

CHAPTER 2. KEY PROGRAM COMPONENTS

2.1 OVERVIEW

The CHSP provides assistance in the form of supportive services for participants in eligible housing projects. The supportive services are provided to frail or temporarily disabled elderly persons and non-elderly persons with disabilities for the purpose of promoting independence, preventing unnecessary institutionalization and encouraging deinstitutionalization. This chapter describes key program components, beginning with key definitions.

The key program components addressed in this chapter include:

- o service coordination;
- o participant eligibility, admission and termination;
- o the professional assessment committee (PAC);
- o types of qualifying supportive services;
- o participant fees;
- o funding and cost sharing; and
- o program costs.

2.2 KEY DEFINITIONS

The following definitions are the definitions that a user of this handbook is most likely to need. For a complete list of terms used in the CHSP regulations, see the CHSP Common Rule at 24 CFR 700.105 or 7 CFR 1944.252 (Appendix 2).

a. Activity of Daily Living (ADL)

An activity of daily living (ADL) is an activity regularly necessary for personal care, including eating, bathing, grooming, dressing, transferring and performing household management activities.

To be eligible to participate in the CHSP, an elderly resident of an eligible project must need assistance with at least 3 of these activities but still be able to perform at a minimum level as described below:

- (1) Eating: May need assistance with cooking, preparing or serving food, but must be able to feed self;
- (2) Bathing: May need assistance with getting in and out of the shower or tub, but, must be able to wash self;

- (3) Grooming: May need assistance with washing hair, but must be able to take care of personal appearance;
- (4) Dressing: May need occasional assistance but must be able

to dress self;

- (5) Transferring: May need assistance in getting in and out of bed and chairs, walking, going outdoors, using the toilet, and
- (6) Household Management Activities: May need assistance in doing housework, grocery shopping or laundry. Assistance in getting to and from one location to another for activities such as going to the doctor and shopping may also be provided. In either case, individuals must be mobile. The mobility requirement does not exclude persons using wheelchairs or those requiring other mobility devices.

b. Adjusted Income

Adjusted income is adjusted gross income, as defined for the Public Housing Program and for the Section 8 program (24 CFR Part 813 or Part 913).

c. Area Agency on Aging (AAA)

The Area Agency on Aging (AAA) is an agency designated by a State Agency on Aging to administer the program described in Title III of the Older Americans Act of 1965 (45 CFR Chapter XIII).

d. Case Management

Case management is evaluation of health, psychological and social needs, development of an individually tailored case plan for services and periodic reassessment of the residents needs in coordination with the PAC and;

- o making decisions about the way resources are allocated to an individual.
- o developing and monitoring of case plans in coordination with a formal assessment of services needed.

Case management for the CHSP is provided by the service coordinator.

e. Excess Residual Receipts

Residual receipts are the project funds that remain at the end of a year after all expenses are paid in limited dividend projects. Residual receipts of more than \$500 per unit are referred to as "excess" residual receipts for the CHSP.

Excess residual receipts can be used as cash match for CHSP grants to the extent that they are available and not committed to other uses. All eligible housing under the Multifamily Housing Program can use their residual receipts as match for

the CHSP grant.

f. Frail Elderly Person

A frail elderly person is a person at least 62 years old who needs assistance with three or more ADLs, as defined above.

g. Person with Disabilities

A person with disabilities is a household comprised of one or more persons, at least one of whom is an adult who has a disability. A person is considered to have a disability if such person is determined under regulations issued by HUD or by RHS to have a physical, mental, or emotional impairment that is characterized as follows:

- o It is expected to be of long-continued and indefinite duration;
- o It substantially impedes his or her ability to live independently, and
- o It is of such a nature that the person's ability could be improved by more suitable housing conditions.

A person is also considered to have a disability if the person has a developmental disability as defined in Section 102 (7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-7).

The term "person with disabilities" includes the following:

- o two or more persons with disabilities living together,
- o one or more such persons living with another person who is determined (under regulations promulgated by HUD or by RHS) to be important to their care and their well-being, and
- o the surviving member or members of any household, where at least one or more persons was an adult with a disability, who was living with the deceased member of the household at the time of his or her death, in a unit assisted under the CHSP.

h. Professional Assessment Committee (PAC)

The PAC is a group of at least three individuals whose purpose is to appraise the functional disabilities of residents in relationship to performing ADLs. They are appointed by the officials responsible for the CHSP in an eligible housing project. (See Paragraph 2.8 for more information on PACs.)

i. Service Coordinator

The service coordinator is a social service staff person responsible for assuring that program participants are linked to the supportive services they need to continue independent living. The service coordinator is hired by an eligible

owner, grantee or management company, or another third party contractor such as a local case management agency. (See Paragraph 2.4 below for a, description of the functions of a service coordinator.)

j. Service Plan

Each CHSP Grantee develops a plan for supportive services, which estimates the type and nature of services to be provided and the cost for each unit of service, This plan is developed in consultation with the Area Agency on Aging and the appropriate state or local agency and is submitted with the grant application.

k. Service Provider

The service provider is a person or organization licensed or otherwise approved in writing by a state or local agency (e.g., Department of Health, Department of Human Services or Welfare) to provide supportive services. The service provider may provide the service on either a for-profit or not-for-profit basis.

l. State Unit on Aging

The State Unit on Aging is an agency designated by the governor to administer the program in Title III of the Aging Act of 1965 (45 CFR Chapter VIII).

m. Temporarily Disabled

Temporarily disabled means having an impairment that is expected to be of no more than six months duration and that impedes the ability of the individual to live independently, unless the individual receives supportive services.

2.3 OVERVIEW OF SERVICES COORDINATION UNDER THE CHSP

Services coordination primarily refers to the activity of linking a CHSP participant to needed supportive services or medical services, which are provided by private practitioners or agencies in the general community. Additionally, service coordination can include case management, both formal and informal. Case managers are responsible for decisions about the way resources are allocated to individuals, based on their needs; the appropriate services needed to assist them; and their eligibility for public services.

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a. The Service Coordinator

- (1) Service coordination may be performed by a staff person hired by the project or a third party that contracts with the project to provide the services.

- (2) Service coordinators may be provided by a third party agency along with a supportive services package to assist project residents.
- (3) Service coordinators may be shared among projects in the same immediate geographic area, and they may be based on or off-site.

b. Existing Service Coordination in Eligible Projects

Many projects currently provide service coordination. These projects are primarily older Section 202s, Section 202,/8 or other Section 8/221 (d)/236 projects, public/Indian housing projects and Section 202/8 projects that are generally group homes for non-elderly persons with disabilities.

If service coordination is currently in place and paid for by HUD or other resources, the costs are not permitted to be shifted to the CHSP.

Indicators or examples of existing coordination arrangements are:

- (1) SSI and/or Medicaid payments going directly to the project's management for rent and service costs;
- (2) the coordination of the services (and possibly their payment) through the management or management agent of the project;
- (3) social work staff or equivalent approved in the budget by HUD.
- (4) placement of third party staff persons on the premises without charge to the current HUD budget of the project; and
- (5) any combination of the above.

These arrangements may be with case managers, social workers, or service coordinators, either with the owner/borrower's management company or a state/local government agency. For purposes of the CHSP, service coordination is operative if the major functions of a service coordinator, as stated below, are currently in place for project residents.

2.4 FUNCTIONS OF A SERVICE COORDINATOR UNDER THE CHSP

a. Allowable Service Coordinator Functions

The service coordinator has the following major functions:

- (1) Provides general case management (including intake) and referral services to CHSP participants needing such assistance;
- (2) Provides formal case management. This involves an evaluation of health, psychological, and social needs, performed with a commonly accepted assessment tool. The service coordinator may evaluate any apparently frail elderly or non-elderly disabled resident to determine if he/she is eligible for the CHSP. If the resident is eligible, the service coordinator refers the individual to the PAC;
- (3) Establishes linkages with all agencies and service providers in the community. Creates a directory of service providers for use by both project staff and residents;
- (4) Refers and links the participants to service providers in the general community, or those of the grantee or eligible owner;
- (5) Serves as staff to the PAC. Completes all paperwork needed by the PAC for the assessment, referral, case monitoring and reassessment processes. May develop case plans in coordination with assessment services in the community, or the PAC.

Implements the case plans made by the PAC and agreed to by the program participants. Maintains necessary case files on each program participant, containing such material as described in Section 4.6(b)(2)(B) and Figure 4-1.

- (6) Monitors the ongoing provision of services from community agencies and keeps the PAC and the provider agency current with the progress of the program participants.
- (7) Educates participants on service availability, application procedures, client rights, etc., and provides advocacy as appropriate.
- (8) Sets up volunteer support programs with service organizations in the community.

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- (9) Helps participants build informal support networks with other residents, family and friends.
- (10) Educates staff on the management team on issues related to "aging-in-place" and services coordination, in order to help them more effectively assist other persons receiving housing assistance through the grantee or

eligible owner.

b. Non-Allowable Service Coordinator Functions

- (1) CHSP funds cannot be used to support the time of a coordinator who performs other project activities such as serving as the project's recreational or activities director or assisting with administrative activities normally associated with project management.

However, a coordinator may perform non-allowed duties if the portion of the coordinator's time spent on these duties is paid by resources other than CHSP.

- (2) A service coordinator is not permitted to provide supportive services directly.
- (3) The service coordinator or the case management agency may not have a financial interest in a service provider agency that intends to provide services under the CHSP (24 CFR 700.130 (c) or 7 CFR 1944.257 (c)).

2.5 SERVICE COORDINATOR AND AIDE QUALIFICATIONS

a. Service Coordinator Minimum Qualifications

A service coordinator's work and educational experiences should meet the following minimum guidelines:

- (1) A Bachelor of Social Work or degree in a related field such as gerontology, psychology, or counseling is preferable; a college degree is fully acceptable. However, an individual without a degree, but with appropriate work experience may be hired as a service coordinator. Such situations must NOT be rejected out of hand.
- (2) Training in the aging process, elder services, disability services, eligibility for and procedures of federal and applicable state entitlement programs, legal liability issues relating to providing service coordination, drug and alcohol abuse by the elderly, and mental health issues. (24 CFR 700.130 (b) or 7 CFR 1944.257 (b)). A service coordinator who cannot provide evidence of this type of training when he or she is hired must meet this requirement within a year of the effective date of hire.

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- (3) Two to three years of experience in social services delivery with senior citizens and/or non-elderly persons with disabilities, as appropriate.
- (4) Demonstrated working knowledge of supportive services and other resources for senior citizens and non-elderly persons with disabilities in the area served by the

project.

- (5) Demonstrated ability to advocate, problem-solve, and provide results for those served.
- (6) In situations where the management of a building(s) wants to create a services "learn" in which a service coordinator supervises one or more aides, the coordinator should have appropriate professional staff experience AND prior management or supervisory experience.

b. Qualifications for Aides Working with a Service Coordinator

It is desirable, but not required, that aides have a college degree. They should, however, have appropriate experience in working with the elderly and/or persons with disabilities.

Another option for management is to set up an internship or work-study program with local colleges and universities. Students could assist in carrying out some of the service coordination functions noted above; provide planning guidance to project staff; or provide program evaluation/assessment functions.

2.6 PARTICIPANT ELIGIBILITY

a. Persons eligible to receive CHSP subsidized services must:

(1) be persons:

- o who are 62 years or older and deficient in at least three Activities of Daily Living (ADLs); OR
- o with permanent disabilities, regardless of age; OR
- o who are temporarily disabled and 62 years or older.

(2) live in housing assisted by HUD or RHS that has received CHSP funds.

In providing services under CHSP, priority shall be given to eligible residents who have very low incomes (24 CFR 700.125 (b) or 7 CFR 1944.256 (b)). "Very low income" is defined by HUD as having an income that is at or below 50 percent of the area median income.

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b. Activities of Daily Living (ADLs)

To be eligible for the CHSP, an elderly person must need assistance with at least 3 ADLs but be able to perform at

the minimum level, as described in Paragraph 2.2. The ADL assessment is relevant only with regard to determining a person's eligibility to receive supportive services; it is not a basis for eligibility for occupancy.

The determination of whether an elderly person meets this minimal level of performance also includes consideration of those services that will be performed by a person's spouse, relative, or other attendants that will be provided to the individual. For example, a participant who needs assistance in feeding him/herself will meet the minimum requirements of the eating ADL only if assisted by a spouse, relative, or attendant. If such assistance were to become unavailable to that participant, the eligible owner or grantee is not obligated to replace this aid or to provide other individualized services.

c. Non-Eligible Residents of Eligible Housing

Under certain circumstances, elderly persons who are not deficient in at least three ADLs may receive services provided by CHSP. These residents must live in either HUD or RHS assisted housing that is receiving CHSP funds. In order for non-eligible project residents to receive CHSP services, the housing managers, service coordinator and PAC must jointly determine that they need supportive services and that their participation will not negatively affect the provision of services to program participants. Also, the non-eligible residents must agree to pay the full cost of providing the services. (24 CFR 700.150 (f) or 7 CFR 1944.261 (f)).

d. Nonresidents

CHSP managers, in consultation with project residents, may elect to offer services to elderly persons or persons with permanent or temporary disabilities living in the surrounding community under certain circumstances. Nonresidents who receive meals and other services from a CHSP must agree to pay full cost of providing the services. (24 CFR 700.150 (f) or 7 CFR 1944.261 (f)). Project managers may serve these persons, as long as their participation does not adversely affect the cost-effectiveness or operation of the program. (24 CFR 700.135 (f) or 7 CFR 1944.258 (b)).

2.7 PARTICIPANT ADMISSIONS AND TERMINATION PROCEDURES

a. Supportive Service Application

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Each grantee, with the assistance of the service coordinator and the PAC, shall develop a supportive service application for residents to use. The application must include an intake form that contains personal information about the applicant, and is to be filled out by the service

coordinator. The application should also contain a preliminary ADL assessment (including an informal support network review) by the service coordinator and have attached comments from the applicant's physician or the service coordinator.

b. PAC Assessment

The PAC will complete a formal assessment, as appropriate and necessary, to determine the individual's need for assistance in activities associated with daily living. The information in the supportive services application is crucial to the PAC's determination of the need for further physical and/or psychological evaluation of any individual who wishes to receive supportive services.

c. Case Plan

Following assessment by the PAC and negotiation between the PAC (or the service coordinator, if this responsibility is delegated) and the involved individual, the case plan is created for each individual. It contains the services approved for that individual, the provider agency, the cost of the service and the fees, and any notes associated with service monitoring and delivery, change of condition of the individual over time and both follow-up case notes and reassessments, as appropriate. The case plan is updated by the service coordinator and the PAC, in consultation with the participant, at least semi-annually.

d. Participatory Agreement

Once agreement between the participant and the PAC or service coordinator is reached on the case plan, each participant in the CHSP must sign a participatory agreement (24 CFR 700.140 or 7 CFR 1944.259). The agreement is inserted in the participant's file.

The participatory agreement must include:

- (1) Period covered,
- (2) Services to be provided,
- (4) Fees to be charged, and
- (5) A clear statement that the fees may no longer be collected during that 12-month period once they are equivalent to 20 percent of adjusted income, as calculated in 24 CFR Part 91.3 (24 CFR 700.150 (a) or 7 CFR 1944.261 (9)). See Paragraph 2.13 below for further discussion of program participant fees.

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HUD/RHS requires that the agreement be reviewed and updated at the time of annual income recertification by the project/PHA/IHA's occupancy specialist. The agreement must also be adjusted whenever the service program is modified by

the PAC.

e. Transition Out of the CHSP

- (1) Cause for Transition Out. A program participant can be transitioned out of the CHSP if he/she:
 - regains physical and mental health, and is able to function without supportive services, even if only for a short period of time.
 - requires a higher level of care than that which can be provided under CHSP and needs to be transferred to another setting; or,
 - refuses to pay services fees.
- (2) Continuation of Service. Once terminated from the program, former participants may retain CHSP supportive services if they continue living in an eligible project and pay full service costs.
- (3) Reinstatement. It is possible for a former CHSP participant to be reinstated. The individual may be readmitted based on a reassessment by the PAC.

2.8 THE PROFESSIONAL ASSESSMENT COMMITTEE (PAC)

Each grantee must appoint a professional assessment committee (PAC) that will evaluate and determine the eligibility of potential program participants and determine the services to be provided to each participant (24 CFR 700.135 (a) or 7 CFR 1944.258 (a)).

a. Membership of the PAC

Each PAC must be composed of at least three individuals who are professionally competent to appraise the functional abilities of frail or temporarily disabled elderly persons and/or non-elderly persons with disabilities in relation to the performance of the normal tasks of daily living. PAC members shall be appointed by eligible housing project officials who are responsible for the congregate services program.

- 1 . The statute requires that the PAC members must include at least one qualified medical professional (Title VIII Section 802 (e)(3)(B)). The regulations add that the PAC should also

include at least one individual who does not have any direct or indirect relationship to the project (24 CFR 700.135 (c) or 7 CFR 1944.258 (c)).

2. Other individuals who may be considered for membership on

the PAC are:

- (A) the manager of the housing project;
 - (B) one or more representatives from local social service or health agencies, who have experience with the elderly and/or persons with disabilities;
 - (C) a representative from a local organization representing resident concerns (such as the local chapter of a group for the elderly or disabled) or an official representative of a resident organization, if one exists; and
 - (D) other persons professionally competent to appraise an individual's functional ability.
3. The following individuals are not permitted to serve as PAC members:
- (A) staff or board members of service providers expected to be paid from the CHSP;
 - (B) project residents, other than a representative of a resident organization, because they generally will lack professional qualifications to assess individuals; and, because the privacy of participating residents should be protected.
 - (C) the Service Coordinator. The service coordinator advises the PAC but does not vote on accepting individuals into the CHSP.

b. Duties of the PAC

According to the regulations at 24 CFR 700.135 (b) or 7 CFR 1944.258 (b), the PAC is required to:

- (1) perform a formal assessment of each potential elderly program participant's deficiencies in performing the ADLs. This assessment shall be based on the screening done by the service coordinator. It shall include a review of the adequacy of the applicants' informal support network (i.e., family and friends), in meeting the ADL needs of the potential participants;

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- (2) determine that each elderly applicant needs assistance in at least three ADLs; or that applicants qualify under either the definition of elderly who are temporarily disabled or the definition of non-elderly persons with disabilities.
- (3) authorize or perform a medical evaluation, if

necessary. These evaluations may be performed by a PAC medical professional, or applicants to the CHSP may be referred to another agency in the community that will perform the evaluation without charge;

- (4) perform a regular reassessment and updating of the supportive services plan of all participants at least semi-annually;
- (5) replace members within 30 calendar days after a current member resigns.

NOTE: Formal assessments should not be done if membership falls below three persons or if the qualified medical professional leaves the PAC and has yet to be replaced. In such cases the service coordinator may accept new program participants only on an emergency basis.

- (6) notify program participants and the grantee of any proposed modifications to PAC procedures. These parties and a resident's legal representative should be provided with a process and a reasonable time period to review and comment on all proposed PAC procedures prior to their adoption. This should be done both at the time of initial program development and for any changes during the term of the CHSP grant;
- (7) provide assurance of nondiscrimination in selection of CHSP participants, with respect to race, religion, color, sex, national origin, familial status or type of disability; and
- (8) provide complete confidentiality of information related to any individual examined, in accordance with the Privacy Act of 1974.

2.9 PAC OPERATING PROCEDURES

The PAC must establish operating procedures to accomplish the assessment and to assure fair treatment and due process for the residents (24 CFR 700.135(a) or 7 CFR 1944.258(a)). Operating procedures should be in written form and available for review by the project owner, grantees or residents. Operating procedures should cover:

a. Administrative Organization of the PAC

The PAC operating procedures should set:

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- (1) the length of time members shall participate;
- (2) the minimum number of meetings to be held annually; and

- (3) establishment of chairperson, secretary and other officers, as appropriate.

b. Application and Assessment Procedures

The PAC operating procedures should describe:

- (1) application taking and eligibility determination procedures;
- (2) the assessment and re-evaluation process;
- (3) how fees are determined and the current fee schedules;
- (4) termination policies.

c. Appeal Procedures

The PAC operating procedures should allow for residents to appeal PAC decisions related to entrance to, extent of participation in, or transition out of the CHSP. (See paragraph 2.10 below.)

2.10 PROCEDURAL RIGHTS OF APPLICANTS AND PARTICIPANTS

The PAC must provide an informal process that recognizes the rights of individuals receiving assistance to due process of law.

a. Application Rejection or Termination of Services

At a minimum, the PAC must:

- (1) serve the participant with a written notice containing a clear statement of the reasons for rejection or termination;
- (2) upon appeal, review the decision. The participant must be given the opportunity to present written or oral objections before an individual other than the person (or that person's subordinate) who made or approved the rejection or termination decision. A description of the appeals process, including both informal settlement and hearing procedures, is presented in Appendix 2, Sample Appeals Procedure.
- (3) provide prompt written notification of the PAC's final decision.

b. Option to Refuse Services

PAC procedures must ensure that, as part of the case planning process, any participant has the option of declining offered services and requesting other supportive services.

c. Additional Services

In situations where individuals request additional services not initially recommended by the PAC, the PAC must determine whether the request is for a legitimately needs-based service that can be covered by CHSP funds. Individuals can purchase at cost for additional services not recommended by the PAC, as long as those services do not interfere with the efficient operation of the program.

2.11 RESOURCES IN THE COMMUNITY FOR EVALUATIONS

Grantees may use existing community programs that perform functional evaluations of the applicants. These evaluations would then be submitted to and evaluated by the PAC. For persons without a doctor or who cannot afford a medical evaluation, HUD encourages the use of the following community programs and facilities:

- o City/County Health and Social Service Departments;
- o Geriatric Evaluation Services;
- o Community Mental Health Centers;
- o Vocational Rehabilitation Centers;
- o Public Health and Veterans Administration facilities; or
- o Developmental Disabilities Assistance Centers authorized under the 1970 Act, as amended.

2.12 ELIGIBLE SUPPORTIVE SERVICES

Supportive services are the means by which the frail elderly residents of eligible housing and non-elderly residents with disabilities are able to continue living independently. Both eligible owners and grantees can provide supportive services directly or may, by contract or lease, provide such services through other appropriate agencies or providers.

The CHSP allows for a variety of services to be funded under its auspices. These include meals, housekeeping, personal assistance, transportation and health-related services. Services other than meals may be provided off-site, if appropriate. Eligible services include:

a. Meal Service

- (1) Each grantee is required to make available to program participants a full meal service adequate to meet nutritional needs, defined administratively as a minimum of at least one hot meal a day served in a group setting. Meals must be provided to program

participants on site (24 CFR 700.120 (c)(1) or 7 CFR 1944.255 (c)(1)).

While a meal service is a mandatory component of the CHSP, not all CHSP participants are required to take meals from the CHSP. Participants will be offered meals service by the PAC, depending on the outcome of their assessments. Meal programs must conform to CHSP guidelines described in Exhibit 2-1.

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EXHIBIT 2-1
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Exhibit 2-1
CHSP MEAL SERVICE GUIDELINES

1. Hot Meals

The daily meal made available by the grantee must be served hot. A CHSP hot meal is one in which the principal food item of the meal is hot at the time of serving (24 CFR 700.120 (c)(2) or 7 CFR 1944.255(c)(2)).

2. Special Menus

Special meals shall be provided as necessary, to meet the dietary needs related to the health requirements of such conditions as diabetes and hypertension. HUD also strongly encourages grantees to meet the dietary needs of religious and ethnic groups (24 CFR 700.120 (c)(3) or 7 CFR 1944.255(c)(3)).

3. Type of Service

At least one daily meal made available by the grantee must be served in a group setting. Grantees have the option, if providing more than one meal daily, of serving all meals in a group setting or providing a combination of group and carry-out meals. In most cases, however, in order to encourage socialization, grantees should encourage residents to partake of the meals in a group or "congregate" arrangement (24 CFR 700.120 (c)(1)(1) or 7 CFR 1944.255(c)(1)).

A meals program in which 100 percent of the meals are delivered to the apartment of the resident is INELIGIBLE.

Meals may be provided using one or several of the following methods:

- provision of meals on-site by project management;
- contracting for catered meals to be brought in;
- contracting for meals, with the contractor using an on-site facility for preparation;
- provision of and assistance in the preparation of in-unit meals for participants who are temporarily ill or disabled.

4. Meals Service Standards

Meals provided through CHSP must be wholesome and nutritious. They must be appropriate for the low-energy intake characteristic of the elderly or the special needs of non-elderly persons with disabilities; be suitable for, and adaptable to, the limitations of elderly or disabled people in preparing their food, and be compatible with dietary and drug therapies.

Each meal must meet a minimum of one-third of the minimum daily dietary allowance as established by the Food and Nutrition Board of the National Academy of Sciences-National Research Council. If state or local nutrition standards are stricter, these must be followed instead (24 CFR 700.120 (c)(4) or 7 CFR 1944.255 (c)(4)).

5. Dietician Certification

Grantees must obtain a certification which states that the one daily meal provided under CHSP meets the minimum daily dietary allowances and is hot at the time of serving. This certification must be prepared and signed by a registered dietician, and submitted to the grantee annually (24 CFR 700.120 (c)(4) or 7 CFR 1944.255 (c)(4)).

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(2) In contracting for or otherwise providing for meal services, preference shall be given to any provider of meal services who:

(A) receives assistance under Title III of the Older Americans Act (24 CFR 700.120 (c)(6) or 7 CFR 1944.255 (c)(6)), or

(B) delivers meals as a part of a regular, on-going program to elderly individuals and non-elderly persons with disabilities.

These preferences do not preclude an eligible owner or grantee from directly cooking and providing meals under its own auspices.

(3) Eligible owners or grantees have the option of extending meal services to noneligible residents or nonresidents, as described in Paragraph 2.6 above. These individuals shall be charged the actual cost of providing the meal.

(4) Each eligible owner and grantee must apply for approval as a retail food store under Section 9 of the Food Stamp Act of 1977 (42 U.S.C. 2018)(24 CFR 700.120 (c)(6) or 7 CFR 1944.255 (c)(6)).

(5) Eligible owners and grantees must also request

agricultural commodities made available without charge by the Department of Agriculture, for use in meal services, subject to regulations at 7 CFR Section 250. The procedures for both applying for retail food store approval and requesting agricultural commodities are described in Paragraph 4.5 below.

b. Housekeeping Aid

Many frail elderly and non-elderly persons with disabilities may have difficulty in doing everyday housework and household maintenance. Light housekeeping services may be offered to such residents, including making beds, washing clothes, vacuuming, dusting and bathroom cleaning. Laundry facilities should be made available for housekeepers to provide this service for those who do it themselves. The number of service hours provided will depend on residents' functional abilities. Normally, a participant will need approximately two hours a week of housekeeping service.

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c. Personal Assistance

Personal care services (as illustrated in Figure 2-2) are often pivotal in meeting participants daily living needs. This assistance includes a variety of tasks that maintain personal appearance and hygiene, based on an individual's personal impairments and needs.

Figure 2-2
EXAMPLES OF PERSONAL CARE SERVICES

1. grooming
2. dressing
3. using the toilet (getting to the toilet, cleaning self, arranging clothing)
4. bathing and personal hygiene
5. hair, skin and foot care
6. clothes care
7. cooking, preparing or serving food
8. getting in and out of bed and chairs
9. walking
10. going outdoors

d. Transportation Services

Transportation services such as those in Figure 2-3, enable those lacking a car or the ability to drive to remain independent, to maintain necessary links with the community, and to obtain the services and goods needed on a regular basis.

Figure 2-3
EXAMPLES OF TRANSPORTATION SERVICES

1. Project owns and operates a car or one or more vans, or shares a van/car(s) with other nearby project(s);
2. Project contracts with a taxi service for specific routes or for set-cost subsidized vouchers for the project participants.
3. Project arranges with local senior citizen (or city/county) bus service to be included on its regular route(s). Sometimes this may include fare agreements.

Projects most often use car, taxi, van, or bus service. Transportation services can make such places as medical clinics, social service agencies, shopping areas, grocery stores, religious institutions, and libraries accessible and readily available to program participants.

Volunteer arrangements for transporting CHSP participants are discouraged, unless the liability insurance covers the actions of volunteers.

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a. Health-Related Services

Figure 2-4 illustrates health-related services that encourage and promote good health and active living for program participants.

Figure 2-4
EXAMPLES OF HEALTH-RELATED SERVICES

1. Wellness programs;
2. Preventive health screening; and,
3. Monitoring of medication, consistent with state

law.

f. Personal Emergency Response Systems

These are systems that will allow residents to call for emergency aid through the use of hand-held units or devices worn around the neck. Such a system serves to ensure the safety of program participants at all times.

g. Other Requested Services

Applicants and grantees can request approval from the Secretary of HUD or the Secretary of the Department of Agriculture for funding for other appropriate services (NOT including recreational activities) at the time of initial application, or later, as appropriate. These should be designed to enhance and promote the independence, good physical and mental health and safety of program participants. If approved, these services will be authorized through amendments to the original grant award, if not part of that award.

An example of a requested service that could be approved is counseling. Counseling services, as illustrated in Figure 2-5, may be provided to enhance the quality of life for CHSP participants.

Figure 2-5
EXAMPLES OF COUNSELING SERVICES

1. Social work counseling (such as short-term assistance with personal, religious or family problems);
2. Legal and financial counseling (including help in applying for entitlement programs); and
3. Legal advocacy.

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2.13 PROGRAM PARTICIPANT FEES

Each grantee is required to establish fees for meals and may set fees for other provided services. Grantees must collect fees that are equal to at least 10 percent of the costs of the services provided by the program (24 CFR 700.150(e) or 7 CFR 1944.261 (e)). See Paragraph 2.14 for an explanation of cost sharing.

a. General Requirements

- (1) The fees must ensure that no participating resident pays more than the cost of the services that he/she actually receives (24 CFR 700.150 (c) or 7 CFR 1944.261 (a)).
- (2) Fees may NOT be charged for meals or any supportive service funded under the Older Americans Act (24 CFR 700.150 (c) or 7 CFR 1944.261(c)). Participants may make voluntary donations for these services, which must be counted toward the required fees.
- (3) Grantees must charge a percentage of adjusted income as the meals fee. Fees for other services are optional for the grantee to charge (24 CFR 700.150 (d) and (a) or 7 CFR 1944.261 (d) and (e)).

b. Limitations on Fees Charged to Program Participants

- (1) A participant shall not pay more than 20 percent of his/her adjusted income for fees within any annual period.
- (2) If a program participant has no adjusted income, or if 20 percent of the person's adjusted income does not cover all fees, the grantee may totally or partially

waive the fee requirement for that participant. (See Paragraph 2.14 regarding HUD/grantee cost sharing of the shortfall.)

- (3) For services other than meals, grantees must charge flat fees. CHSP rules do not permit the use of sliding fee scales.

c. Meal Service Fees

Under CHSP, a participant's income is first applied to covering the cost of meal services.

(1) Full Meals Service

The fee for participants receiving full meal services (more than one meal a day, seven days a week) must be reasonable and shall be: at least 10 and no more than 20 percent of the

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adjusted income of the participant, or the cost of providing the service, whichever is less (24 CFR 700.150 (d)(1) or 7 CFR 1944.261 (d)(1)).

(2) Less Than Full Meals Service

The fee for participants receiving less than full meal service, i.e., one meal a day, seven days a week or less) shall be the lesser of 10 percent of that individual's adjusted income, or the cost of providing the service (24 CFR 700.150 (d)(2) or 7 CFR 1944.261 (d)(2)).

Figure 2-6 illustrates the process of calculating meals fees for program participants.

Figure 2-6
CALCULATION OF MEALS FEES
(Using Average Incomes)

The fees that CHSP participants are charged for meals are based on the cost of meals received and the participants' adjusted incomes.

Example: A CHSP project has ten participants with an average income of \$6,000. Each of them receives two meals a day, seven day a week. The total annual meals cost for the program is \$36,400.

1. The first step is to calculate the cost of each meal that an individual receives.

10 participants X 2 meals/week X 7 days/week = 140 meals/week.

140 meals/week X 52 weeks/year = 7,280 meals/year.

\$36,500 total meals cost divided by 7,280 meals =
\$5.00/meal.

2. The second step is to calculate the annual meals cost for one person:

\$5.00/meal X 14 meals/week X 52 weeks/year = \$3,640/year.

3. The third step is to determine a participant's annual meals fee based on income.

Because two meals per day are provided in this CHSP, the participants must be charged more than 10% and less than 20% of their adjusted incomes. Assume that the percentage of income is set at 13%.

13% of \$6000/year (annual average adjusted income) =
\$780/year

4. An individual must pay a fee that is the lesser of a set percentage of income and the cost of the meals. Therefore, the fourth step is to compare 13% of the annual average income (\$780) to the annual cost of meals for one participant (\$3,640).

\$780 is less than one person's annual meals cost (\$3,640). Therefore, each participant is charged \$780/year for the meals program. The total meals fees to collected are:

\$780/participant/year X 10 participants = \$7,800/year

d. Fees for Services Other Than Meals

For services other than meals, a participant is charged a fee per unit of service for each of the services he or she receives. Figure 2-7 presents one example of setting fees for meals and other services in a CHSP.

Total fees charged for meals and other services are limited to 20 percent of each participant's income or the cost of providing the services, whichever is less (24 CFR 700.1 50 (e) or 7 CFR 1944.261 (e)). If the meals fee alone for an individual equals 20 percent of his or her adjusted income, no fee may be charged for any other service.

e. Fees for Other Residents and Nonresidents

Project residents who do not qualify for CHSP assistance and non-residents may receive services as long as the fee equals the cost of providing the service(s) (24 CFR 700.150(f) or 7 CFR 1944.261 (f)). The cost of providing these services and

the fees paid are off-budget. The fees are not counted in the 10% of program cost that must be collected from program participants.

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Figure 2-7
SETTING PARTICIPANT FEES FOR MEALS AND OTHER SERVICES

A CHSP provides 7 meals a week, personal care and transportation. Participant A has an annual income of \$10,000 and receives 7 meals per week and 10 hours of personal care. Participant B has an income of \$5,000 per year and receives 7 meals, 5 hours of personal care, and 10 rides per week. The costs of providing each meal and each unit of service are: \$5.00 per meal; \$5.00 per hour of personal care, and .50 per ride.

1. To determine what fees each of these participants will pay, the first step is to determine the annual cost of providing these services:

Participant A

Meals: 7 meals/week X \$5.00/meal = \$35/week
\$35/week X 52 = \$1,820

Personal Care: 10 hours/week X \$5.00/hour = \$50/Week
\$50/week X 52 = \$2,600

Total Cost of Other Services = \$2,600

Participant B

Meals: 7 meals/Week X \$5.00/meal = \$35/week
\$35/Week X 52 = \$1,820

Personal Care: 5 hours/week X \$5.00/hour = \$25/week
\$25/week X 52 = \$1,300

Transportation: 10 rides/Week X \$0.50/ride = \$5/week
\$5/week X 52 = \$260

Total Costs of other services = \$1,300 + \$260 = \$1,560

2. The next step is to determine the limit to each participant's meals fee, based on income. For less than full meals service, participants are charged the lesser of the cost of providing the meals (\$1,820/person) and 10% of income. Participant A, then, can pay up to \$1,000 for meals, and Participant B can pay up to \$500 for meals.
3. Finally, the fees that each participant is charged for services other than meals is determined. Total fees charged for meals and other services are limited to 20% of each participant's income, or the cost of providing the services whichever is less.

Participant A's fees for other services are limited to:

20% of \$10,000 - \$2,000
\$2,000 - \$1,000 (meals fee) - \$1,000

Participant B's fees for other services are limited to:

20% of \$5,000 - \$1,000
\$1,000 - \$500 (meals fee) - \$500

Therefore, Participant A will be charged \$1,000 annually for the personal care services that he receives, and Participant B will be charged \$500 annually for the personal care and transportation that she receives.

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2.14 COST SHARING

a. General (24 CFR 700-145 (a) or 7 CFR 1944.260 (a))

- (1) The CHSP grant covers up to 40% of total program costs.
- (2) Eligible owners or grantees are required to provide matching funds that account for AT LEAST 50 percent of total program costs. In cases in which a state is a grantee, a local government's contribution cannot exceed 10 percent of the amount required from the state. (See Paragraph 2.15 below for a discussion of what a grantee may include as matching funds.)
- (3) Participants generally must contribute fees in such an amount that accounts for AT LEAST 10 percent of total program costs. Exhibit 2-2 provides an example of this fee match requirement.

If fees collected from program participants do not add up to 10 percent of costs because participants have either no income or very-low income, HUD will share the cost of the deficit amount with the owner or grantee on a 50/50 percent basis.

b. Prohibition on Substitution of Funds (24 CFR 700.145 (b) or 7 CFR 1944.260 (b))

Grantees must certify to HUD that CHSP funds will not be substituted for funds that the grantee or other third party was providing before the date of application for assistance under CHSP. Activities funded by CHSP funds must be in addition to, and must not replace, activities or services funded by the grantee prior to the time of application to the CHSP.

c. Maintenance of Existing Supportive Services (24 CFR 700.145 (b) or 7 CFR 1944.260 (b))

Grantees must certify that they will maintain any existing supportive services already received by frail elderly residents and non-elderly residents with disabilities, if the PAC determines that the existing services are needed to maintain independence. Such supportive services cannot be used as matching funds. They must be maintained throughout the time participants remain in the CHSP, unless the PAC or another entity that has performed an assessment determines that the participants no longer need them.

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Grantees must provide this certification annually, as part of the annual program and budget review. Certification is required for any program participant who was receiving eligible supportive services at the time of his/her application to the CHSP.

EXHIBIT 2-2

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EXHIBIT 2-2
FEE REQUIREMENT

In calculation of fees, applicants must keep in mind that the fees collected need to meet at least the 10 percent requirement as stated in Sections 700.150(a) and 1944.261(e) of the Common Rule.

For example: two CHSP programs, Program A and Program B, each have 30 participants. Program B provides more extensive services and is more expensive than Program A. In addition to a daily CHSP meal, Program A provides housekeeping and transportation services. In addition to a daily CHSP meal, Program B provides personal care, housekeeping and extensive transportation services. The monthly average adjusted income of participants in each program is \$400.00.

1. The total annual program costs:

Program 1 Annual Costs

Service Coordinator	\$20,000
Meals	65,700
65,700	
Housekeeping	12,480
19,500	
Transportation	10,000
31,000	
Administration	11,000
12,480	

Program 2 Annual

Service Coordinator	\$25,000
Meals	
Housekeeping	
Personal Care	
Transportation	

Programs.

- (2) Excess residual receipts (amounts in excess of \$500/unit) in Sections 8, 202 or 202/8, 221 (d), or 236 projects may also be used if they are not committed to other uses, and, the HUD state or area office/RHS state office approves their availability.
- (3) INELIGIBLE cash contributions include (24 CFR 700.145 (d) or 7 CFR 1944.260 (d)):
 - (A) CHSP funds,
 - (B) PHA operating funds,
 - (C) PHA's Section 8 administrative fee,
 - (D) Section 8 funds other than excess residual receipts,
 - (E) Comprehensive Improvement Assistance Program CIAP funds other than for a service coordinator, and
 - (F) Comprehensive grant funds, unless used for a service coordinator.

b. In-Kind Resources

The value of in-kind resources may account for a MAXIMUM of 10 percent of the grantee's required matching amount. In-kind resources, as defined at 24 CFR 700.145 (c)(2)(iii) or 7 CFR 1944.260 (c)(2)(iii), include the current market value of donated common and office space, furniture, utilities, material, supplies, equipment, and food used in direct provision of services or program administration. Stock on hand that is contributed for use in the CHSP is considered an in-kind resource.

CHSP applications (and annual renewals) must contain explanations of how the estimated donated value for items was obtained. An example of computing the value of an in-kind resource is presented in Figure 2-8.

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Figure 2-8
EXAMPLE OF VALUE OF IN-KIND RESOURCE

Situation:

A 1,225 sq. ft. area is donated for use by the CHSP as a dining facility 25 percent of the time. The current rental value of the facility is \$2/sq. ft./month.

Calculation of Value:

- 1. Sq. Ft. X Rent/Sq. Ft./Month = Total Cost Per Month
- 2. Total Cost Per Month X % Used by CHSP = CHSP Value Per Month
- 3. CHSP Value Per Month X 12 = CHSP Value Per Year

Type of Facility

Dining 1,225 sq. ft. X \$2/sq.ft./mo. =	\$2,450/month
\$2,450/month X 25% =	\$612.50
\$612.50/month X 12 =	\$7,350/year

c. Value of Services

The imputed value of other agency or third-party provided direct services or staff who will work with or provide services to program participants. These services must be necessary to keep program participants independent. Imputed value may include any salary paid to staff from other sources to carry out the CHSP or any salary paid to residents employed by CHSP from other sources.

This means that if the applicant or another third party agency allocates staff time to CHSP, the actual value of such staff time may be directly contributed to the program as match. The cost of the staff time should include fringe benefits.

Figure 2-9 illustrates the imputed value of staff time. A letter on organization letterhead must clearly spell out this amount including staff position, time, amounts, units of service provided, and dollar value of service.

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Figure 2-9
EXAMPLE OF IMPUTED VALUE OF STAFF

A CHSP applicant assigns a bus driver, a bookkeeper and an executive director to the CHSP, as follows:

Job Category	Percent of Time	Hours per Week
Bus Driver	15%	6
Bookkeeper	10%	4
Executive Director	5%	2

Each worker has the following hourly rates:

Job Category	Hourly Rate
Bus Driver	\$10
Bookkeeper	\$12
Executive Director	\$40

The imputed annual value of each worker would then be calculated, as follows:

- 1 . Hours/Week X Hourly Rate = Dollar Value per Week
2. Dollar Value Per Week X 52 = Dollar Value per Year

Job Category

Bus Driver:

6 hrs./week X \$10/hour = \$60/week
\$60/week X 52 = \$3,120/yr

Bookkeeper:

4 hrs/week X \$12/hour = \$48/week
\$48/week X 52 = \$2,496/yr

Executive Director:

2 hours/week X \$40/hour: \$80/week
\$80/week X 52 = \$4,160/yr

Total Imputed Value: \$9,776

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d. Volunteer Services

Services performed by volunteers including PAC members are valued at a rate of \$5 an hour. The value of PAC members' time cannot be counted for any time period during which initial assessments of individuals are made prior to their entry into the CHSP. However, all PAC time for reassessments and other follow-up after entrance to the program may be counted.

Volunteers may also provide some supportive services such as serving as meals service aides or helpers. However, if project residents are used to provide these services, they must be persons who are not eligible to receive CHSP services and must be remunerated as indicated in e below.

e. Employment/Services of Project Residents

Section 802 (j)(1) of the National Affordable Housing Act states that each project receiving assistance under this section shall, to the maximum extent practicable, utilize the elderly and persons with disabilities who are residents of the project, but who are not eligible to receive CHSP services, to participate in providing CHSP services; however, such non-eligible persons may not volunteer their services.

Section 802(j) states that residents providing such services "must be paid wages that are not lower than the higher of-

- (a) the minimum wage that would be applicable to the employee under the Fair Labor Standards Act of 1938 ...;
- (b) the State or local minimum wage for the most nearly comparable covered employment; or
- (c) the prevailing rates of pay for persons employed in similar public occupations by the same employer."

- f. Annual Review of Matching Funds (24 CFR 700.145 (a) or 7 CFR 1944.260 (f))

Matching funds will be reviewed annually as part of the program/budget review. If matching funds are found to be insufficient to meet program requirements at any time during the term of the grant, HUD may decrease the federal grant share of supportive service funds accordingly. This adjustment will be done in the year following the year with the shortfall, so that the required ratio of federal grant to matching funds is maintained.

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2.16 PROGRAM COSTS

- a. Allowable Costs (24 CFR 700.115 (a) or 7 CFR 1944.256 (a))

Allowable costs must be reasonable, necessary, and must be in compliance with OMB's cost policies, as delineated in OMB Circulars A-87 and A-128. Allowable costs are as follows:

- (1) direct hiring of staff, including a service coordinator;
- (2) supportive service contracts with third parties;
- (3) equipment and supplies (including food), necessary to provide services;
- (4) operational costs of a transportation service (e.g. mileage, insurance, gasoline and maintenance, driver wages, taxi or bus waivers;
- (5) purchasing or leasing of vehicles; and,
- (6) direct and indirect administrative expenses for administrative costs such as annual fiscal review and audit, telephones, postage, travel, professional education, furniture and equipment, and costs associated with self evaluation or assessment.
(Allowable expenses for self-assessment may not exceed one percent of the total CHSP budget.)

- b. Non-Allowable Costs (24 CFR 700.115(b) or 7 CFR 1944.254 (b))

Costs are nonallowable if they are related to any program, service or activity provided by a grantee and which existed prior to the time of application to CHSP. Such costs are as follows:

- (1) Capital funding (such as purchases of buildings, related facilities and land, and major kitchen items such as stoves, refrigerators, freezers, dishwashers, trash compactors or sinks).
- (2) Disproportionate administrative costs charged to CHSP for payment of rents/leases, utilities or staff salaries.

- (3) Payments to PAC members or any other outside professionals assisting in the assessment process with HUD CHSP funds (other than the Service Coordinator).
- (4) Pre-existing supportive services or administrative (e.g. security) programs.
- (5) Costs of supportive services other than those approved by HUD.

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- (6) Modernization, renovation or new construction of a building or facility, including kitchens.
 - (7) Costs associated with the development of the application and service plans before the effective date of the CHSP grant award.
 - (8) Overnight emergency nursing services and ongoing and regular care from doctors and nurses, including skilled nursing care, administering of medicine, purchases of medical supplies, equipment or medication. Included also is overnight nursing services and other institutional forms of service, care or support.
 - (9) Occupational therapy and vocational rehabilitation services.
 - (10) Costs of service coordination already in place and paid for by HUD or through resources of an agency other than HUD or RHS. (See Paragraph 2.4 for more on existing service coordination.)
 - (11) Other items defined as unallowable in OMB Circulars A-87 or A-122.
- c. Administrative Cost Limitation ((24 CFR 700.115(c) or 7 CFR 1944.254 (c)) Administrative costs cannot exceed 10 percent of a program's total budget.

2.17 OTHER FEDERAL REQUIREMENTS

In addition to the administrative requirements in 24 CFR Parts 84 and 85, the cost principles in OMB Circulars A-87 and A-122, and the audit requirements in OMB Circulars A-128 and A-133 (see Exhibit 1-1), CHSP grants are subject to the following federal requirements, in accordance with 24 CFR 700.175 and 7 CFR 1944.266:

a. Drug-Free Workplace

Grantees must certify that they will provide a drug-free workplace, in accordance with the Drug-Free Workplace Act of 1988, implemented by 24 CFR Part 24, subpart F.

b. Nondiscrimination and Equal Opportunity

Recipients must comply with the following requirements to ensure nondiscrimination. (A partial listing of HUD implementing regulations are contained in appendices 21-27).

- (1) Fair housing requirements of the Fair Housing Act and HUD Fair Housing Regulations (24 CFR Part 100) (Appendix 21);

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Equal Opportunity in Housing (Executive Order 10063 and 24 CFR Part 107) (Appendix 22); the fair housing advertising and poster guidelines (24 CFR Parts 109 and 110) (Appendix 23).

- (2) Nondiscrimination in housing (Title VI of the Civil Rights Act of 1964 and HUD regulations at 24 CFR Part 1) (Appendix 24).
- (3) Prohibitions against discrimination on the basis of age or disability (Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, and HUD regulations at 24 CFR Parts 146 (Appendix 25) and 8 (Appendix 26)).
- (4) Encouragement of the use of minority and women's business enterprises, consistent with HUD's responsibilities under various Executive Orders.

(a) Executive Order 11246

Requires all federal government contracting agencies to assure contract compliance for nondiscrimination in government employment; and, nondiscrimination in employment by government contractors and subcontractors.

(b) Executive Orders 11625 and 12432:

The Minority Business Enterprise Program (OSDBU) is required to oversee the implementation of voluntary compliance programs to stimulate minority business participation in procurement and grant programs.

(c) Executive Order 12138:

Directs all Federal agencies to facilitate and strengthen women-owned business enterprises to assure full participation by women in the free enterprise system.

- (5) Affirmative Fair Housing Marketing requirements at 24 CFR Part 200 and compliance procedures at 24 CFR Part 108 (Appendix 27).

(6) Maintenance of data on the race, ethnicity and gender of program applicants and participants, as the Secretary may require under 24 CFR Part 121.

c. Anti-Lobbying Certification

Grantees with assistance of more than \$100,000 must certify that no federal funds have been or will be spent on lobbying activities in connection with the assistance, according to the Common Rule at 7 CFR Part 3018 and 24 CFR Part 87.

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d. Debarred or suspended contractors

Grantees are subject to provisions applying to the employment, engagement of services, awarding of contracts or funding of any contractors or subcontractors during debarment, suspension or placement in ineligibility status, according to 24 CFR Part 24 and 7 CFR Part 3017.

e. Conflict of Interest

No one who is associated with an applicant and has any responsibilities related to the activities supported by CHSP grant funds, or participates in decision-making activities or is in a position to gain inside information may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement for himself or herself either during his or her tenure or for one year thereafter. This requirement is in addition to the requirements in OMB Circular A-87 and 24 CFR Part 85.

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