Ryan White Security Deposit Policies and Procedures for Sub-Recipients

To support access to housing through the provision of security deposits for Ryan White eligible clients.

Purpose:

If an agency chooses to provide security deposits with Ryan White HIV/AIDS Program (RWHAP) funding, then the agency must define their terms and conditions based on the following information and must meet minimum standards outlined in this document.

Background:

For further explanation see the Housing Security Deposits in the RWHAP letter.

Definition:

Security Deposits can be provided to Ryan White eligible clients to help establish residency where continued occupancy in the unit is expected. Funding for security deposits is designed to assist eligible individuals and/or families locate safe, stable housing.

Policy:

All Bureau of HIV and STI Program (BHSP) staff working with agencies on the distribution of RWHAP funding for security deposits must approve policies and procedures developed by the subcontracted agency prior to using funds for housing security deposits. The subcontracted agency must maintain appropriate documentation for each participant receiving a security deposit for future audit, site visit and/or desk review. RWHAP funding may be used to pay for a RWHAP client's security deposit if a RWHAP recipient or subrecipient has policies and procedures in place to ensure the security deposit is returned to the RWHAP recipient or subrecipient and not to the RWHAP client.

Procedure:

Limitations on using RWHAP Security Deposits for housing-related assistance:

- All assistance payments must be made directly to the landlord or relevant third party. It is not allowable to provide cash payments for any purpose directly to clients.
- RWHAP is a payor of last resort, and therefore, program staff must verify and document that another rent subsidy program (HOPWA, HOME, Section 8/HCV, etc.) is not available or paying for the same cost.
- The total amount of security deposit provided on behalf of the client should not exceed the value of 1.5 times the current monthly rent. The subcontracted agency may establish further restrictions.
- All costs must meet the standard of being reasonable and should be comparable to other units in the jurisdiction.
    - Rent reasonableness should be determined and documented using a resource such as affordablehousing.com or similar.

Security deposit provisions may be considered when:

- A client's continued occupancy in the unit is expected.
- Subcontracted agency staff determine the client's ability (including monthly income/budget) to maintain occupancy in the unit.
- Payment of a security deposit shall only be provided when the lease designates that the security deposit will be returned to (agency), and the lease designates that the (agency) will be notified when the lease is terminated.
    - A signed statement by tenant and landlord as an addendum to the lease is also acceptable.
- Clients receiving housing services must have their housing needs assessed annually and on an individualized written housing plan developed to determine if there is a need for new or additional housing services, in accordance with the MDHHS Standards of Care.
    - An assessment of the household budget must be included in housing plan prior to signing lease to help ensure successful housing sustainability.

Returned security deposits are considered program income and are to be tracked and reported:

- Security deposit costs should be tracked in CAREWare under the housing category, subservice security deposit.
- Program income should be tracked and reported; therefore, security deposits are program funds that must be returned to the program when the assisted client leaves the unit.
- A documented good faith effort, as defined by the agency in their policy, must be made to recover program funds upon the departure of the client from the unit.
    - At move out, documentation must be included in the client's file to show an effort was made to recover the returned deposit.