ESG 101

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Things to Know

- ESG Program Component/Activities
- Client File Requirements
- Requisition Process
- HMIS/DV Comparable Database Requirements
- Written Standards
- Coordinated Assessment/Coordinated Entry
- CoC Participation
- CAPER
- HUD Regulations

The purpose of the ESG Program is to:

- Provide assistance to rapidly re-house persons who are currently homeless
- Assist in meeting the costs of operating emergency shelters
- Restrict the increase of homelessness through the provision of preventive programs and activities
- to meet the immediate needs of people experiencing homelessness in unsheltered locations by connecting them with emergency shelter, housing, or critical services, and providing them with urgent, non-facility-based care

The Division of Aging, NC DHHS administers North Carolina’s non-entitlement ESG fund. This application corresponds to federal fiscal year 2025 funds.

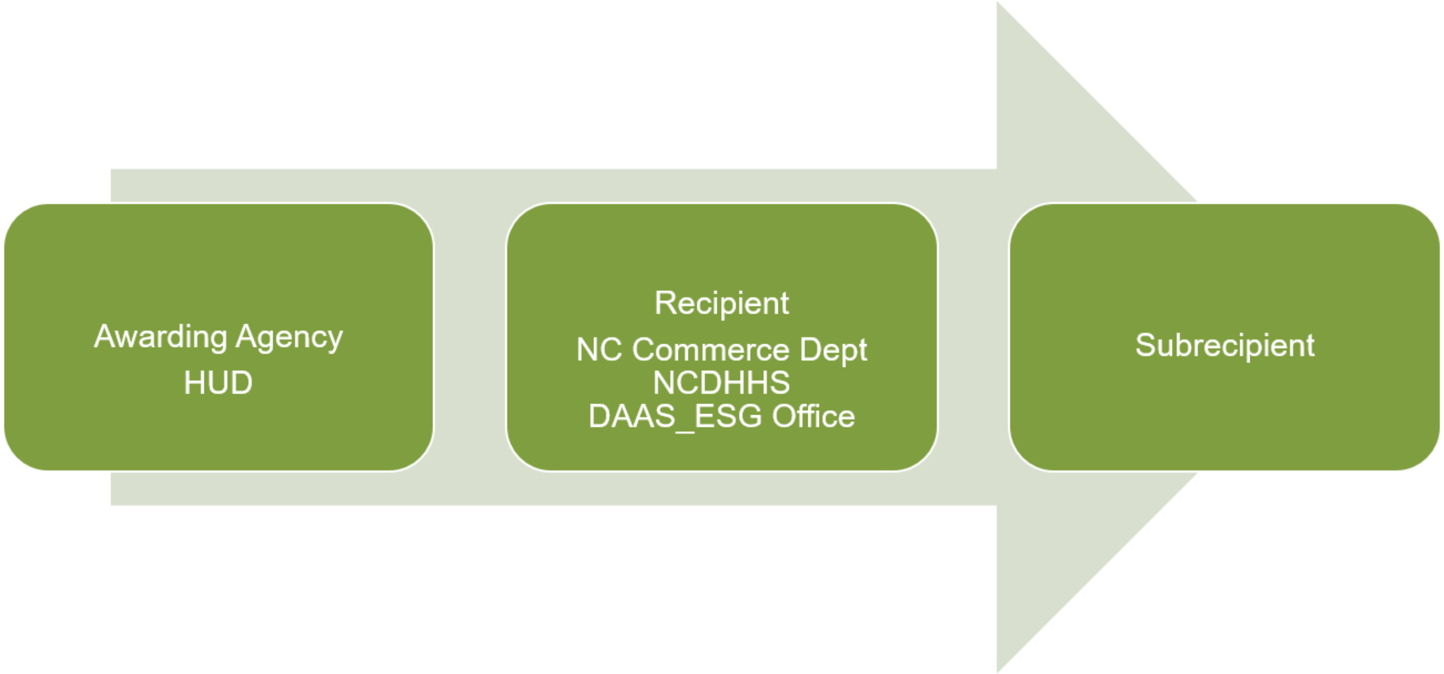
The ESG program is intended to assist people in preventing or ending their homelessness by supporting two primary functions: Emergency Response Activities, including emergency shelter operations and services as well as street outreach, and Housing Stability Activities including homelessness prevention and rapid re-housing.

North Carolina ESG Overview

- 2024 ESG Funding: $5,160,126 (used for PY/CY2025)
- 2025 ESG Funding: 5,169,928 (used for PY/CY 2026)

North Carolina ESG Overview

ESG Role as HUD Subrecipient



ESG Program Components

Agencies participating in the ESG program and/or receiving ESG funds, are eligible to perform activities under the components outlined below:

- **Street Outreach:** Meet the immediate needs of unsheltered homeless people by connecting them with emergency shelter, housing, and/or critical health services. (See Street Outreach section for eligible activities)
- **Emergency Shelter**: Intended to increase the quantity and quality of temporary emergency shelters provided to homeless people by supporting the shelters operating expenses and essential services. (See Emergency Shelter section for eligible activities)
- **Rapid Re-housing:** Move homeless people individuals and families quickly into permanent housing through rental assistance and housing relocation and stabilization services. (See Rapid Rehousing section for eligible activities)
- **Homelessness Prevention**: Prevent households from becoming homeless through rental assistance, and housing relocation and stabilization services. (See Homeless Prevention section for eligible activities)
- **NC HMIS / Domestic Violence / Victim Service Provider Comparable Database :** Support ESG Subrecipients participation in the NC HMIS / or DV comparable database collection system. Federal law requires that Domestic Violence / Victim Service Provider agencies use Systems Comparable to HMIS rather than the HMIS used by other homeless agencies

Emergency Response

Street Outreach

Services offered in to persons experiencing homelessness, living in unsheltered places (e.g. streets)

- Engagement & Case Management
- Transportation to shelter or service providers
- Public Transit Tickets
- Outpatient Emergency Health & Mental Health Services

Services must be provided in unsheltered situations

Emergency Shelter

Services offered to persons experiencing homelessness, staying in or visiting emergency shelters

ESSENTIAL SERVICES

- Shelter
- Case Management
- Child Care Costs
- Public Transit Tickets
- Education Services
- Employment Training
- Life Skills Training
- Outpatient Health & Mental Health Services
- Substance Abuse Treatment Services
- Legal Services to obtain & retain housing

Housing Stabilization

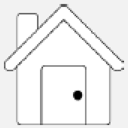
Rapid Re-Housing or Homelessness Prevention

Housing services offered to persons experiencing homelessness or at risk of homelessness

RENTAL ASSISTANCE

HOUSING RELOCATION & STABILIZATION SERVICES

Financial Assistance

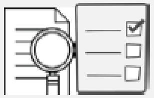


Rental Application fees
Security Deposit
Last Month's Rent

Utility deposit & payment

Moving costs

Housing Services



Housing Search & Placement
Housing Stability Case Management

Mediation services to keep housing
Legal services to obtain & retain housing

Credit Repair

Overview

Desk Guide

- Program Operations Manual
- Compliance Monitoring

Coordinated Entry

Written Standards

2024 DESK GUIDE
SECTION 3: PROGRAM OPERATIONS MANUAL

- Subrecipients are required (24 CFR 576.500) to maintain a separate ESG Program Operation Manual that details how the ESG program operates and, outlines the ESG program specific rules and policies provided to program participants.

- The operations manual is not the organization’s personnel manual or employee handbook. These operations are activity specific, although there is a possibility of overlap.

- The program operations manual must include, at a minimum the ESG program requirements.

- Subrecipients should have one manual for ESG program activities, this document should not contain information on other grants, programs, or operations.

- ESG-CV Addendum

2024 DESK GUIDE
SECTION 12: COMPLIANCE MONITORING

- The NC ESG office will on-site monitor a minimum of 20% of the total ESG Subrecipients every year.
- Program compliance, HMIS / Comparable database usage, and data integrity will also be subject to regular and random monitoring by NC ESG staff.
- Subrecipients are expected to make available all participant level, financial, and program records for periodic review.
- Significant deficiencies in file content or quality will result in required Plans of Corrective Action, with possible loss of allocated funds upon discovery of continuing deficiencies.

The Never-Ending Cycle of Oversight

CoC Participation

- Both the CoC and ESG Program interim rules require coordination and collaboration between CoCs and ESG recipients in order to ensure the recipients effectively strategize about the systems of assistance needed to address homelessness and how their respective funding streams can support provision of that assistance.
- Consultation is required for both CoCs and ESG recipients in the areas of:
  - Coordinated assessment
  - Written standards for administering assistance
  - Allocation planning and reporting for ESG
  - Suggested areas for additional coordination

Coordinated Assessment

- Each CoC is required to consult with ESG recipient(s) in its geographic area to establish and operate a coordinated assessment system that provides an initial, comprehensive assessment of the needs of individuals and families for housing and services ((578.7(a)(8)).

ESG-Specific Requirements:

- Once the CoC has developed a coordinated assessment system, each ESG funded program or project within the CoC's area must use that assessment system.
- If the CoC for the jurisdiction's area has established a coordinated assessment system that meets HUD requirements, the jurisdiction must describe that coordinated assessment system in the ESG-specific section of the jurisdiction's Annual Action Plan. (91.220(l)(4)(ii); 91.320(k)(3)(ii))

Written Standards

- The CoC must establish and follow written standards for recipients and subrecipients providing assistance with CoC Program funds.
- CoCs are required to consult with ESG recipient(s) in the CoC's geographic area to establish and consistently follow written standards for providing CoC assistance. (578.7(a)(9))
- ESG funded subrecipients must follow their CoC's written standards

CoC Written Standards and Coordinated Assessment are two separate documents.

HMIS/DV Comparable Database

- All ESG funded subrecipients must enter data into an HMIS or DV Comparable Database
- All funded activities must have a project set up in a HMIS/DV Comparable Database
- All households billed to ESG must be entered into a HMIS/DV Comparable Database Project
- HMIS/DV Comparable Database must be up and running by 1/1/26
- Contact your local system administrator for access or more information

CAPER

- The NC ESG Office requires quarterly CAPER submissions to our office
- HUD requires an annual CAPER submission through SAGE
- CAPERs are run through your HMIS/DV Comparable Database
- All subrecipients must be able to run a CAPER by 1/1/26

Client Files

ESG Client File Forms

The 2025 client file forms are found on the NC DHHS, Aging and Adult Services website located at:

https://www.ncdhhs.gov/divisions/aging-and-adult-services/nc-emergency-solutions-grant/nc-emergency-solutions-grant-%E2%80%93-0

Importance of Client Files

- **Per 24 CFR 576.500**, the Subrecipient must maintain files for clients served with ESG funding to ensure that ESG funds are used in accordance with the HUD requirements and State guidance.

- Client files tell the story of the individuals your organization is assisting with ESG funds.

- Eligible Client + Eligible Unit / Activity (if applicable) = Eligible Allowable Expenses

Best Practices

All client files:

- Must have an HMIS or DV Comparable Database Number
- Are required to be kept confidential in a safe / secure location
- Need to be separated by activity (i.e. ES Client File separate from RRH)
- Must contain the appropriate ESG checklist and should be “tabbed” and divided accordingly. The file can contain non-ESG documents however, for monitoring purposes, the ESG documents must be readily available and easily identifiable.

Deviations from the minimum required documentation standards must be approved by the NC ESG Office prior to use.

Client File Form Matrix

NC ESG FORM	1.0 - NC ESG CLIENT FILE MATRIX: FORMS REQUIRED BY ACTIVITY							
	EMERGENCY SHELTER	EMERGENCY SHELTER SERVICES	STREET OUTREACH	PREVENTION SERVICES	PREVENTION FINANCIAL ASSISTANCE	RAPID REHOUSING SERVICES	RAPID REHOUSING FINANCIAL ASSISTANCE	INELIGIBLE CLIENT FILE
1.1 NC ESG Emergency Shelter and Street Outreach Client File Checklist	X	X						
1.2 NC ESG Street Outreach Client File Checklist			X					
1.3 NC ESG RRH Client File Checklist						X	X	
1.4 NC ESG Homeless Prevention Client File Checklist				X	X			
1.5 NC ESG Ineligible Client File Checklist								X
2.0 NC ESG Verification of Homeless Status	X	X	X	X	X	X	X	X
3.1 NC ESG Street Outreach and Emergency Shelter Intake Form*	X	X	X					
3.2 NC ESG RRH and Prevention Intake Form*				X	X	X	X	
3.3 Housing Critical Needs Assessment Summary	Optional	Optional	Optional	X	X	X	X	
3.4 Individual Housing Stabilization Plan	Optional	Optional	Optional	X	X	X	X	
3.5 NC ESG Initial Third-Party Verification of Client's Income				X	X	X	X	
3.5A NC ESG Recertification Third Party Verification of Client's Income				X	X	X	X	
3.6 NC ESG Initial Client's Self-Certification of Income				X	X	X	X	
3.6A NC ESG Recertification Client's Self-Certification of Income				X	X	X	X	
3.7 NC ESG Initial Income Calculation Worksheet				X	X	X	X	
3.7A NC ESG Recertification Income Calculation Worksheet				X	X	X	X	
3.8 Housing Barriers Matrix and Initial Housing Plan	X	X	X					
3.8A NC ESG Stabilization Action Plan Monthly Update				X	X	X	X	
3.9 NC ESG Financial Assistance Tracking Form					X		X	
4.0 NC ESG Rental Assistance Agreement				X	X	X	X	
4.1 NC ESG Rent Reasonableness Checklist and Certification				X	X	X	X	
4.2 NC ESG HUD VAWA Form 5380 (Required)				X	X	X	X	
4.3 NC ESG HUD VAWA Form 5381 (Required if applicable)				X	X	X	X	
4.4 NC ESG HUD VAWA Form 5382 (Required)				X	X	X	X	
4.5 NC ESG HUD VAWA Form 5383 (Required if applicable)				X	X	X	X	
5.0 NC ESG Housing Stabilization Minimum Habitability Standards Checklist				X	X	X	X	
6.0 NC ESG Client Exit Form*	X	X	X	X	X	X	X	

CLIENT FILE FORMS

Requisitions

ESG Requisition Documents

The 2025 requisition documents are found on the NC DHHS, Aging and Adult Services website located at:

https://www.ncdhhs.gov/divisions/aging-and-adult-services/nc-emergency-solutions-grant/nc-emergency-solutions-grant-—-2

Requisition Submissions

- Requisitions are submitted through Smartsheet. A link will be provided to you at the beginning of the program year. Only one Smartsheet submission per Subrecipient, per month, will be accepted; exceptions may be made with prior approval from the NC ESG Office.
- **Once requisitions are processed, they cannot be recalled.**
- All questions regarding requisitions should be submitted to ncesg@dhhs.nc.gov
- Requisition submission must be received by the NC ESG Office in a timely matter. This means no later than 45 days after the last billing day of the month, for which the reimbursement is being requested.
- If approved: the requisition will be submitted for reimbursement to the State Controller office. (turnaround 30 business days)

Requisition Best Practices

- Review the entire requisition before submission
- Ensure adequate prep time for submission, allowing for resubmission of discarded requisition(s) if necessary.
- Refer to the Desk Guide for detailed information regarding requisition submissions.
- Requisition Submissions must be accurate and in order of the ESG Requisition Checklist.
- Per HUD regulations - requisitions must be sent to the NC ESG Office monthly, even if the requisition is for $0 and no less than 1 requisition per quarter must be greater than $0

Requisition Matrix

A - NC ESG REQUISITION CHECKLIST: ITEMS REQUIRED BY ACTIVITY

FORMS & DOCUMENTATION	EMERGENCY SHELTER OPERATIONS	EMERGENCY SHELTER SERVICES	STREET OUTREACH	PREVENTION SERVICES	PREVENTION FINANCIAL ASSISTANCE	RAPID REHOUSING SERVICES	RAPID REHOUSING FINANCIAL ASSISTANCE	HMIS	ADMIN (Local Gov. & Fiscal Agents ONLY)
Billing Information									
B1 NC ESG Requisition Workbook Cover Sheet (only 1 B1 is needed per requisition)	X	X	X	X	X	X	X	X	X
B2-B10 NC ESG Requisition Workbook Activity Sheets Per Activity	B2	B3	B4	B5	B6	B7	B8	B9	B10
Client Information									
C1-C4 NC ESG Client Log Per Activity	C1	C1a	C2	C3	C3	C4	C4		
2.0 NC ESG Verification of Homeless Status*		X	X	X	X	X	X		
Verification of Homelessness Documentation: letter from shelter, self-certification, discharge papers, observation statement by outreach worker* <u>**OR**</u>		X	X			X	X		
At-Risk of Homelessness Documentation: letter from shelter, self-certification, discharge papers, etc.*				X	X				
Lease: Must identify Lessee (client), amount of rent and all parties signatures**				X	X		X		
3.5 <u>or</u> 3.6 <u>AND</u> 3.7 NC ESG Verification of Income ***				X	X				
Proof of Income Documentation: Letter from employer, bank statement, unemployment compensation letter, Social Security benefits (to substantiate sudden loss of income)***				X	X				
Staff Information									
D1 NC ESG Time Sheet Workbook - Summary of Hours Sheet		D1	D1	D1		D1		D1	D1
D2-D6 NC ESG Time Sheet Workbook - Activity Sheet per Activity		D2	D3	D4		D5		D6	
Mileage: Submit organization mileage / travel log / proof of payment		X	X					X	X
Financial Information									
Eviction Notice				X	X				
Bill or Invoice	X	X	X	X	X	X	X	X	X
Rental Assistance Agreemenrt (if security deposit, rental asssistane, or rent arrears are paid for client.)					x		x		
Copy of Cancelled Check or Bamk Statement	X	X	X	X	X	X	X	X	X
Pay Stub		X	X	X		X		X	X
Facility Lease****	X								

* At the start of the contract period, submit Verification of Homelessness/Verification of At Risk of Homelessness forms and documentation for all continuing clients. For each subsequent month of the contract period, submit verification forms and documents in the month that they are obtained (month that the client enters services)

** Leases should be submitted for Prevention Clients at the beginning of the contract period (for continuing clients) and on the month that they are opened for services for new clients. Leases should be submitted at the beginning of the contract period for continuing Rehousing clients if they are receiving financial assistance and in the first month of financial assistance for new clients entering services during the contract period.

*** Verification of Income should be submitted at the same time as Verification of At Risk of Homelessness for clients receiving Prevention services and at each point of recertification for Prevention and Rehousing clients .

**** Facility lease is only needed for Shelter Operations if billing for reimbursement for rent expense.

REQUISITION FORMS

Helpful Links

- ESG main website link: https://www.ncdhhs.gov/divisions/aging-and-adult-services/nc-emergency-solutions-grant/nc-emergency-solutions-grant-%E2%80%93
- ESG Regs: https://www.govinfo.gov/content/pkg/FR-2011-12-05/pdf/2011-30938.pdf

NC ESG: Enhancing compliance, coordination, and effectiveness in meeting the needs of families and individuals experiencing homelessness.

Contact Information

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