services, case management services;

(3) Establishing and operating child care services for dependents of homeless Veterans;

(4) Providing supervision and security arrangements necessary for the protection of residents of supportive housing and for homeless Veterans using supportive housing or services;

(5) Providing assistance in obtaining permanent housing;

(6) Providing education, employment counseling and assistance, and job training;

(7) Providing assistance in obtaining other Federal, State and local assistance available for such residents including mental health benefits, employment counseling and assistance, Veterans' benefits, medical assistance, and income support assistance; and

(8) Providing housing assistance, legal assistance, advocacy, transportation, and other services essential for achieving and maintaining independent living.

Terminally ill means a prognosis of 9 months or less to live based on a written medical diagnosis from a physician.

VA means the Department of Veterans Affairs.

Veteran means a person who served in the active military, naval, or air service, and who was discharged or released there from under conditions other than dishonorable.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.10 Capital grants--general.

(a) VA provides capital grants to public or nonprofit private entities so they can assist homeless Veterans by helping to ensure the availability of supportive housing and service centers to furnish outreach, rehabilitative services, vocational counseling and training, and transitional housing. Specifically, VA provides capital grants for up to 65 percent of the cost to:

(1) Construct structures and purchase the underlying land to establish new supportive housing facilities or service centers, or to expand existing supportive housing facilities or service centers;

(2) Acquire structures to establish new supportive housing facilities or service centers, or to expand existing supportive housing facilities or service centers;

(3) Renovate existing structures to establish new supportive housing facilities or service centers, or to expand existing supportive housing facilities or service centers; and

(4) Procure vans (purchase price, sales taxes, and title and licensing fees) to provide transportation or outreach for the purpose of providing supportive services.

(b) Capital grants may not be used for acquiring buildings located on VA-owned property. However, capital grants may be awarded for construction, expansion, or renovation of buildings located on VA-owned property.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.11 Applications for capital grants.

(a) To apply for a capital grant, an applicant must obtain from VA a capital grant application package and submit to VA the information called for in the application package within the time period established in the Notice of Fund Availability under Sec. 61.60 of this part.

(b) The capital grant application package includes exhibits to be prepared and submitted as part of the application process, including:

(1) Justification for the capital grant;

- (2) Site description, site design, and site cost estimates;
- (3) Documentation on eligibility to receive a capital grant under this part;
- (4) Documentation on matching funds committed to the project;
- (5) Documentation on operating budget and cost sharing;
- (6) Documentation on supportive services committed to the project;
- (7) Documentation on site control and appropriate zoning, and on the boundaries of the area or community proposed to be served;
- (8) If capital grant funds are proposed to be used for acquisition or rehabilitation, documentation demonstrating that the costs associated with acquisition or rehabilitation are less than the costs associated with new construction;
- (9) If grant funds are proposed to be used for new construction, documentation demonstrating that the costs associated with new construction are less than the costs associated with rehabilitation of an existing building, that there is a lack of available appropriate units that could be rehabilitated at a cost less than new construction, and that new construction is less costly than acquisition of an existing building, (for purposes of this cost comparison, costs associated with rehabilitation or new construction may include the cost of real property acquisition);
- (10) If the proposed construction includes demolition, a demolition plan, including the extent and cost of existing site features to be removed, stored, or relocated and information establishing that the proposed construction is in the same location as the building to be demolished or that the demolition is inextricably linked to the design of the construction project (the cost of demolition of a building cannot be included in the cost of construction unless the proposed construction is in the same location as the building to be demolished or unless the demolition is inextricably linked to the design of the construction project);
- (11) Comments or recommendations by appropriate State (and area wide) clearinghouses pursuant to E.O. 12372 (3 CFR, 1982 Comp., p. 197), if the applicant is a State; and
- (12) Reasonable assurances with respect to receipt of a capital grant under this part that:
  - (i) The project will be used principally to furnish to Veterans the level of care for which such application is made; that not more than 25 percent of participants at any one time will be nonVeterans; and that such services will meet the requirements of this part;
  - (ii) The recipient will continue to operate the project until the expiration of the period during which VA could seek recovery under Sec. 61.67;
  - (iii) Title to such site or van will vest solely in the applicant and the applicant will insure vans to the same extent they would insure a van bought with their own funds;
  - (iv) Adequate financial support will be available for the completion of the project or for the purchase and maintenance, repair, and operation of the van; and
  - (v) The recipient will keep records and submit reports as VA may reasonably require, within the time frames required; and give VA, upon demand, access to the records upon which such information is based.
- (c) Applicants may apply for more than one capital grant.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.12 Threshold requirements for capital grant applications.

To be eligible for a capital grant, an applicant must meet the following threshold requirements:

- (a) The application was completed in all parts and included the information called for in the application package and was filed within the time period established in the Notice of Fund Availability;
- (b) The applicant is a public or nonprofit private entity;
- (c) The population proposed to be served is homeless Veterans;
- (d) The activities for which assistance is requested are eligible for funding under this part;
- (e) The applicant has demonstrated that adequate financial support will be available to carry out the project for which the capital grant is sought consistent with the plans, specifications and schedule submitted by the applicant;
- (f) The application has demonstrated compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601-4655);
- (g) The applicant has agreed to comply with the requirements of this part and has demonstrated the capacity to do so;
- (h) The applicant does not have an outstanding obligation to VA that is in arrears, and does not have an overdue or unsatisfactory response to an audit; and
- (i) The applicant is not in default, by failing to meet requirements for any previous assistance from VA under this part.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.13 Rating criteria for capital grant applications.

- (a) Applicants that meet the threshold requirements in Sec. 61.12 of this part, will then be rated using the selection criteria listed in this section. To be eligible for a capital grant, an applicant must receive at least 600 points (out of a possible 1,200) and must receive points under criteria in paragraphs (b), (c), (d), (e), and (f) of this section.
- (b) Quality of the project. VA will award up to 300 points based on the following:
  - (1) How program participants will achieve residential stability, including how available supportive services will help participants reach this goal;
  - (2) How program participants will increase their skill level and/or income, including how available supportive services will help participants reach this goal;
  - (3) How program participants will be involved in making project decisions that affect their lives so that they achieve greater self-determination, including how they will be involved in selecting supportive services, establishing individual goals and developing plans to achieve these goals;
  - (4) How permanent affordable housing will be identified and made known to participants upon leaving the transitional housing, and how participants will be provided necessary follow-up services to help them achieve stability in the permanent housing;
  - (5) How the service needs of participants will be assessed on an ongoing basis;
  - (6) How the proposed housing, if any, will be managed and operated;
  - (7) How participants will be assisted in assimilating into the community through access to neighborhood facilities, activities, and services;
  - (8) How and when the progress of participants toward meeting their individual goals will be monitored, evaluated, and documented;
  - (9) How and when the effectiveness of the overall project in achieving its goals will be evaluated and documented; and how any needed program modifications will be made based on those evaluations; and how program modifications will be reported to VA; and
  - (10) How the proposed project will be implemented in a timely fashion.
- (c) Targeting to persons on streets and in shelters. VA will award up to 150 points based on:
  - (1) The extent to which the project is designed to serve homeless Veterans living in places not ordinarily meant for human habitation (e.g., streets, parks, abandoned buildings, automobiles, under bridges, in transportation facilities) and those who reside in emergency shelters; and
  - (2) The likelihood that proposed plans for outreach and selection of participants will result in these populations being served.
- (d) Ability of applicant to develop and operate a project. VA will award up to 200 points based on the extent to which the application demonstrates experience in the following areas:
  - (1) Engaging the participation of homeless Veterans living in places not ordinarily meant for human habitation and in emergency shelters;
  - (2) Assessing the housing and relevant supportive service needs of homeless Veterans;
  - (3) Accessing housing and relevant supportive service resources;
  - (4) If applicable, contracting for and/or overseeing the rehabilitation or construction of housing;
  - (5) If applicable, administering a rental assistance program;
  - (6) Providing supportive services or supportive housing for homeless Veterans;
  - (7) Monitoring and evaluating the progress of persons toward meeting their individual goals;
  - (8) Evaluating the overall effectiveness of a program and using evaluation results to make program improvements, as needed; and
  - (9) Maintaining fiscal solvency as evidenced by providing their last complete yearly financial statements.
- (e) Need. VA will award up to 150 points based on the extent to which the applicant demonstrates:
  - (1) Substantial unmet needs, particularly among the target population living in places not ordinarily meant for human habitation such as the streets, emergency shelters, based on reliable data from surveys of homeless populations or other reports or data gathering mechanisms that directly support claims made; and

- (2) An understanding of the homeless population to be served and its unmet housing and supportive service needs.
- (f) Innovative quality of the proposal. VA will award up to 50 points based on the innovative quality of the proposal, in terms of:
  - (1) Helping homeless Veterans or homeless Veterans with disabilities to reach residential stability, to increase their skill level and/or income, and to increase the influence they have over decisions that affect their lives;
    - (2) Establishing a clear link between the innovation(s) and its proposed effect(s); and
    - (3) Establishing usefulness as a model for other projects.
  - (g) Leveraging. VA will award up to 50 points based on the extent to which the applicant documents resources from other public and private sources, including cash and the value of third party contributions, have been committed to support the project at the time of application.
  - (h) Cost-effectiveness. VA will award up to 100 points for cost-effectiveness. Projects will be rated based on the cost and number of new supportive housing beds made available or the cost, amount, and types of supportive services made available, when compared to other transitional housing and supportive services projects, and when adjusted for high-cost areas. Cost-effectiveness may include using excess government properties (local, State, Federal), as well as demonstrating site control at the time of application.
  - (i) Coordination with other programs. VA will award up to 200 points based on the extent to which applicants demonstrate that they have coordinated with Federal, State, local, private and other entities serving homeless persons in the planning and operation of the project. Such entities may include shelter transitional housing, health care, or social service providers; providers funded through Federal initiatives; local planning coalitions or provider associations; or other program providers relevant to the needs of homeless Veterans in the local community. Applicants are required to demonstrate that they have coordinated with the VA medical care facility of jurisdiction and VA Regional Offices of jurisdiction in their area. VA will award up to 50 points of the 200 points based on the extent to which commitments to provide supportive services are documented at the time of application. Up to 150 points of the 200 points will be given to the extent applicants demonstrate that:
    - (1) They are part of an ongoing community-wide planning process within the framework described above which is designed to share information on available resources and reduce duplication among programs that serve homeless Veterans;
    - (2) They have consulted directly with the closest VA Medical Center and other providers within the framework described above regarding coordination of services for project participants; and
    - (3) They have coordinated with the closest VA Medical Center their plan to assure access to health care, case management, and other care services.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.14 Selecting applications for capital grants.**

- (a) Applicants will first be grouped in categories according to the funding priorities set forth in the NOFA, if any. Applicants will then be ranked, within their respective funding category if applicable. The highest-ranked applications for which funding is available, within highest priority funding category if applicable, will be conditionally selected to receive a capital grant in accordance with their ranked order, as determined under Sec. 61.13 of this part. If funding priorities have been established and funds are still available after selection of those applicants in the highest priority group VA will continue to conditionally select applicants in lower priority categories in accordance with the selection method set forth in this paragraph subject to available funding.
- (b) In the event of a tie between applicants, VA will use the score from Sec. 61.13(e) of this part to determine the ranking.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.15 Obtaining additional information and awarding capital grants.**

- (a) Each applicant who has been conditionally selected for a capital grant will be requested by VA to submit additional information, including:
  - (1) Documentation to show that the project is feasible, including a plan from an architect, contractor, or other building professional that provides estimated costs for the proposed design;
  - (2) Documentation showing the sources of funding for the project and firm financing commitments for the matching requirements described in Sec. 61.16 of this part;
  - (3) Documentation establishing site control described in Sec. 61.17 of this part;
  - (4) Documentation establishing compliance with the National Historic Preservation Act (16 U.S.C. 470);
  - (5) Information necessary for VA to ensure compliance both with Uniform Federal Accessibility Standards (UFAS) and the Americans with Disabilities Act Accessibility Guidelines;
  - (6) Documentation establishing compliance with local and state zoning codes;
  - (7) Documentation in the form of one set of design development (35 percent completion) drawings demonstrating compliance with local codes, state codes, and the Life Safety Code of the National Fire Protection Association.
  - (8) Information necessary for VA to ensure compliance with the provisions of the National Environmental Policy Act (42 U.S.C. 4321 et seq.);
  - (9) A site survey performed by a licensed land surveyor; and
  - (10) Such other documentation as specified by VA in writing to the applicant to confirm or clarify information provided in the application.
- (b) The required additional information must be received by VA in acceptable form within the time frame established by VA in a Notice of Fund Availability published in the Federal Register.
- (c) Following receipt of the additional information in acceptable form, VA will execute an agreement and make payments to the grant recipient in accordance with Sec. 61.61 of this part and other applicable provisions of this part.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.16 Matching funds for capital grants.**

The amount of a capital grant may not exceed 65 percent of the total cost of the project for which the capital grant was awarded. The recipient must, from sources other than grant funds received under this part, match the funds provided by VA to cover the percentage of the total cost of the project not funded by the capital grant. This matching share shall constitute at least 35 percent of the total cost. If the project is for supportive housing, or a service center that would be used for purposes under this part and for other purposes, a capital grant may be awarded only in proportion to the use under this part. Capital grants may include application costs, including site surveys, architectural, and engineering fees, but may not include relocation costs.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.17 Site control for capital grants.**

- (a) As a condition for obtaining a capital grant for supportive housing or a fixed site service center, an applicant must demonstrate site control through a deed, a capital lease, or an executed contract of sale, unless the site is in a building or on land owned by VA. Such site control must be demonstrated within 1 year after execution of an agreement under Sec. 61.61 of this part.
- (b) A capital grant recipient may change the site to a new site meeting the requirements of this part subject to VA approval under Sec. 61.62 of this part. However, the recipient is responsible for and must demonstrate ability to provide for any additional costs resulting from the change in site.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.20 Life Safety Code capital grants.**

- (a) This section sets forth provisions for obtaining a Life Safety Code capital grant under 38 U.S.C. 2012(c)(3). To be eligible to receive such a capital grant, an applicant already must have received a grant under section 3 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (Public Law 102-590; 38 U.S.C. 7221 note) for construction, renovation, or acquisition of a facility and must obtain the Life Safety Code capital grant solely for renovations to such facility to comply with the Life Safety Code of the National Fire Protection Association. The following sections of this part apply to the Life Safety Code grants Sec. 61.60 through 61.66; and Sec. 61.80 and Sec. 61.82.
- (b) To apply for a Life Safety Code capital grant under this section, an applicant must obtain from VA a Life Safety Code capital grant application package and submit to VA the information called for in the application package within the time period established in the Notice of Fund Availability. The Life Safety Code capital grant application package includes exhibits to be prepared and submitted as part of the application process, including:
  - (1) Justification for the modifications needed to meet the Life Safety Code or such other comparable fire and safety requirements;

- (2) Site description, site design, and site cost estimates;
- (3) Reasonable assurances with respect to receipt of a Life Safety

Code capital grant under this part that:

(i) The project being renovated is being, and will continue to be, used principally to furnish Veterans the level of care for which VA awarded the applicant a grant under the Homeless Veterans Comprehensive Service Program Act of 1992; that not more than 25 percent of participants at any one time will be nonVeterans; and that such services will meet the requirements of this part;

(ii) The recipient will keep records and submit reports as VA may reasonably require, within the time frames required; and give VA, upon demand, access to the records upon which such information is based;

(iii) The applicant has agreed to comply with the applicable requirements of this part and has demonstrated the capacity to do so;

(iv) The applicant does not have an outstanding obligation to VA that is in arrears, and does not have an overdue or unsatisfactory response to an audit; and

(v) The applicant is not in default, by failing to meet requirements for any previous assistance from VA.

(c)(1) Cost-effectiveness. VA will award up to 300 points for cost-effectiveness with adjustments for high-cost areas. Applicants should address the following:

(i) Estimated cost of the renovation and the type of work to be done;

(ii) Estimated cost of any displacement of program participants or services due to the renovation; and

(iii) Cost-benefit analysis addressing the benefit of renovation to the structure compared to moving program to another site.

(2) Coordination. VA will award up to 200 points for a summary countersigned by the local VAMC Facilities Management of the discussions concerning renovation plans. The summaries should detail the following:

(i) Urgency of the renovation;

(ii) Adequacy of the renovation; and

(iii) Opinion of feasibility and cost benefit.

(d) The highest-ranked applications for the Life Safety Code capital grants for which funding is available will be selected to receive grants in accordance with their ranked order. The amount awarded will be 100 percent of the estimated total cost of the renovation as stated in the Life Safety Code application (this may include application costs, architectural fees, and engineering fees).

VA will execute an agreement and make payments to the Life Safety Code capital grant recipient in accordance with Sec. 61.61 of this part and other applicable provisions of this part. In the event of a tie between applicants, VA will use the score from Sec. 61.20(c)(2) of this part to determine the ranking.

(e) Applicants may apply for more than one Life Safety Code capital grant.

(f) The authority to provide Life Safety Code grants expires on December 21, 2006.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.30 Per diem-general.

VA provides per diem funds to capital grant recipients or to entities eligible to receive a capital grant, which established a program of supportive housing or services after November 10, 1992 so they can assist homeless Veterans by helping to offset operating costs to ensure the availability of supportive housing and service centers tasked with furnishing outreach, rehabilitative services, vocational counseling and training, and transitional housing assistance.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.31 Application for per diem.

(a) To apply for per diem, a capital grant recipient need only indicate the intent to receive per diem on the capital grant application or may separately request per diem by submitting to VA a written statement requesting per diem.

(b) To apply for per diem, a non-capital grant recipient must obtain from VA a non-capital grant application package and submit to VA the information called for in the application package within the time period established in the Notice of Fund Availability. The non-capital grant application package includes exhibits to be prepared and submitted as part of the application process, including:

(1) Justification for per diem;

(2) Documentation on eligibility to receive per diem under this part;

(3) Documentation on operating budget and cost sharing;

(4) Documentation on supportive services committed to the project;

(5) Comments or recommendations by appropriate State (and area wide) clearinghouses pursuant to E.O. 12372 (3 CFR, 1982 Comp., p. 197), if the applicant is a State; and

(6) Reasonable assurances with respect to receipt of per diem under this part that:

(i) The project will be used principally to furnish to Veterans the level of care for which such application is made; that not more than 25 percent of participants at any one time will be nonVeterans; and that such services will meet the requirements of this part;

(ii) Adequate financial support will be available for the per diem program; and

(iii) The recipient will keep records and submit reports as VA may reasonably require, within the time frames required; and give VA, upon demand, access to the records upon which such information is based.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.32 Ranking non-capital grant recipients for per diem.

(a) Applications from non-capital grant recipients in response to a Notice of Fund Availability will be reviewed and grouped in categories according to the funding priorities set forth in the NOFA, if any. Such applications will then be ranked within their respective funding category according to scores achieved only if the applicant scores at least 500 cumulative points from paragraphs (b), (c), (d), (e), and (f) of Sec. 61.13 of this part. The highest-ranked applications for which funding is available, within highest priority funding category if applicable, will be conditionally selected for eligibility to receive per diem payments in accordance with their ranked order. If funding priorities have been established and funds are still available after selection of those applicants in the highest priority group VA will continue to conditionally select applicants in lower priority categories in accordance with the selection method set forth in this paragraph subject to available funding.

(b) In the event of a tie between applicants, VA will use the score from Sec. 61.13(e) of this part to determine the ranking.

(c) All applicants responding to a NOFA for "Per Diem Only" will be subject to the ranking method in paragraph (a) of this section.

Note to Sec. 61.32: Capital grant recipients are not required to be ranked, however, continuation of per diem payments to capital grant recipients will be subject to limitations set forth in Sec. 61.33 of this part.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.33 Payment of per diem.

(a) A capital grant recipient meeting the application requirements as outlined in Sec. 61.31(a) of this part is eligible for per diem subject to a site inspection establishing that the applicant continues to meet the requirements for a capital grant as outlined in the following sections, Sec. 61.62, 61.64, 61.65, 61.66, 61.80, 61.81, and 61.82.

(b) For non-capital grant recipients who apply for per diem under this part, funds will be allocated to the highest-ranked applicants in descending order until funds are expended. Payments will be contingent upon verification of application information based on an initial site inspection and other inspections pursuant to Sec. 61.66 of this part and will be made for 3 years or as otherwise specified in the Notice of Fund Availability. Non-capital grant recipients may apply again thereafter only in response to a Notice of Fund Availability.

(c) For those applicants selected to receive per diem, VA will execute an agreement in accordance with Sec. 61.61 of this part and make payments to the grant recipient or non-grant recipient for those homeless Veterans--

(1) Who VA referred to the grant recipient or non-grant recipient; or

- (2) For whom VA authorized the provision of supportive housing or supportive service.
- (d)(1) The rate of per diem payments for each Veteran in supportive housing shall be the lesser of--
- (i) The daily cost of care estimated by the per diem recipient minus other sources of payments to the per diem recipient for furnishing services to homeless Veterans that the per diem recipient certifies to be correct (other sources include payments and grants from other departments and agencies of the United States, from departments of State and local governments, from private entities or organizations, and from program participants), or
- (ii) The current VA State Home Program per diem rate for domiciliary care.
- (2) The per diem amount for service centers shall be 1/8 of the lesser of the amounts in paragraphs (d)(1)(i) and (d)(1)(ii) of this section per hour, not to exceed 8 hours in any day.
- (e) Per diem payments may be paid retroactively for services provided not more than 3 days before VA approval is given or, where through no fault of the recipient, per diem payments should have been made but were not made. VA will not pay per diem for any additional days of absence when a Veteran has already been absent for more than 72 hours consecutively (scheduled or unscheduled). In addition, VA will not pay per diem payments for supportive housing for any homeless Veteran who has had three or more episodes (admission and discharge for each episode) of supportive housing services paid for under this part. VA may waive the episode requirement if the services offered are different from those previously provided and may lead to a successful outcome.
- (f) Payment of per diem is subject to availability of funds. When necessary due to funding limitations, VA will reduce the rate of per diem as necessary.
- (g) Capital grant recipients and non-capital grant recipients may continue to receive per diem assistance only so long as they continue to meet the minimum eligibility requirements for obtaining a grant. For grant recipients this is the minimum 600 points as provided for in Sec. 61.13(a) of this part. For non-grant recipients this is the minimum 500 points provided for in Sec. 61.32(a) of this part.
- (h) Per diem payments will not be paid for both supportive housing and supportive services provided to the same Veteran by the same per diem recipient.
- (i) For non-capital grant recipients, only those portions of the service center or supportive housing described in the application will be considered for per diem assistance.
- (j) At the time of receipt, a per diem recipient must report to VA all other sources of income for the project for which per diem was awarded. The information in this paragraph provides a basis for adjustments to the per diem payment.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.40 Special needs grants--general.

- (a) VA provides special needs grants to capital grant and per diem recipients under this part to assist with additional operational costs that would not otherwise be incurred but for the fact that the recipient is providing beds or services in supportive housing and at service centers for the following homeless Veterans:
- (1) Women, including women who have care of minor dependents;
  - (2) Frail elderly;
  - (3) Terminally ill; or
  - (4) Chronically mentally ill.
- (b) No part of a special needs grant may be used for any purpose that would change significantly the scope of the project for which a capital grant or per diem was awarded.
- (c) The following sections of this part apply to special needs grants: Sec. 61.60 through 61.66; and Sec. 61.80; Sec. 61.82.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.41 Special needs grants application.

- (a) To apply for a special needs grant, an applicant must obtain from VA a special needs grant application package and submit to VA the information called for in the application package within the time period established in the Notice of Fund Availability.
- (b) The special needs grant application package includes exhibits to be prepared and submitted as part of the application process, including:
- (1) Justification for the special needs grant;
  - (2) Documentation on eligibility to receive a special needs grant under this part;
  - (3) Documentation concerning the estimated operating costs for the needs of the specific population for which the special needs grant is requested;
  - (4) Documentation concerning supportive services committed to the project;
  - (5) Comments or recommendations by appropriate State (and area wide) clearinghouses pursuant to E.O. 12372 (3 CFR, 1982 Comp., p. 197), if the applicant is a State; and
  - (6) Reasonable assurances with respect to receipt of a special needs grant under this part that:
    - (i) The funds will be used to furnish to Veterans the level of care for which such application is made; and that the special needs program will comply with applicable requirements of this part;
    - (ii) The recipient will keep records and submit reports as VA may reasonably require, within the time frames required; and give VA, upon demand, access to the records upon which such information is based; and
    - (iii) Adequate financial support will be available for the special needs program.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.42 Threshold requirements for special needs grant applications.

- To be eligible for a special needs grant, an applicant must meet the following threshold requirements:
- (a) The application included the information called for in the application package and was filed within the time period established in the Notice of Fund Availability;
  - (b) The applicant still meets the requirements for receipt of per diem;
  - (c) The activities for which assistance is requested are eligible for funding under this part;
  - (d) The applicant has demonstrated that adequate financial support will be available to carry out the project for which the grant is sought consistent with the plans, specifications and schedule submitted by the applicant;
  - (e) The applicant does not have an outstanding obligation to VA that is in arrears, and does not have an overdue or unsatisfactory response to an audit;
  - (f) The applicant is not in default, by failing to meet requirements for any previous assistance from VA under this part; and
  - (g) The applicant has agreed to comply with applicable requirements of this part, to maintain eligibility for special need payments and has demonstrated the capacity to do so.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.43 Rating criteria for special needs grant applications.

- (a) Applicants that meet the threshold requirements in Sec. 61.42 of this part, will then be rated using the selection criteria listed in paragraphs (b) and (c) of this section. To be eligible for a special needs grant, an applicant must receive at least 300 points (out of a possible 500) and must score points in all areas (paragraphs (b)(1) through (c)(3)).
- (b) VA will award up to 200 points based on the extent to which the applicant demonstrates why the service, operation, or personnel for which the special needs grant:
- (1) Is needed for the project;
  - (2) Is integral to the project;
  - (3) Is appropriate to the population and overall project design; and
  - (4) Meets the special needs population provided per diem in the previous year.
- (c) VA will award up to 300 points based on the extent the applicant's goals, objectives, and measures for the population to be served are:
- (1) Appropriate;
  - (2) Reasonable; and
  - (3) Measurable.
- (d) The information provided under paragraphs (b) and (c) of this section for women, including women who have care of minor dependents, should demonstrate how the program design will:
- (1) Ensure transportation for women and their children, especially for health care and educational needs;

- (2) Provide directly or offer referrals for adequate and safe child care;
- (3) Ensure children's health care needs are met especially age appropriate wellness visits and immunizations; and
- (4) Address safety and security issues including segregation procedures from other program participants if deemed appropriate.
- (e) The information provided under paragraphs (b) and (c) of this section for the frail elderly should demonstrate how the program design will:
  - (1) Ensure the safety of the residents in the facility to include preventing harm and exploitation;
  - (2) Ensure opportunities to keep residents mentally and physically agile to the fullest extent through the incorporation of structured activities, physical activity, and plans for social engagement within the program and in the community;
  - (3) Provide opportunities for participants to address life transitional issues and separation and/or loss issues;
  - (4) Provide access to assistance devices such as walkers, grippers, or other devices necessary for optimal functioning;
  - (5) Ensure adequate supervision, including supervision of medication and monitoring of medication compliance; and
  - (6) Provide opportunities for participants either directly or through referral for other services particularly relevant for the frail elderly, including services or programs addressing emotional, social, spiritual, and generative needs.
- (f) The information provided under paragraphs (b) and (c) of this section for the terminally ill should demonstrate how the program design will:
  - (1) Help participants address life-transition and life-end issues;
  - (2) Ensure that participants are afforded timely access to hospice services;
  - (3) Provide opportunities for participants to engage in "tasks of dying," or activities of "getting things in order" or other therapeutic actions that help resolve end of life issues and enable transition and closure;
  - (4) Ensure adequate supervision including supervision of medication and monitoring of medication compliance; and
  - (5) Provide opportunities for participants either directly or through referral for other services particularly relevant for terminally ill such as legal counsel and pain management.
- (g) The information provided under paragraphs (b) and (c) of this section for the chronically mentally ill should demonstrate how the program design will:
  - (1) Help participants join in and engage with the community;
  - (2) Facilitate reintegration with the community and provide services that may optimize reintegration such as life-skills education, recreational activities, and follow up case management;
  - (3) Ensure that participants have opportunities and services for re-establishing relationships with family;
  - (4) Ensure adequate supervision, including supervision of medication and monitoring of medication compliance; and
  - (5) Provide opportunities for participants, either directly or through referral, to obtain other services particularly relevant for a chronically mentally ill population, such as vocational development, benefits management, fiduciary or money management services, medication compliance, and medication education.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.44 Awarding special needs grants.**

- (a) Applicants will first be grouped in categories according to the funding priorities set forth in the NOFA, if any. Applicants will then be ranked, within their respective funding category if applicable. The highest-ranked applications for which funding is available, within highest priority funding category if applicable, will be conditionally selected to receive a special needs grant in accordance with their ranked order, as determined under Sec. 61.43 of this part. If funding priorities have been established and funds are still available after selection of those applicants in the highest priority group VA will continue to conditionally select applicants in lower priority categories in accordance with the selection method set forth in this paragraph subject to available funding.
- (b) In the event of a tie between applicants, VA will use the score from Sec. 61.43(b) of this part to determine the ranking.
- (c) For those applicants selected for a special needs grant, VA will execute an agreement and make payments to the grant recipient in accordance with Sec. 61.61 of this part.
- (d) The amount of the special needs grant will be the estimated total operational cost of the special need over the life of the special needs grant award as specified in the special needs grant agreement. Payments may be made for no more than 3 years. Recipients may apply again thereafter only in response to a Notice of Fund Availability.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.50 Technical assistance grants-general.**

VA provides grants to entities or organizations with expertise in preparing grant applications relating to the provision of assistance for homeless Veterans. The recipients are to use the grants to provide technical assistance to those nonprofit community-based groups with experience in providing assistance to homeless Veterans in order to help such groups apply for grants under 38 CFR part 61 or apply for other grants from any source for addressing the problems of homeless Veterans. This includes:

- (a) Group or individual seminars providing general instructions concerning grant applications;
- (b) Group or individual seminars providing instructions for applying for a specific grant; or
- (c) Group or individual instruction for preparing analyses to be included in a grant application.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.51 Applications for technical assistance grants.**

- (a) To apply for a technical assistance grant under this part, an applicant must obtain from VA a technical assistance grant application package and submit to VA the information called for in the technical assistance grant application package within the time period established in the Notice of Fund Availability.
- (b) The technical assistance grant application package includes exhibits to be prepared and submitted as part of the application process, including
  - (1) Justification for the technical assistance grant;
  - (2) Documentation on eligibility to receive a technical assistance grant under this part;
  - (3) Description of type of technical assistance that would be provided (see Sec. 61.50);
  - (4) Documentation concerning the estimated operating costs and operating budget for the technical assistance program for which a grant is sought;
  - (5) Documentation concerning expertise in preparing grant applications;
  - (6) Documentation on resources committed to the provision of technical expertise
  - (7) Comments or recommendations by appropriate State (and area wide) clearinghouses pursuant to E.O. 12372 (3 CFR, 1982 Comp., p. 197), if the applicant is a State; and
  - (8) Reasonable assurances with respect to receipt of a technical assistance grant under this part that:
    - (i) The recipient will provide adequate financial and administrative support for providing the services set forth in the technical assistance grant application and will actually provide such services; and
    - (ii) The recipient will keep records and submit reports as VA may reasonably require, within the time frames required; and give VA, upon demand, access to the records upon which such information is based.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.52 Threshold requirements for technical assistance grant applications.**

- To be eligible for a technical assistance grant, an applicant must meet the following threshold requirements:
- (a) The application included the information called for in the application package and was filed within the time period established in the Notice of Fund Availability;
  - (b) The applicant established expertise in preparing grant applications;
  - (c) The activities for which assistance is requested are eligible for funding under this part;
  - (d) The applicant has demonstrated that adequate financial support will be available to carry out the project for which the grant is sought consistent with the plans, specifications and schedule submitted by the applicant;
  - (e) The applicant does not have an outstanding obligation to VA that is in arrears, and does not have an overdue or unsatisfactory response to an audit; and
  - (f) The applicant is not in default, by failing to meet requirements for any previous assistance from VA under this part.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.53 Rating criteria for technical assistance grant applications.

(a) Applicants that meet the threshold requirements in Sec. 61.52 of this part, will then be rated using the selection criteria listed in paragraphs (b) and (c) of this section. To be eligible for a technical assistance grant, an applicant must receive at least 600 points (out of a possible 800) and must score points under paragraphs (b) and (c) of this section.

(b) Quality of the technical assistance. VA will award up to 400 points based on the following:

- (1) How the recipients of technical training will increase their skill level regarding the completion of applications;
- (2) How the recipients of technical training will learn to find grant opportunities in a timely manner;
- (3) How the technical assistance provided will be monitored and evaluated and changes made, if needed; and
- (4) How the proposed technical assistance programs will be implemented in a timely fashion.

(c) Ability of applicant to demonstrate expertise in preparing grant applications develop and operate a technical assistance program. VA will award up to 400 points based on the extent to which the application demonstrates:

- (1) Ability to find grants available for addressing the needs of homeless Veterans;
- (2) Ability to find and offer technical assistance to entities eligible for such assistance;
- (3) Ability to administer a technical assistance program;
- (4) Ability to provide grant technical assistance; and
- (5) Ability to evaluate the overall effectiveness of the technical assistance program and to make adjustments, if necessary, based on those evaluations.

#### Sec. 61.54 Awarding technical assistance grants.

(a) Applicants will first be grouped in categories according to the funding priorities set forth in the NOFA, if any. Applicants will then be ranked, within their respective funding category if applicable. The highest-ranked applications for which funding is available, within highest priority funding category if applicable, will be conditionally selected to receive a technical assistance grant in accordance with their ranked order, as determined under Sec. 61.53 of this part. If funding priorities have been established and funds are still available after selection of those applicants in the highest priority group VA will continue to conditionally select applicants in lower priority categories in accordance with the selection method set forth in this paragraph subject to available funding.

(b) In the event of a tie between applicants, VA will use the score from Sec. 61.53(c) of this part to determine the ranking.

(c) For those applicants selected to receive a technical assistance grant, VA will execute an agreement and make payments to the grant recipient in accordance with Sec. 61.61 of this part.

(d) The amount of the technical assistance grant will be the estimated total operational cost of the technical assistance over the life of the technical assistance grant award as specified in the technical assistance grant agreement. Payments may be made for no more than 3 years. Recipients may apply again thereafter only in response to a Notice of Fund Availability.

(e) The amount of a technical assistance grant under this part may not exceed the cost of the estimated cost of the provision of technical assistance.

(f) VA will not pay for sustenance or lodging under a technical assistance grant.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.55 Technical assistance reports.

Each recipient of a technical assistance grant must submit to VA, quarterly, a report describing the activities for which the technical assistance grant funds were awarded, including the type and amount of technical assistance provided and the number of nonprofit community-based groups served.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.60 Notice of Fund Availability.

When funds are made available for capital grants, per diem for non-capital grant recipients, special needs grants, or technical assistance grants, VA will publish a Notice of Fund Availability in the Federal Register. The notice will:

- (a) Give the location for obtaining application packages;
  - (b) Specify the date, time, and place for submitting completed applications;
  - (c) State the estimated amount and type of funding available; and
  - (d) State any priorities for or exclusions from funding to meet the statutory mandate of 38 U.S.C. 2011, to ensure that awards do not result in the duplication of ongoing services and to reflect the maximum extent practicable appropriate geographic dispersion and an appropriate balance between urban and nonurban locations.
- (e) Provide other information necessary for the application process.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.61 Agreement and funding actions.

(a) When an applicant for a capital grant, per diem, a special needs grant, or a technical assistance grant meets all of the requirements under this part for the type of assistance requested and VA has funding for such assistance, VA will incorporate requirements under this part into an agreement to be executed by VA and the applicant. Upon execution of the agreement, grant funds are obligated to cover the amount of the approved assistance subject to the availability of funding. Payments will be for services rendered and are contingent upon submission of documentation in the form of invoices or purchase agreements and contingent on inspections, as VA deems necessary. VA will make payments on its own schedule to reimburse for amounts expended.

(b) Except for increases in the rate of per diem, VA will not make revisions to increase the amount obligated for assistance under this part after the initial obligation of funds.

(c) VA will enforce the obligations under this part through such action as may be appropriate, including temporarily withholding cash payments pending correction of a deficiency.

(d) VA may deobligate all or parts of assistance awarded under this part:

- (1) If the actual total costs for assistance is less than the total cost stated in the application, or
- (2) If the recipient fails to comply with the requirements of this part.

(e) However, before determining whether to deobligate under paragraph (d)(2) of this section, VA will issue a notice of intent to terminate payments. The recipient will then have 30 days to submit documentation demonstrating why payments should not be terminated. After review of any such documentation, VA will issue a final decision concerning termination of payment.

(f) VA may also seek recovery under Sec. 61.67 of this part where a capital grant recipient fails to provide supportive services and/or supportive housing for the minimum period of operation under Sec. 61.67.

(g) Where a recipient has no control over causes for delays in implementing a project, VA may change the due date, as appropriate.

(h) Grant recipients that concurrently receive per diem and special needs payments shall not be paid more than 100 percent of the cost of the bed per day, product, operation, personnel, or service provided.

(i) No funds provided under this part may be used to replace Federal, State or local funds previously used, or designated for use, to assist homeless Veterans.

(j) VA may obligate any recovered funds without fiscal year limitation.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### Sec. 61.62 Program changes.

- (a) Except as provided in paragraphs (b) through (d) of this section, a recipient may not make any significant changes to a project for which a grant has been awarded without prior VA approval. Significant changes include, but are not limited to, a change in the recipient, a change in the project site (including relocating, adding an annex, a branch, or other expansion), additions or deletions of activities, shifts of funds from one approved type of activity to another, and a change in the category of participants to be served.
- (b) Recipients of grants exceeding \$100,000 for nonconstruction projects must receive prior VA approval for cumulative transfers among direct cost categories which exceed or are expected to exceed 10 percent of the current total approved budget.
- (c) Recipients of grants for projects involving both construction and nonconstruction who are State or local governments must receive prior VA approval for any budget revision which would transfer funds between nonconstruction and construction categories.
- (d) Approval for changes is contingent upon the application ranking remaining high enough after the approved change to have been competitively selected for funding in the year the application was selected.
- (e) Any changes to an approved program must be fully documented in the recipient's records.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.63 Procedural error.**

If an application would have been selected but for a procedural error committed by VA, VA will select that application for potential funding when sufficient funds become available if there is no material change in the information that resulted in its selection. A new application will not be required for this purpose.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.64 Religious organizations.**

- (a) Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in VA programs under this part. In the selection of service providers, neither the Federal Government nor a state or local government receiving funds under this part shall discriminate for or against an organization on the basis of the organization's religious character or affiliation.
  - (b)(1) No organization may use direct financial assistance from VA under this part to pay for any of the following:
    - (i) Inherently religious activities such as, religious worship, instruction, or proselytization; or
    - (ii) Equipment or supplies to be used for any of those activities.
  - (2) For purposes of this section, "indirect financial assistance" means Federal assistance in which a service provider receives program funds through a voucher, certificate, agreement or other form of disbursement, as a result of the independent and private choices of individual beneficiaries. "Direct financial assistance," means Federal aid in the form of a grant, contract, or cooperative agreement where the independent choices of individual beneficiaries do not determine which organizations receive program funds.
  - (c) Organizations that engage in inherently religious activities, such as worship, religious instruction, or proselytization, must offer those services separately in time or location from any programs or services funded with direct financial assistance from VA, and participation in any of the organization's inherently religious activities must be voluntary for the beneficiaries of a program or service funded by direct financial assistance from VA.
  - (d) A religious organization that participates in VA programs under this part will retain its independence from Federal, State, or local governments and may continue to carry out its mission, including the definition, practice and expression of its religious beliefs, provided that it does not use direct financial assistance from VA under this part to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities to provide VA-funded services under this part, without removing religious art, icons, scripture, or other religious symbols. In addition, a VA-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members and otherwise govern itself on a religious basis, and include religious reference in its organization's mission statements and other governing documents.
  - (e) An organization that participates in a VA program under this part shall not, in providing direct program assistance, discriminate against a program beneficiary or prospective program beneficiary regarding housing, supportive services, or technical assistance, on the basis of religion or religious belief.
  - (f) If a State or local government voluntarily contributes its own funds to supplement Federally funded activities, the State or local government has the option to segregate the Federal funds or commingle them. However, if the funds are commingled, this provision applies to all of the commingled funds.
  - (g) To the extent otherwise permitted by Federal law, the restrictions on inherently religious activities set forth in this section do not apply where VA funds are provided to religious organizations through indirect assistance as a result of a genuine and independent private choice of a beneficiary, provided the religious organizations otherwise satisfy the requirements of this Part. A religious organization may receive such funds as the result of a beneficiary's genuine and independent choice if, for example, a beneficiary redeems a voucher, coupon, or certificate, allowing the beneficiary to direct where funds are to be paid, or a similar funding mechanism provided to that beneficiary and designed to give that beneficiary a choice among providers.
- (Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.65 Inspections.**

VA may inspect the facility and any records of an entity applying for or receiving assistance under this part at such times as are deemed necessary to determine compliance with the provisions of this part. The authority to inspect carries with it no authority over the management or control of any entity applying for or receiving assistance under this part.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.66 Financial management.**

- (a) All recipients shall comply with applicable requirements of the Single Audit Act Amendments of 1996, as implemented by OMB Circular A-133.
- (b) All entities receiving assistance under this part must use a financial management system that follows generally accepted accounting principals and provides accounting records, including cost accounting records that are supported by documentation. Such cost accounting must be reflected in the entity's fiscal cycle financial statements to the extent that the actual costs can be determined for the program for which assistance is provided. All entities receiving per diem under this part must monitor the accuracy of the costs used to determine payment amounts per Veteran. Entities receiving assistance must meet the applicable requirements of the appropriate OMB Circular for Cost-Principles (A-122 or A-87).

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.67 Recovery provisions.**

- (a) If after 3 years from the date of award of a capital grant, the grant recipient has withdrawn from the VA Homeless Providers Grant and Per Diem Program (Program); does not establish the project for which the grant was made; or has established the project for which the grant was made but has not had final inspection, VA would be entitled to recover from the grant recipient all of the grant amounts provided for the project.
- (b) Where the grant recipient is not subject to recovery under paragraph (a) of this section, VA will seek recovery of the grant amount on a prorated basis where the grant recipient ceases to provide services for which the grant was made or withdraws from the Program prior to the expiration of the applicable period of operation, which period shall begin on the date of final inspection for which the grant was made. The amount to be recaptured equals the total amount of the grant, multiplied by the fraction resulting from using the number of years the recipient was not operational as the numerator, and using the number of years of operation required under the following chart as the denominator.

Grant amount (dollars in thousands)	Years of operation
0-250.....	7
251-500.....	8
501-750.....	9

751-1,000.....	10
1,001-1,250.....	11
1,251-1,500.....	12
1,501-1,750.....	13
1,751-2,000.....	14
2,001-2,250.....	15
2,251-2,500.....	16
2,501-2,750.....	17
2,751-3,000.....	18
Over 3,000.....	20

Example A: Grantee A is awarded a grant and does not bring the project to operational status within 3 years from the time of award. Grantee A may be subject to full recapture of the grant award.

Example B: Grantee B is awarded a grant in the amount of

\$300,000 and brings the project to operational status within 3 years from the time of award. Grantee B then provides services to homeless Veterans for a period of 6 years from the date the program was operationalized, but now decides to close the program. As the original award was \$300,000 and as a condition of receiving the grant funds Grantee B agreed to provide services for 8 years. Therefore, Grantee B would be subject to the prorated recapture of the grant award for the 2-year period not served or in this case 1/4 of the original grant would be subject to recapture.

Example C: Grantee C is awarded a grant in the amount of \$400,000, becomes operational within 1 year of the date of the grant award and ceases operation 1 year later, 2 years after the date of the grant award. After the expiration of the 3-year period beginning on the date of the grant award, Grantee C would be subject to prorated recapture for the 7 years it did not provide service of the required 8 years of operation. The amount subject to recapture would thus be 7/8 x \$400,000 or \$350,000.

(c) VA will seek to recover from the recipient of per diem, a special needs grant, or a technical assistance grant any funds that are not used in accordance with the requirements of this part.

(d) Before VA would take action to recover funds, VA will issue to the recipient a notice of intent to recover funds. The recipient will then have 30 days to submit documentation demonstrating why funds should not be recovered. After review of any such documentation, VA will issue a decision regarding whether action will be taken to recover funds.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

**Sec. 61.80 General operation requirements for supportive housing and service centers.**

(a) Supportive housing and service centers for which assistance is provided under this part must:

(1) Comply with the Life Safety Code of the National Fire Protection Association and all applicable State and local housing codes, licensing requirements, fire and safety requirements, and any other requirements in the jurisdiction in which the project is located regarding the condition of the structure and the operation of the supportive housing or service centers.

(2) Notwithstanding the provisions of paragraph (a)(1) of this section, recipients of grants prior to December 21, 2001, are required to comply with the Life Safety Code of the National Fire Protection Association by December 21, 2006. Such recipients are not excused from meeting the other requirements of paragraph (a)(1) of this section, including State and local fire and safety requirements.

(b) Except for such variations as are proposed by the recipient that would not affect compliance with paragraph (a) of this section and are approved by VA, supportive housing must meet the following requirements:

(1) The structures must be structurally sound so as not to pose any threat to the health and safety of the occupants and so as to protect the residents from the elements;

(2) Entry and exit locations to the structure must be capable of being utilized without unauthorized use of other private properties, and must provide alternate means of egress in case of fire;

(3) Buildings constructed or altered with Federal assistance must also be accessible to the disabled, as required by section 502 of the Americans with Disabilities Act, referred to as the Architectural Barriers Act;

(4) Each resident must be afforded appropriate space and security for themselves and their belongings, including an acceptable place to sleep that is in compliance with all applicable local, state, and federal requirements;

(5) Every room or space must be provided with natural or mechanical ventilation and the structures must be free of pollutants in the air at levels that threaten the health of residents;

(6) The water supply must be free from contamination;

(7) Residents must have access to sufficient sanitary facilities that are in proper operating condition, that may be used in privacy, and that are adequate for personal cleanliness and the disposal of human waste;

(8) The housing must have adequate heating and/ or cooling facilities in proper operating condition;

(9) The housing must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of residents and sufficient electrical sources must be provided to permit use of essential electrical appliances while assuring safety from fire;

(10) All food preparation areas must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner;

(11) The housing and any equipment must be maintained in a sanitary manner;

(12) The residents with disabilities must be provided meals or meal preparation facilities must be available;

(13) Residential supervision from a paid staff member, volunteer, or senior resident participant must be provided 24 hours per day, 7 days per week and for those times that a volunteer or senior resident participant is providing residential supervision a paid staff member must be on call for emergencies 24 hours a day 7 days a week (all supervision must be provided by individuals with sufficient knowledge for the position); and

(14) Residents must be provided a clean and sober (free from illicit drugs) environment and those supportive housing or service centers that provide medical or social detox at the same site as the supportive housing or service must ensure that those residents in detox are clearly separated from the general residential population.

(c) Each recipient of assistance under this part must conduct an ongoing assessment of the supportive services needed by the residents of the project and the availability of such services, and make adjustments as appropriate. The recipient will provide evidence of this ongoing assessment to VA at such times as are deemed necessary, but as a minimum, once annually in the form of a report that addresses the recipient's ability to meet the goals, objectives, measures, and special needs as set forth in the recipient's grant proposal.

(d) A homeless Veteran may remain in transitional housing for which assistance is provided under this part for a period no longer than 24 months, except that a Veteran may stay longer, if permanent housing for the Veteran has not been located or if the Veteran requires additional time to prepare for independent living. However, at any given time, no more than one-half of the Veterans at such transitional housing facility may have resided at the facility for periods longer than 24 months.

(e) Each recipient of assistance under this part must provide for the consultation and participation of not less than one homeless Veteran or formerly homeless Veteran on the board of directors or an equivalent policymaking entity of the recipient, to the extent that such entity considers and makes policies and decisions regarding any project provided under this part. This requirement may be waived if an applicant, despite a good faith effort to comply, is unable to meet it and presents a plan, subject to VA approval, to otherwise consult with homeless or formerly homeless Veterans in considering and making such policies and decisions.

(f) Each recipient of assistance under this part must, to the maximum extent practicable, involve homeless Veterans and families, through employment, volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating the project and in providing supportive services for the project.

(g) Each recipient of assistance under this part shall establish procedures for fiscal control and fund accounting to ensure proper disbursement and accounting of assistance received under this part.

(h) The recipient of assistance under this part that provides family violence prevention or treatment services must establish and implement procedures to ensure:

(1) The confidentiality of records pertaining to any individual provided services; and

(2) The confidentiality of the address or location where the services are provided.

(i) Each recipient of assistance under this part must maintain the confidentiality of records kept on homeless Veterans receiving services.

(j) VA may disapprove use of outpatient health services provided through the recipient if VA determines that such services are of unacceptable quality. Further, VA will not pay per diem where the Department concludes that services furnished by the recipient are unacceptable.

(k) A service center for homeless Veterans shall provide services to homeless Veterans for a minimum of 40 hours per week over a minimum of 5 days per week, as well as provide services on an as-needed, unscheduled basis. The calculation of average hours shall include travel time for mobile service centers. In addition:

(1) Space in a service center shall be made available as mutually agreeable for use by VA staff and other appropriate agencies and organizations to assist homeless Veterans;

(2) A service center shall be equipped to provide, or assist in providing, health care, mental health services, hygiene facilities, benefits and employment counseling, meals, and transportation assistance;

(3) A service center shall provide other services as VA determines necessary based on the need for services otherwise not available in the geographic area; and

(4) A service center may be equipped and staffed to provide, or to assist in providing, job training and job placement services (including job readiness, job counseling, and literacy and skills training), as well as any outreach and case management services that may be necessary to meet the requirements of this paragraph.

(f) Fixed site service centers will prominently post at or near the entrance to the service center their hours of operation and contacts in case of emergencies. Mobile service centers must take some action reasonably calculated to provide in advance a tentative schedule of visits, (e.g., newspapers, fliers, public service announcements on television or radio). The schedule should include but is not limited to:

- (1) The region of operation;
- (2) Times of operation;
- (3) Expected services to be provided; and
- (4) Contacts for specific information and changes.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### **Sec. 61.81 Outreach activities.**

Recipients of capital grants and per diem under this part relating to supportive housing or service centers must use their best efforts to ensure that eligible hard-to-reach Veterans are found, engaged, and provided assistance. Accordingly, a recipient should search for homeless Veterans at places such as shelters, soup kitchens, parks, bus or train stations, and the streets. Outreach particularly should be directed toward Veterans who have a nighttime residence that is an emergency shelter or a public or private place not ordinarily used as a regular sleeping accommodation for human beings (e.g., cars, streets, or parks).

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)

#### **Sec. 61.82 Resident rent for supportive housing.**

(a) Each resident of supportive housing may be required to pay rent in an amount determined by the recipient, except that such rent may not exceed 30 percent of the resident's monthly income after deducting medical expenses, child care expenses, court ordered child support payments, or other court ordered payments.

(b) Resident rent may be used for costs of operating the supportive housing or to assist supportive housing residents move to permanent housing.

(c) In addition to resident rent, recipients may charge residents reasonable fees for services not covered by VA per diem funds and not otherwise provided by VA.

(Authority: 38 U.S.C. 501, 2002, 2011, 2012, 2061, 2064, 7721 note)