Using Ryan White Funding for Security Deposits

Toolkit for Security Deposit Provision

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MDHHS
Michigan Department of Health & Human Services

HRSA Policy Parameters

- Optional.
- Policies and Procedures.
- Documentation and Retention.
- Allowable Use of Funds.

BHSP Policy

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.

- Approved policies and procedures prior to using funds.
- Maintain appropriate documentation for each participant.
- Security deposit is returned to agency.

Procedures: Provisions

- Ongoing occupancy by the client is expected and must be sustainable based on income and budget assessment.
- Security deposits are only allowed if the lease states the deposit is refundable to the agency and the agency is notified upon lease termination.
  - A signed lease addendum is also acceptable.
- Clients must undergo an annual housing needs assessment
  - Individualized housing plan in accordance with MDHHS Standards of Care.

Procedures: Limitations

- Payments must be made directly to landlords or third parties, no direct cash to clients.
- RWHAP is the payor of last resort.
- Security deposits must not exceed 1.5 times the monthly rent.
- All costs must be reasonable and comparable to similar units in the area.

Payor of Last Resort

RWHAP is a payor of last resort.

Program staff must verify and documents that another rent subsidy program is not available or paying for the same cost.

- HOPWA.
- HOME.
- Section 8.
- HCV.

Rent Reasonableness

- Can be defined in agency policy and procedures.
- Sources:
  - https://www.affordablehousing.com/
- Example:
  - https://files.hudexchange.info/resources/documents/RentReasonableChecklist.pdf

Tracking and Documentation

- Security deposits must be recorded in CAREWare under the housing category (subservice: security deposit).
- As program income, returned deposits must be recaptured and reported when a client vacates the unit.
- Agencies must document a good faith effort to recover funds, with supporting documentation placed in the client's file at move-out.

“Good Faith Effort”

- Outline definition of good faith attempt.
  - Vigorously pursue to return security deposit. What that means to you?
  - Example: Documented 3x effort to return.
    - Call the landlord.
    - Send a letter to the landlord.
    - Contact the client.
  - Example: “If you don’t return security deposit to agency, we won’t be able to assist with future housing services.”

Tracking and Documentation

- Deposit Agreement
- MOU Agency & Landlord
- Deposit Tracking
- Individualized Housing Plan

Forms: Deposit Agreement

To Whom It May Concern:

Re: {insert Client name}

This is to verify that {insert Program name} is assisting {insert Client name} with $_X_ toward their security deposit for the apartment located at {insert Address}.

Please note that the United States Department of Housing and Urban Development (HUD) requires any portion of the security deposit to be returned once the tenant, as mentioned above, moves out should be remitted to {insert Program name}, not the tenant.

Please send security deposit funds to:

{insert Program name/address}

Please sign below indicating acknowledgment and agreement with the requirement that any remaining deposit funds be remitted to {insert Program name}.

Signature of tenant(s): _____ Date: _____

Signature of landlord/property manager: _____ Date: _____

Signature of {designated Housing program staff}:_____ Date: _____

Deposit Agreement Client & Agency

Forms: MOU Agency and Landlord

Date:

To Whom it May Concern,

The security deposit for the rental unit was provided by **AGENCY NAME**

As the unit received a full or partial assistance with the security deposit. It has been requested that you notify **AGENCY NAME** when the lease is terminated and to return the portion of the security deposit, minus any damages due, to **AGENCY NAME**. In accordance with the Truth in Renting Act of 1972 evidence that notice of damages due was provided to the tenant within 30 days of the termination of occupancy must be provided to **AGENCY NAME** if the refund will be adjusted or forfeited due to damages incurred.

On 00/00/0000 payment towards **CLIENT NAME** security deposit was made. The total check that was paid out was **$$. $$** was paid allocated the security deposit.

Please review your records and send over a detailed list of damages used for the security deposit or please return the **$$** to **AGENCY NAME**.

Please remit all payment to: **AGENCY NAME AND AGENCY ADDRESS**

AGENCY STAFF PROGRAM MANAGER/DIRECTOR/CASE MANAGER

MOU Agency & Landlord

Forms: Deposit Tracking

MDHHS Michigan Department of Health & Human Services

Security Deposit Tracking

Agency Name

Security Deposit Report

Client ID	Date of Assistance/ Lease Signing	Date of Last Contact(s)	Client still living in Assisted Unit (Y /N)	Letter sent to Landlord?	Outcome of Attempt to Collect	Comments

Forms: Individual Housing Plan

MDHHS Michigan Department of Health & Human Services

INDIVIDUAL SERVICE PLAN

About this Tool: A service plan should be developed with clients soon after intake to identify the steps that must be taken to move them towards the goal of independent living. Make sure that the service plan addresses any specific issues that come out of the intake process and the discussion about available mainstream resources. The plan should include goals, strategies/steps for achieving each goal, target completion dates, and dates goals are achieved. While the plan should be developed with client input, many of the goals can be pre-established by your program (see examples provided below). Collaborate with any other agencies with whom your client may be working to ensure that the goals and strategies laid out for the client are consistent with the goals and strategies of any other program in which he/she may be participating.

Client Name: _____ Date of Intake: ____/____/____

Case Manager: _____ Client DOB: ____/____/____

Part 1: Health and Wellness

Goal	Strategies/Steps	Target Date	Dated Achieved	Notes
1. Maintain Sobriety	1. Attend AA/NA meetings throughout the six-month follow-up.			
	2. Attend weekly peer group support meetings.			
	3.			
	4.			
	5.			
2. Mental health	1. Access outpatient services			
	2. Attend daytime support groups			
	3. Keep all therapy appointments.			
	4.			
	5.			
3. Family Reunification	1. Attend family counseling			
	2. Attend parenting classes			
	3.			
	4.			
	5.			

Client Strengths: _____

_____

_____

Client Obstacles: _____

_____

_____

Progress Summary: _____

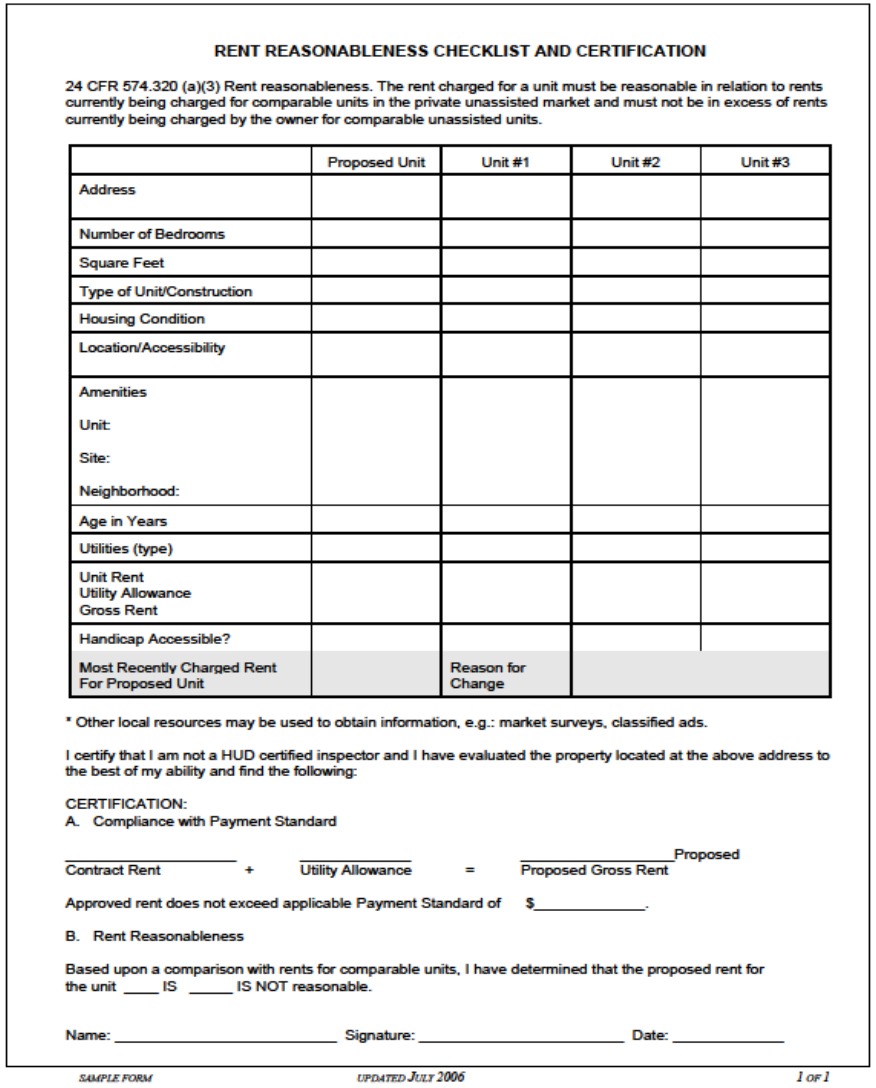
_____

_____

Part 2: Employment and Financial Stability

Goal	Strategies/Steps	Target Date	Date Achieved	Notes
1. Obtain Employment	1. Obtain needed documentation (e.g., State ID, Social Security Card, Work Permit)			
	2. Referral to Job Training and Placement Provider			
	3. Locate childcare			
	4.			
	5.			
2. Maintain Employment for Minimum of 6 Months	1. Receive job coaching/workplace etiquette training (punctuality, professional boundaries, conflict resolution, dealing with personal emergencies, etc.)			
	2. Identify childcare and transportation contingency plans (e.g., what to do when childcare or transportation falls through).			
	3.			
	4.			
	5.			
3. Repair credit history.	1. Develop household budget and discuss methods for staying within budget.			
	2. Request and review credit report. Work with case manager to contact creditors and develop payment plans for delinquent bills. (Obtain letters from creditors varying payment plans.)			
	3.			
	4.			

Forms: Rent Reasonableness



RENT REASONABLENESS CHECKLIST AND CERTIFICATION

24 CFR 574.320 (a)(3) Rent reasonableness. The rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the owner for comparable unassisted units.

	Proposed Unit	Unit #1	Unit #2	Unit #3
Address				
Number of Bedrooms				
Square Feet				
Type of Unit/Construction				
Housing Condition				
Location/Accessibility				
Amenities Unit: Site: Neighborhood:				
Age in Years				
Utilities (type)				
Unit Rent Utility Allowance Gross Rent				
Handicap Accessible?				
Most Recently Charged Rent For Proposed Unit		Reason for Change		

* Other local resources may be used to obtain information, e.g.: market surveys, classified ads.

I certify that I am not a HUD certified inspector and I have evaluated the property located at the above address to the best of my ability and find the following:

CERTIFICATION:
A. Compliance with Payment Standard

_____ + _____ = _____Proposed
Contract Rent Utility Allowance Proposed Gross Rent

Approved rent does not exceed applicable Payment Standard of $_____.

B. Rent Reasonableness

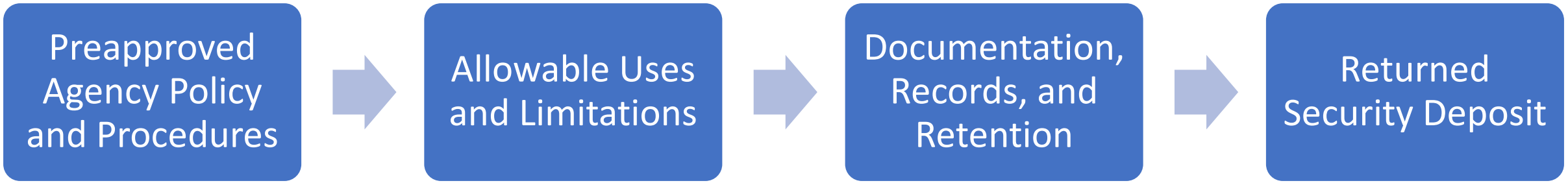
Based upon a comparison with rents for comparable units, I have determined that the proposed rent for the unit ____ IS _____ IS NOT reasonable.

Name: _____ Signature: _____ Date: _____

SAMPLE FORM UPDATED JULY 2006 1 OF 1

Rent Reasonableness Checklist and Certification

Monitoring



Your agency will be audited against your own policies and procedures

Timeline

- Please connect with your Part B contract monitor
- Amendment 2 – March 1, 2026
  - Connect with your contract monitor to open your workplan in EGrAMS
  - Open Amendment Requests in SHOARS – 10/6/25
  - **Close Amendment Deadline → 10/31/25**
- If you are not funded for housing category, your agency will need to add it to the FY27 Service Category Survey

Questions?

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