

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Budget

Budget Detail: ESG funds shall be used for the eligible activities as detailed in Exhibit E of this Agreement, as described under federal ESG regulations at 24 C.F.R Part 576, Subpart B – Program Components and Eligible Activities and Title XII, Homeless Assistance Section and Section 201 of the Guidelines.

2. Availability of Funds

The Department's provision of funding to Contractor pursuant to this Agreement is contingent on the continued availability of ESG funds and continued federal authorization for ESG activities, as well as the conditions set forth in Exhibit D. The Department's provision of funding is subject to amendment or termination due to lack of funds or proper authorization. This Agreement is subject to written modification or termination, as necessary, by the Department in accordance with requirements contained in any future state or federal legislation and/or state or federal regulations. All other modifications must be in written form and approved by both parties.

3. Method of Payment

Payments to Contractor shall be made on a reimbursement basis with the exception that a Contractor may request an operating advance of \$5,000.00-, or 30-days working capital, whichever is greater. A request for an operating advance must be received by the Department within 60 days of the Effective Date of this Agreement. To receive payment for the Work performed, or to receive an operating advance, the Contractor must submit, on forms provided by the Department, a duly executed ESG Request for Funds (RFF). The Contractor shall submit all RFFs to the Department, as referenced in Exhibit A via the online eCivis Grants Network portal. Each Request for Funds (RFF) must also be accompanied by a completed Detailed Expense Report (DER) as provided by the Department. The Department shall not authorize payments unless it determines that the Work has been performed in compliance with the terms of this Agreement. Contractor shall not receive an operating advance or be reimbursed for expenditures incurred prior to the Effective Date of this Agreement, unless otherwise approved by the Department. Reimbursements will not be made after this Contract expires.

All Requests for Funds shall include expenditure detail. Pursuant to 24 C.F.R § 576.201, all Requests for Funds are required to show match documentation which includes match source and amount. Contractor also certifies that detailed supporting documentation verifying each expenditure is available and shall be retained by the

Program Name: Emergency Solutions Grants Program (ESG)

NOFA Date: 12/31/2024

Approve Date: 2/6/2025

Prep. Date:

EXHIBIT B

Contractor for five (5) years after the Department closes its HUD grant.

NOTE: Record retention is based on the Department's HUD closing date; NOT five (5) years from this Agreement expiration. The retention requirement can extend beyond five (5) years after this Agreement expires. Therefore, the Contractor must contact the Department for the specific record retention date for this Agreement.

Contractor shall not be reimbursed for expenditures incurred after the Expiration Date of this Agreement, as set forth in Exhibit E.

4. **Budget Changes**

After the Effective Date of this Agreement, no changes shall be made to the program budget, funded homeless service providers, or eligible activities without prior written approval from the Department. Any changes to this Agreement must be made in writing and approved by both the Department and the Contractor. The proposed change/s must be consistent with 24 C.F.R. § 576.500(y).

Contractor agrees to notify the Department in writing of any line item changes to the budget needed for the Department to update the federal Integrated Disbursement and Information System (IDIS). For line-item changes representing more than 25 percent of the overall project budget, the change will require Department approval and a contract amendment (pursuant to Section 300 and 306 of the Guidelines).

5. **Ineligible Costs**

- A. ESG funds shall not be used for costs associated with activities in violation of any law or for any activities considered ineligible per 24 C.F.R. Part 576. The Department reserves the right to request additional information and clarification to determine the reasonableness, necessity, and eligibility of all costs to be paid with ESG funds made available by this Agreement. If Contractor or its funded service providers use ESG funds for the costs of ineligible activities, Contractor shall be required to reimburse these funds to the Department immediately. Further, Contractor shall be prohibited from applying to the Department for subsequent ESG funds until the Department is fully reimbursed.
- B. An expenditure which is not authorized by this Contract, or which cannot be adequately documented, must be immediately repaid to the Department or its designee, by the Contractor. Expenditures for work, not described in Exhibit A, shall be deemed authorized only if the performance of such work is approved in writing by the Department prior to the commencement of such work.

Program Name: Emergency Solutions Grants Program (ESG)

NOFA Date: 12/31/2024

Approve Date: 2/6/2025

Prep. Date:

EXHIBIT B

- C. The Department, at its sole and reasonable discretion, shall make the final determination regarding the allowability of expenditures.

6. Indirect Costs

Contractors and/or service providers will allow their providers to seek reimbursement for indirect costs. The applicant must:

- A. Comply with all OMB requirements and standards including 2 C.F.R. § 200.403, 200.415, and 2 C.F.R. Part 200 Appendix IV.
- B. Certify that any providers seeking reimbursement for indirect costs at the de minimis rate of 15 percent, do not meet the definition of a major nonprofit organization as defined by OMB 2 C.F.R. § 200.414.
- C. Maintain records including evidence of the Modified Total Direct Cost (MTDC), per 2 C.F.R. § 200.1 calculations, indirect cost limits, and supporting documentation for actual direct cost billing.
- D. Pursuant to 2 C.F.R. § 200.331(a)(4), the Indirect Cost Rate for the Subrecipient shall be an approved federally recognized indirect cost rate negotiated between the Subrecipient and the Federal government, or, if no such rate exists, the De Minimis indirect cost rate as defined in 2 C.F.R. § 200.414(b) Indirect (F&A) costs. Indirect costs may be allocated to each eligible activity under 24 C.F.R. § 576.101 through 576.108, so long as that allocation is consistent with 2 C.F.R. Part 200, Subpart E. Subrecipient shall maintain records including evidence of the Modified Total Direct Cost (MTDC), per 2 C.F.R. § 200.1 calculations, indirect cost limits, and supporting documentation for actual direct cost billing.

7. Duplication of Benefits

Pursuant to both Federal and State law all ESG costs must be:

- A. necessary;
- B. reasonable;
- C. if applicable, there can be no duplication of benefit;

Program Name: Emergency Solutions Grants Program (ESG)

NOFA Date: 12/31/2024

Approve Date: 2/6/2025

Prep. Date:

EXHIBIT B

- D. ESG funds cannot be used to supplant local or state resources; and
- E. Applicant must guard against fraud, and must immediately report fraud or suspected fraud, and has an affirmative duty to prevent or deter fraud, waste and abuse (see Exhibit D) and ineligible uses of ESG funds (See 24 C.F.R. § 576.1; Housing (HEARTH) Act of 2009 SEC. 402 (f)(3)(A), 24 C.F.R. § 576.100 – 576.109, and 24 C.F.R. § 576.400).

8. **Compatibility of Program Funds**

It is the duty and responsibility of each Applicant to review the provisions, requirements, and limitations of all funding sources applied for and obtained for a particular project, program, or activity in order to ensure that each and every requirement of those funding sources is compatible with all Department program requirements and restrictions. Incompatibility of funding sources will result in the denial or cancellation of an award or may result in the placement of conditions or limitations on an award, all as determined by the Department in its sole and absolute discretion.

Program Name: Emergency Solutions Grants Program (ESG)
NOFA Date: 12/31/2024
Approve Date: 2/6/2025
Prep. Date: