

**ADVANCEMENT/REIMBURSEMENT REQUESTS (FINANCIAL STATUS REPORTS)**

Fiduciaries may request an advancement or reimbursement as frequently as once a month, but in no case less than once a quarter, by submitting a Financial Status Report (FSR) with a budget that details itemized ESG expenditures by activity and cost categories. ESG funds will be disbursed only if all required reports and substantiating documentation are submitted and approved. MSHDA’s FSR policy is as follows:

- FSRs are created and submitted with supporting documentation via the MATT 2.0/IGX grant management system by the fiduciary only;
- FSRs are due no later than ninety days after the grant start date and at least one must be submitted quarterly thereafter;
- Pre-disbursement conditions must be met prior to submitting the initial FSR;
- Advance requests cannot exceed 25% of the total grant award;
- Maintenance (including minor or routine repairs) over \$1,000 must have prior approval; and
- Additional FSRs may be submitted on an ‘as needed’ basis to maintain available cash flow to fiduciaries and subgrantees.

Please reference the information below for reporting months and submission deadlines.

Reporting Period	Due Date
October 1 <sup>st</sup> – December 31 <sup>st</sup>	January 15 <sup>th</sup>
January 1 <sup>st</sup> – March 31 <sup>st</sup>	April 15 <sup>th</sup>
April 1 <sup>st</sup> – June 30 <sup>th</sup>	July 15 <sup>th</sup>
July 1 <sup>st</sup> – September 30 <sup>th</sup>	<b>FINAL FSR: October 15<sup>th</sup></b>

\* Annual ESG FSR Schedule

Fiduciaries must provide the following documentation via MSHDA’s online grant management system (MATT 2.0/IGX) within each submitted FSR. Documentation for all billable expenses must correlate with the FSR requested (no back billing is permitted). Please be sure to name each item in MATT 2.0/IGX as it is uploaded:

- MSHDA approved FSR coversheet spreadsheet
- Detailed general ledger(s) by category relating to MSHDA ESG expenses only that includes the following:
  - Funding source (i.e. MSHDA ESG);
  - Individual expenses by service type;
  - Date of payment;
  - Landlord or business name; and
  - Amount paid.
  - An example general ledger can be found on the [MSHDA ESG website](#).
- Timesheets or payroll reports for employees being paid with ESG funds that detail the following:
  - Dates of pay period; and
  - Funding source for pay; and
  - Amount of time spent per funding source.
  - An example timesheet can be found on the [MSHDA ESG website](#).
- Copies of invoices, receipts, and/or bills for all costs related to Admin/Shelter Operations **not covered by cost allocation plan** (must also be reflected in the general ledger)

**Please note:** Copies of checks, bank statements, and pay stubs are not required for FSR submission. However, these documents must be on file with the agency and available upon request.

## BUDGET DEVIATION\*

- For changes within a budget component, e.g., moving re-housing financial assistance funds from rental assistance to security deposit, a revised budget component page documentation the change and acknowledgement from the CoC (Continuum of Care) or LPB (Local Planning Body) concurring with the change, must be submitted to MSHDA ESG Program staff for approval.
- For changes between budget components, e.g., moving funds from prevention financial assistance to re-housing financial assistance, requires a grant amendment. In addition, a revised budget component page documenting the change an acknowledgment from the CoC or LPB concurring with the change, must be submitted to MSHDA ESG Program staff for approval. The budget amendment must be submitted to the assigned [Homeless Assistance Specialist](#), and it must include acknowledgment and approval from the Continuum of Care (CoC) or Local Planning Body (LPB).

\*Deviation does not apply to the cap established for Administration (7.5%) or HMIS (10%); however, agencies may elect to decrease these percentages.

## GRANT AMENDMENTS

Grant amendment requests may take up to two weeks to process, and the funds cannot be spent until the amendment has been fully executed. If the request is to extend the grant (grant extension), they must be approved by MSHDA ESG Program staff prior to the grant end date.

## FUNDS SPEND DOWN

Grantees and subgrantees are expected to fully obligate or expend grant funds during each funding cycle and after expending funds from previous funding cycles. MSHDA will review grant spending in accordance with the grant agreement and MSHDA policy.

**Note:** MSHDA and HUD will closely track grantee and subgrantee expenditures in order to meet requirements and allow for reallocation if grantees and subgrantees have not spent their funds on a timely basis.

## UNTIMELY/LATE FSR SUBMISSIONS

Timely FSR submission is necessary for compliance with federal reporting requirements and the efficient administration of the Emergency Solutions Grant program (“ESG”).

**30-Day Penalty:** If FSR submission for ESG is delayed by 30 days beyond the stipulated deadline, the following penalty may be imposed:

- **Written Warning:** The grantee and CoC Chair (LPB)/Coordinator will receive a formal written warning notifying them of the delay and reminding them of the importance of timely FSR submission.

**60-Day Penalty:** If FSR submission for ESG is delayed by 60 days beyond the stipulated deadline, or the grantee has been subject to more than one 30-Day Penalty, the following penalties may be imposed:

- **Mandatory Meeting:** The Homeless Assistance Specialist will schedule a meeting with funded agencies and CoC/LPB leadership regarding performance issues.
- **Mandatory Corrective Action Plan (must be approved by the CoC/LPB):** The Homeless Assistance Specialist will draft a comprehensive Corrective Action Plan (CAP) that outlines identified issues and the essential remedial measures. The grantee is obligated to implement this CAP, including specific measures to avert future FSR submission delays. MSHDA's review and endorsement of the CAP are vital, ensuring a thorough examination of the causes for delayed submission and the proposal of effective remedial strategies.

**90-Day Penalty:** If FSR submission for ESG is delayed by 90 days beyond the stipulated deadline, or the grantee has been subject to multiple instances of the preceding penalties, the following penalties may be imposed:

- **Financial Recapture:** MSHDA reserves the right to recapture a portion (e.g., 10%) of the grant funds. Recapture will result in an overall reduction of the total grant amount previously awarded to the grantee.
- **Suspension of Funding:** MSHDA reserves the right to suspend all funding through MSHDA for the grantee until the delayed FSR submission is received and processed. During the suspension period, no further grant disbursements will be made.
- **Review of Grant Eligibility:** MSHDA reserves the right to review eligibility of the Fiduciary agency or subgrantee to participate in ESG. As part of such a review, MSHDA will assess the overall compliance and performance of the entity to determine eligibility.

**Note:** It is important to note that penalties for delayed FSR submissions under ESG may become more severe for multiple offenses. While the penalties outlined above provide an overview of the consequences, it is important for grantees to understand that repeated instances of non-compliance may lead to stricter measures. Federal guidelines provide MSHDA with broad discretion in managing grant terms, and MSHDA reserves the right to employ all available remedies to achieve the efficient and effective conduct of ESG.