



Washington State  
Department of  
**Commerce**

## **Guidelines**

FOR THE

# **System Demonstration Grant**

**November 1, 2022**

## Table of Contents

<b>1</b>	<b>Grant Basics</b> .....	<b>6</b>
1.1	Overview.....	6
1.2	Purpose Statement.....	7
1.3	Authorizing Statute and Fund Sources.....	7
1.4	Allowable Interventions .....	7
1.4.1	Temporary Housing Interventions.....	7
1.4.2	Permanent Housing Interventions.....	8
1.4.3	Services Only Interventions .....	9
<b>2</b>	<b>Administrative Requirements</b> .....	<b>10</b>
2.1	Prioritization Requirements .....	10
2.2	System Wide Performance Requirements .....	10
2.3	Low Barrier Housing Project.....	10
2.4	Coordinated Entry .....	11
2.5	HMIS .....	12
2.5.1	Data Quality .....	12
2.5.2	Consent for Entry of Personally Identifying Information .....	14
2.6	Reporting Requirements .....	15
2.6.1	Local Homeless Housing Plan .....	15
2.6.2	Annual County Expenditure Report .....	15
2.6.3	Point-in-Time Count.....	15
2.6.4	Essential Needs Report .....	15
2.7	Training.....	15
2.8	Benefit Verification System Requirements .....	16
2.9	Grant Management .....	17
2.9.1	Changes to Guidelines .....	17
2.9.2	Commerce Monitoring.....	17
2.9.3	Subgrantee Requirements .....	17
2.9.4	Eviction Prevention By and For Organization Subgrant Requirement .....	18
<b>3</b>	<b>Fiscal Administration</b> .....	<b>19</b>
3.1	Fraud and Other Loss Reporting.....	19
3.2	Budget Caps .....	19
3.2.1	Budget Categories.....	19
3.3	Reimbursements.....	20
3.3.1	Back-up Documentation .....	20
3.4	Budget Revisions.....	20

- 4 Homelessness Assistance (funded with SDG Standard and PSH CHF)..... 21**
  - 4.1 Homelessness Assistance Allowable Interventions..... 21
    - 4.1.1 Temporary Housing Interventions..... 21
    - 4.1.2 Permanent Housing Interventions..... 21
    - 4.1.3 Services Only Interventions ..... 21
  - 4.2 Homelessness Assistance Household Eligibility ..... 21
    - 4.2.1 SDG Standard ..... 21
    - 4.2.2 Permanent Supportive Housing for Chronically Homeless Families (PSH CHF) ..... 22
  - 4.3 Homelessness Assistance Housing Status Eligibility..... 22
    - 4.3.1 Homeless..... 22
    - 4.3.2 Chronically Homeless..... 23
  - 4.4 Homelessness Assistance Documentation of Housing Status..... 23
    - 4.4.1 Housing Status Eligibility Exemption ..... 23
  - 4.5 Homelessness Assistance Income Eligibility..... 23
    - 4.5.1 Income Eligibility Exemptions ..... 24
  - 4.6 Homelessness Assistance Documentation of Income Eligibility ..... 24
  - 4.7 Homelessness Assistance Eligibility Recertification ..... 24
    - 4.7.1 Income Ineligible at Recertification ..... 24
  - 4.8 Additional Eligibility Requirements for Permanent Supportive Housing..... 24
    - 4.8.1 Documentation of a Disability ..... 25
    - 4.8.2 Maintaining Homeless Status for Permanent Housing..... 25
- 5 Homelessness Prevention (funded with SDG Standard and Eviction Prevention)..... 26**
  - 5.1 Homelessness Prevention Allowable Housing Intervention ..... 26
    - 5.1.1 Permanent Housing Interventions..... 26
  - 5.2 Homelessness Prevention Household Eligibility..... 26
  - 5.3 Homelessness Prevention Housing Status Eligibility ..... 26
    - 5.3.1 At Risk of Homelessness ..... 26
  - 5.4 Homelessness Prevention Documentation of Housing Status..... 27
    - 5.4.1 Targeted Prevention ..... 27
  - 5.5 Homelessness Prevention Income Eligibility ..... 27
    - 5.5.1 Income Eligibility Exemptions ..... 27
  - 5.6 Homelessness Prevention Documentation of Income Eligibility ..... 27
  - 5.7 Homelessness Prevention Eligibility Recertification ..... 28
    - 5.7.1 Income Ineligible at Recertification ..... 28
  - 5.8 Landlords Applying for Homelessness Prevention Assistance on Behalf of Tenant ..... 28
- 6 Housing and Essential Needs (funded with HEN) ..... 29**

6.1	Allowable Interventions .....	29
6.1.1	Temporary Housing Interventions .....	29
6.1.2	Permanent Housing Interventions.....	29
6.1.3	Services Only Interventions .....	29
6.2	HEN Household Eligibility .....	29
6.3	HEN Housing Status Eligibility.....	29
6.3.1	Homeless.....	29
6.3.2	At Risk of Homelessness .....	30
6.4	HEN Documentation of Housing Status.....	30
6.4.1	Targeted Prevention .....	30
6.5	HEN Referral .....	31
6.5.1	Documentation of HEN Referral .....	31
6.6	HEN Eligibility Recertification .....	31
6.6.1	HEN Ineligible at Recertification .....	31
<b>7</b>	<b>Allowable Expenses .....</b>	<b>32</b>
7.1	Rent.....	32
7.1.1	Rent Payments .....	32
7.1.2	Other Housing Costs .....	32
7.1.3	Special Circumstances.....	32
7.1.4	Ineligible Expenses .....	33
7.2	Facility Support .....	33
7.2.1	Lease Payments .....	33
7.2.2	Other Facility Costs .....	33
7.2.3	Ineligible Expenses .....	33
7.2.4	HEN Facility Support .....	33
7.3	Operations .....	34
7.3.1	Homeless Crisis Response System Expenses .....	34
7.3.2	Program Expenses.....	34
7.3.3	Flexible Funding .....	34
7.4	Administration .....	35
<b>8</b>	<b>Requirements of Grantees Providing Direct Service .....</b>	<b>37</b>
8.1	PSH CHF Referral to Foundational Community Supports (FCS) .....	37
8.2	HEN Rent Subsidy .....	37
8.3	Habitability.....	37
8.4	Lead Based Paint Assessment.....	37
8.4.1	For Rent Assistance .....	38

8.4.2	For Facilities .....	38
8.4.3	Exceptions to the Lead-Based Paint Visual Assessment Requirement.....	38
8.5	Consent to Review Information in the Benefits Verification System.....	38
8.6	Personal Identifying Information.....	38
8.7	Prohibitions.....	38
8.8	Nondiscrimination .....	39
<b>9</b>	<b>Additional Requirements for Grantees Providing Rent Assistance.....</b>	<b>40</b>
9.1	Washington Residential Landlord-Tenant Act.....	40
9.2	Rent Limits .....	40
9.3	Rental Agreements .....	40
9.4	Dispute Resolution Center Partnerships .....	40
<b>10</b>	<b>Washington State’s Landlord Mitigation Law .....</b>	<b>41</b>
<b>11</b>	<b>Appendix A: Performance Requirements.....</b>	<b>42</b>
11.1	Prioritization Requirements .....	42
11.2	Housing Outcome Performance Measures .....	42
11.2.1	Housing Outcome Performance Monitoring .....	43
<b>12</b>	<b>Appendix B: Household Eligibility Requirements.....</b>	<b>44</b>
<b>13</b>	<b>Appendix C: Lead Based Paint Visual Assessment Requirements.....</b>	<b>45</b>
<b>14</b>	<b>Appendix D: Access to the DSHS Benefits Verification System Data Security Requirements.....</b>	<b>47</b>
<b>15</b>	<b>Appendix E: Access to the DSHS HEN Referral List Data Security Requirements.....</b>	<b>51</b>
<b>16</b>	<b>Appendix F: Agency Partner HMIS Agreement.....</b>	<b>60</b>

# 1 Grant Basics

## 1.1 Overview

The System Demonstration Grant (SDG) has several fund sources, including state general fund and document recording fees. Throughout the guidelines the funding sources are referred to as SDG Standard, Housing and Essential Needs (HEN), and Permanent Supportive Housing for Chronically Homeless Families (PSH CHF), and Eviction Prevention. Each of the funds has different income and eligibility requirements. These guidelines provide information on how to comply with requirements and Commerce invites grantees to reach out for clarification, as needed.

Funding Source*	Allowable Interventions	Housing Status Eligibility	Income Eligibility	Where to Find Eligibility Requirements in Guidelines
SDG Standard	<ul style="list-style-type: none"> <li>✓ Emergency Shelter               <ul style="list-style-type: none"> <li>• Drop-In</li> <li>• Continuous Stay</li> </ul> </li> <li>✓ Transitional Housing</li> <li>✓ Homelessness Prevention</li> <li>✓ Rapid Re-Housing</li> <li>✓ Permanent Supportive Housing</li> <li>✓ Street Outreach</li> </ul>	<ul style="list-style-type: none"> <li>✓ Homeless</li> <li>✓ Homeless and a household member with a permanent disability</li> <li>✓ At Risk of Homelessness</li> </ul>	At or Below 80% AMI	<a href="#">Homelessness Assistance</a> (funded with SDG Standard and PSH CHF)  <a href="#">Homelessness Prevention</a> (funded with SDG Standard and Eviction Prevention)
Permanent Supportive Housing for Chronically Homeless Families (PSH CHF)	<ul style="list-style-type: none"> <li>✓ Permanent Supportive Housing</li> <li>✓ Street Outreach</li> </ul>	<ul style="list-style-type: none"> <li>✓ Chronically homeless head of household with a permanent disability</li> </ul>	At or Below 80% AMI	<a href="#">Homelessness Assistance</a> (funded with SDG Standard and PSH CHF)
Eviction Prevention (new 1277 legislation)	<ul style="list-style-type: none"> <li>✓ Homelessness Prevention</li> </ul>	<ul style="list-style-type: none"> <li>✓ At Risk of Homelessness</li> </ul>	At or Below 80% AMI	<a href="#">Homelessness Prevention</a> (funded with SDG Standard and Eviction Prevention)
Housing and Essential Needs (HEN)	<ul style="list-style-type: none"> <li>✓ Transitional Housing (TH)**</li> <li>✓ Homelessness Prevention (HP)</li> <li>✓ Rapid Re-Housing (RRH)</li> <li>✓ Permanent Supportive Housing (PSH)**</li> <li>✓ Street Outreach</li> </ul>	<ul style="list-style-type: none"> <li>✓ Homeless</li> <li>✓ At Risk of Homelessness</li> </ul>	HEN Referral	<a href="#">Housing and Essential Needs</a> (funded with HEN)

\*Allowable expenses are detailed in [Section 7](#) Allowable Expenses. The following guidelines sections are required for all funding sources: [Section 8](#) Requirements of Grantees Providing Direct Service and [Section 9](#) Additional Requirements for Grantees Providing Rent Assistance .

\*\*See [Section 7.2.4](#) HEN Facility Support.

The State Homeless Housing Strategic Plan and Annual Report of the Homeless Grant Programs are located on the Department of Commerce [website](#).

## **1.2 Purpose Statement**

The Office of Family and Adult Homelessness in the Homelessness Assistance Unit at the Department of Commerce administers state and federal funds to support homeless crisis response systems in WA State.

The System Demonstration Grant is a critical resource in the crisis response system.

People living unhoused become stably housed when the system is low barrier, trauma informed, culturally responsive and Housing First oriented. People living unstably housed become stably housed when the system is oriented toward problem solving conversations and personal advocacy to help people identify practical solutions based on their own available resources.

We expect Commerce grantees, including county governments and nonprofits, to be leaders in their crisis response systems, facilitating partnership among service organizations and promoting evidence-based, anti-racist practices.

Grantees must respond to the disproportionality in access to services, service provision and outcomes and cannot simply rely on standard business practices to address inequity. Grantees have the responsibility to ensure all people eligible for services receive support and are served with dignity, respect and compassion regardless of circumstance, ability or identity.

This includes marginalized populations, Black, Native and Indigenous, People of Color, immigrants, people with criminal records, people with disabilities, people with mental health and substance use vulnerabilities, people with limited English proficiency, people who identify as transgender, people who identify as LGBTQ+, and other individuals that may not access mainstream support.

We are here to support your efforts. The Homelessness Assistance Unit provides access to continuous learning on trauma informed services, racial equity, LGBTQ+ competency and more. We can help you strategize outreach, coordinated entry and help you understand your data so we can meet Washington's vision that no person is left living outside.

## **1.3 Authorizing Statute and Fund Sources**

Chapter [RCW 43.185c](#) Homeless Housing and Assistance authorizes these funds.

## **1.4 Allowable Interventions**

All allowable housing interventions are defined below. Allowable interventions are dependent on fund source.

## **1.4.1 Temporary Housing Interventions**

Temporary housing interventions are those in which the household must leave the shelter or unit at the end of their program participation. Households are considered homeless while enrolled in temporary housing interventions.

### **1.4.1.1 Emergency Shelter**

Emergency Shelter (ES) provides short-term<sup>1</sup> temporary shelter (lodging) for those experiencing homelessness. Emergency Shelters can be facility-based or hotel/motel voucher.

#### **1.4.1.1.1 Drop-in Shelter**

Drop-in Shelters offer night-by-night living arrangements that allow households to enter and exit on an irregular or daily basis.

#### **1.4.1.1.2 Continuous-stay Shelter**

Continuous-stay Shelters offer living arrangements where households have a room or bed assigned to them throughout the duration of their stay.

### **1.4.1.2 Transitional Housing**

Transitional Housing (TH) is subsidized, facility-based housing that is designed to provide long-term<sup>2</sup> temporary housing and to move households experiencing homelessness into permanent housing. Lease or rental agreements are required between the transitional housing project and the household.

## **1.4.2 Permanent Housing Interventions**

Permanent housing is housing in which the household may stay as long as they meet the basic obligations of tenancy.

### **1.4.2.1 Homelessness Prevention**

Homelessness Prevention (HP) helps households who are at risk of homelessness to maintain or obtain stable housing and avoid homelessness. Services include housing-focused case management and temporary rent subsidies.

### **1.4.2.2 Rapid Re-Housing**

Rapid Re-Housing (RRH) quickly moves households from homelessness into permanent housing by providing:

- ✓ Housing Identification Services: Recruit landlords to provide housing for RRH participants and assist households with securing housing.
- ✓ Financial Assistance: Provide assistance to cover move-in costs and deposits as well as ongoing rent and/or utility payments.
- ✓ Case Management and Services: Provide services and connections to community resources that help households maintain housing stability.

---

<sup>1</sup> Emergency Shelter programs are typically designed and intended to provide temporary shelter for short-term stays: up to three months. Clients are not required to exit after 90 days. Clients are not required to exit after 90 days.

<sup>2</sup> Transitional Housing programs are typically designed and intended to provide temporary housing for long-term stays: up to two years.



### **1.4.2.3 Permanent Supportive Housing**

Permanent Supportive Housing (PSH) is subsidized, non-time-limited housing with support services for homeless households that include a household member with a permanent disability. Support services must be made available but participation is voluntary. PSH may be provided as a rent assistance (scattered site) or facility-based model. For facility-based models, a lease or rental agreement is required between the PSH project and the household. The services and the housing are available permanently.

Households funded with PSH CHF must include a Head of Household who is chronically homeless and permanently disabled.

## **1.4.3 Services Only Interventions**

### **1.4.3.1 Street Outreach**

Street outreach is a strategy for engaging people experiencing homelessness who are otherwise not accessing services for the purpose of connecting them with emergency shelter, housing, or other critical services.

## **2 Administrative Requirements**

### **2.1 Prioritization Requirements**

Grantees must prioritize unsheltered homeless households and households fleeing violence for services and projects.

For more details, see Appendix A: Performance Requirements.

### **2.2 System Wide Performance Requirements**

Grantees must maintain performance measures to help evaluate their effectiveness as they work to ensure that homelessness is rare, brief, and one time.

For more details, see Appendix A: Performance Requirements.

### **2.3 Low Barrier Housing Project**

Each county must have at least one low barrier project<sup>3</sup> serving homeless adults and at least one low barrier project serving homeless households with children.

All homeless housing projects adhere to state and federal anti-discrimination laws:

- ✓ All projects ensure equal access for people experiencing homelessness regardless of race, national origin, gender identity, sexual orientation, marital status, age, veteran or military status, disability, or the use of an assistance animal.
- ✓ Projects designed to serve families with children experiencing homelessness ensure equal access regardless of family composition and regardless of the age of a minor child.
- ✓ Projects that operate gender segregated facilities allow the use of facilities consistent with the person's gender expression or identity.

#### **2.3.1.1 Intake & Project Eligibility**

Low barrier projects have flexible intake schedules and require minimal documentation. At the minimum, homeless households are not screened out based on the following criteria:

- ✓ Having too little or no income
- ✓ Having poor credit or financial history
- ✓ Having poor or lack of rental history
- ✓ Having involvement with the criminal justice system
- ✓ Having active or a history of alcohol and/or substance use
- ✓ Having a history of victimization

---

<sup>3</sup> Project types that can meet this requirement: Emergency Shelter, Transitional Housing, PH: Rapid Re-Housing, PH: Housing with Services (no disability requirement), and PH: Housing Only. Projects must operate year round and serve all homeless single adults or households with children (projects cannot be subpopulation specific, e.g. DV, HEN, youth, etc.).

- ✓ The type or extent of disability-related services or supports that are needed
- ✓ Lacking ID or proof of U.S. Residency Status
- ✓ Other behaviors that are perceived as indicating a lack of “housing readiness,” including resistance to receiving services

### **2.3.1.2 Project Participation**

Low barrier projects have realistic and clear expectations. Rules and policies are narrowly focused on maintaining a safe environment and avoiding exits to homelessness. Low barrier projects do not have work or volunteer requirements. Projects that require people to pay a share of rent allow reasonable flexibility in payment.

Households are not terminated from the project for the following reasons:

- ✓ Failure to participate in supportive services or treatment programs
- ✓ Failure to make progress on a housing stability plan
- ✓ Alcohol and/or substance use in and of itself is not considered a reason for termination

## **2.4 Coordinated Entry**

SDG counties should adhere to the Department of Housing and Urban Development (HUD) CoC Program Coordinated Entry requirements and guidelines as described in the [Coordinated Entry Core Elements](https://www.hudexchange.info/programs/coc/toolkit/responsibilities-and-duties/#coordinated-entry) and other guidance documents found here: <https://www.hudexchange.info/programs/coc/toolkit/responsibilities-and-duties/#coordinated-entry>.

Transitional Housing, Homelessness Prevention, Rapid Re-Housing, and Permanent Supportive Housing projects funded by SDG must participate in the county or regional CE by accepting referrals and must fill openings exclusively through the CE process.

Grantees may elect to opt out of the CE process for Homelessness Prevention projects if the county has enough funding to serve all households at risk of homelessness in need of services or if the project is operated by a By and For subgrantee as defined in these guidelines (Section 2.9.4). Lead grantees must receive approval from Commerce and provide evidence that they are meeting the need in their community and providing adequate outreach to their community if a mainstream housing provider organization is opting out of the CE process.

If the county or regional CE requires Emergency Shelters and Drop-in Shelters to participate in the county or regional CE process, Emergency Shelters and Drop-in Shelters funded by SDG must participate in the county or regional CE process by accepting referrals and must fill openings exclusively through the CE process.

Street Outreach projects funded by SDG must be linked to the county or regional CE by either performing mobile CE process services (e.g. assessment) or by providing referrals to CE.

Projects operated by victim service providers are not required but may elect to participate in the county or regional CE process.

## 2.5 HMIS

Grantees must require client data to be entered into the Homeless Management Information System (HMIS) for all temporary and permanent housing interventions regardless of funding source in accordance with the most current [HMIS Data Standards](#).

Additionally all Emergency Shelter, Transitional Housing, Safe Haven, Homelessness Prevention or any Permanent Housing<sup>4</sup> type program funded with local document recording fees must enter client data in HMIS.

### 2.5.1 Data Quality

Projects are required to provide quality data to the best of their ability. Maintaining good data quality is important for effective program evaluation. Data quality has four elements: completeness, timeliness, accuracy, and consistency.

#### 2.5.1.1 Completeness

Completeness of data is measured by the percentage of incomplete fields in required data elements.

Agencies are expected to collect first name, last name, date of birth, race, and ethnicity from clients that give consent on the [HMIS consent form](#). Agencies will never require a client to provide this information even if they have consented, but should gather it to the best of their ability.

All clients, consenting and non-consenting, must have complete prior living situation and exit destination data.

Examples of incomplete entries:

Incomplete Entries	
Data Element	Incomplete if...
<b>Name*</b>	[Quality of Name] field contains Partial, Street name, or Code name, Client doesn't know, Client refused or Data not collected; or [First Name] or [Last Name] is missing.
<b>Date of Birth*</b>	[Quality of DOB] field contains Approximate, Partial DOB reported, Client doesn't know, Client refused or Data not collected; or [Date of Birth] is missing.
<b>Race*</b>	[Race] field contains Client doesn't know, Client refused, Data not collected, or is missing.
<b>Ethnicity*</b>	[Ethnicity] field contains Client doesn't know, Client refused, Data not collected, or is missing.
<b>Prior Living Situation</b>	[Prior Living Situation] is client doesn't know, client refused, data not collected, or is missing.
<b>Destination</b>	[Destination] is Client doesn't know, Client refused, No exit interview completed, Data not collected, or is missing.

<sup>4</sup> PH – Permanent Supportive Housing, PH – Housing Only, PH – Housing with Services, PH – Rapid Re-Housing

\*Only measured for consenting clients.

Expected completeness measures for project types:

Expected Completeness Measures				
Data Element	Emergency Shelter	Night-by-Night/Drop-in Emergency Shelter	All other Housing Project Types	Street Outreach
Name*	85%	80%	95%	90%
Date of Birth*	85%	80%	95%	90%
Race*	85%	80%	95%	90%
Ethnicity*	85%	80%	95%	90%
Prior Living Situation	85%	80%	100%	85%
Destination	80%	50%	95%	50%

\*Only measured for consenting clients.

### 2.5.1.2 Timeliness

Client data should be entered into HMIS as close to the date of collection as possible. Entering data as soon as possible supports data quality by avoiding backlogs of pending data and allowing near real time analysis and reporting.

Projects must enter/update project client/household data in HMIS within 14 calendar days following the date of project enrollment/exit.

Counties not using the State HMIS (data integration counties), must work with the HMIS Manager to provide full CSV exports quarterly. When Commerce is able to accept monthly imports, Counties must upload data to the State’s HMIS using XML or CSV schema compliant with current HUD HMIS Data Standards. Uploads must occur no later than the 30th calendar day following the end of each month. Counties not able to export and upload data to the State HMIS using an approved format must use the State HMIS for direct data entry.

### 2.5.1.3 Accuracy

Data entered into HMIS must reflect the real situation of the client/household as closely as possible.

Accurate data is necessary to ensure any project reporting fairly represents the work of the project and each client’s story.

Examples of data accuracy:

Elements of Data Accuracy	
Date of Birth and Project Start Date	Ensure the two are not the same dates.
Prior Living Situation data elements	Ensure responses for Prior living situation, Length of stay in prior living situation, Approximate date homelessness started, Number of times the client has experienced homelessness in the last 3 years, and Number of

	months experiencing homelessness in the last 3 years do not conflict with each other.
<b>Disabling Condition</b>	Ensure the Yes/No answer does not conflict with the specific types of disabling conditions.
<b>Health Insurance</b>	Ensure the Yes/No answer does not conflict with the specific types of health insurance.
<b>Monthly Income</b>	Ensure the Yes/No answer does not conflict with the specific sources of monthly income.
<b>Non-Cash Benefits</b>	Ensure the Yes/No answer does not conflict with the specific sources of non-cash benefits.
<b>Relationship to Head of Household</b>	Ensure there is only one Head of Household for any given household (including clients served individually) and that this element is entered and accurate for all household members.
<b>Veteran Status</b>	Ensure individuals under 18 years of age are not identified as veterans.
<b>Project Population Specifics</b>	Ensure that projects only serving individuals only enroll individuals and not multi-person households. Ensure that projects only serving families with children only enroll families with children. Ensure that projects only serving clients of a specific age range only enroll clients of that age range.

#### 2.5.1.4 Consistency

Consistent data helps ensure that any reporting generated by a project is understood. Data consistency is important for effectively communicating the processes and outcomes of a project.

All data will be collected, entered, and stored in accordance with the [Agency Partner Agreement](#).

All data elements and responses will be entered per the [HUD data Standards Manual](#). To avoid inconsistency, agencies should use language on intake forms that closely matches the elements and responses in HMIS. Clients who refuse consent must be made anonymous per [Department of Commerce Guidance](#) and the [consent refused client entry guide](#).

### 2.5.2 Consent for Entry of Personally Identifying Information

#### 2.5.2.1 Identified Records

- ✓ Personally identifying information (PII)<sup>5</sup> must not be entered into HMIS unless all adult household members have provided informed consent.
- ✓ Informed consent must be documented with a signed copy of the *Client Release of Information and Informed Consent Form* in the client file. If electronic consent has been received, a copy does not need to be printed for the client file but must be available in HMIS. If telephonic consent has been received, complete the consent form the first time the household is seen in person. See Appendix F: Agency Partner HMIS Agreement.

<sup>5</sup> PII includes name, social security number, birthdate, address, phone number, email, and photo.

### **2.5.2.2 Anonymous Records**

The following types of records must be entered anonymously:

- ✓ Households in which one or more adult member does not provide informed consent for themselves or their dependents
- ✓ Households entering a domestic violence program or currently fleeing violence (domestic violence, dating violence, sexual assault, trafficking, stalking or other life threatening situation)
- ✓ Minors under the age of 13 with no parent or guardian available to consent to the minor's information in HMIS
- ✓ Households in programs that are required by funders to report HIV/AIDS status

### **2.5.2.3 Special Circumstances**

If the reporting of the HIV/AIDS status of clients is not specifically required, the HIV/AIDS status must not be entered in HMIS.

If a combination of race, ethnicity, gender, or other demographic data could be identifying in your community, those data should not be entered for anonymous records.

### **2.5.2.4 Records Maintenance and Destruction**

Paper records derived from HMIS, which contain personally identifying information, must be destroyed within seven years after the last day the household received services from the lead/subgrantee.

## **2.6 Reporting Requirements**

### **2.6.1 Local Homeless Housing Plan**

Lead grantees must submit an updated county Local Homeless Housing Plan to Commerce at least every five years. Local Plan Guidance is located on the [Commerce](#) website.

### **2.6.2 Annual County Expenditure Report**

Grantees must submit a complete and accurate Annual County Expenditure Report to Commerce.

### **2.6.3 Point-in-Time Count**

Grantees must ensure the collection and reporting of the annual Point-in-Time Count of sheltered and unsheltered homeless persons for their county in accordance with the Commerce Count Guidelines, which are posted on the [Commerce](#) website.

### **2.6.4 Essential Needs Report**

Grantees must submit an HEN Essential Needs Report at the end of each state fiscal year, which is a count of the total instances of Essential Needs services.

## **2.7 Training**

Lead/subgrantee staff that provide direct services and supervise staff who provide direct services and manage homeless grants should receive training and demonstrate competency in, at a minimum:

- ✓ Trauma Informed Services
- ✓ Mental health
- ✓ Supporting survivors of domestic violence
- ✓ Local coordinated entry policies and procedures as required by lead CE entity
- ✓ Fair Housing
- ✓ Housing First
- ✓ Racial Equity
- ✓ LGBTQ+ competency
- ✓ Rapid Re-Housing
- ✓ Progressive Engagement and Problem-Solving (Diversion)

Other recommended trainings include crisis intervention, professional boundaries, and case management.

In addition, staff are highly encouraged to attend the annual [Washington State Conference on Ending Homelessness](#).

Costs to attend trainings are an eligible program expense (see section 7.3).

## **2.8 Benefit Verification System Requirements**

Commerce maintains a data share agreement with the Department of Social and Health Services (DSHS) so homeless housing grantees can access the Benefits Verification System (BVS) to confirm Housing and Essential Needs program eligibility. BVS can also be used to confirm benefits and financial eligibility for homeless housing programs.

Lead grantees manage BVS User access for their staff and sub grantees. Upon approval by Commerce, lead grantees can also appoint another agency as the BVS lead for their county.

BVS leads are responsible for the following:

- ✓ Review User requests to confirm requesting agency is a sub grantee and staff have a business need to access BVS.
- ✓ Confirm that each User request includes a signed DSHS Non-Disclosure form.
- ✓ Retain all signed DSHS Non-Disclosure forms.
- ✓ Maintain an Excel spreadsheet identifying current and past BVS Users. Spreadsheet must be in format designated by Commerce.
- ✓ Report to Commerce within one business day when User no longer requires access to BVS.
- ✓ Provide access to DSHS Non-Disclosure forms and User spreadsheet for inspection within one business day of request by Commerce or DSHS.

BVS leads are also responsible for the following, annually:

- ✓ Require users to re-sign DSHS Non-Disclosure form
- ✓ Review BVS User spreadsheet for accuracy and notify Commerce of any changes
- ✓ Notify Commerce via email upon completion of annual requirements



See Appendix D: Access to the DSHS Benefits Verification System Data Security Requirements for additional details.

## **2.9 Grant Management**

### **2.9.1 Changes to Guidelines**

Commerce may revise the guidelines at any time. All Grantees will be sent revised copies.

### **2.9.2 Commerce Monitoring**

Commerce will monitor grant activities. Grantees will be given a minimum of 30 days' notice unless there are special circumstances that require immediate attention. The notice will specify the monitoring components.

### **2.9.3 Subgrantee Requirements**

The SDG General Terms & Conditions Section 32 identifies subgrantee requirements. In addition, all subgrantee agreements must be time-limited and have defined roles and responsibilities for each party, detailed budgets and performance terms. Commerce reserves the right to directly contact subgrantees at any time for data quality, monitoring, fiscal and other issues.

Grantees may enter into an agreement with any other local government, Council of Governments, Housing Authority, Community Action Agency, Regional Support Network (under 71.24 RCW), nonprofit community or neighborhood-based organization, federally recognized Indian tribe in the state of Washington, or regional or statewide nonprofit housing assistance organizations who operate programs to end homelessness within a defined service area.

Grantees must provide Commerce with copies of subgrant agreements (upon request) and notify Commerce if subgrantee agreements are terminated during the grant period.

Grantees must notify Commerce of any changes in selection of subgrantees funded with SDG, or changes in the interventions of those subgrantees.

#### **2.9.3.1 Subgrantee Risk Assessment and Monitoring**

Grantees are responsible for ensuring subgrantee compliance with all requirements identified in the SDG guidelines. The Grantee must conduct a risk assessment and develop a monitoring plan for each subgrantee within six months of contracting funds to the subgrantee. The risk assessment must inform the monitoring plan for each subgrantee. Monitoring plans must include monitoring dates, the type of monitoring (remote, on-site), and the program requirements being reviewed.

Grantees must maintain policies and procedures that guide the risk assessment, monitoring activities, and monitoring frequency.

Commerce reserves the right to require grantees to undertake special reviews when an audit or other emerging issue demands prompt intervention and/or investigation.

### **2.9.3.2 Subgrantee Performance Measure Requirements**

Locally developed performance measures with applicable targets or benchmarks must be included in subgrantee agreements.

For more details, see Appendix A: Performance Requirements.

### **2.9.4 Eviction Prevention By and For Organization Subgrant Requirement**

At least 10 percent of the Eviction Prevention total award must be subgranted to organizations that serve and are substantially governed by marginalized populations (By and For organizations<sup>6</sup>). Subgrant activities may include the full scope of homelessness prevention program activities.

Marginalized communities may include ethnic and racial minorities; immigrants and refugees; individuals who are lesbian, gay, bisexual, and transgender; individuals with disabilities or who are deaf; and Native Americans.

Lead grantees must make a reasonable effort to subgrant with By and For organizations. If a lead grantee is not able to execute a subagreement, they may ask Commerce for an exemption from this requirement by submitting the Eviction Prevention Sub Contracting Exemption Request Form in the application. An exemption request must include a plan to spend 10 percent of the grant in a manner that will improve racial equity for historically underserved communities.

---

<sup>6</sup>By and For Organizations are operated by and for the community they serve. Their primary mission and history is serving a specific community and they are culturally based, directed, and substantially controlled by individuals from the population they serve. At the core of their programs, the organizations embody the community's central cultural values. These communities may include ethnic and racial minorities; immigrants and refugees; individuals who identify as LGBTQ+, individuals with disabilities or who are deaf; and Native Americans.

### 3 Fiscal Administration

#### 3.1 Fraud and Other Loss Reporting

Lead/subgrantees must inform Commerce in writing of all known or suspected fraud or other loss of any funds or other property furnished under this grant. Reasonable attempts must be made to prevent fraud and ineligible use of funds.

#### 3.2 Budget Caps

- ✓ Private Landlord Set Aside - At least 40 percent of the non-HEN funds must be budgeted and spent on rent/lease payments to private landlords, which includes for-profit and non-profit entities, including housing authorities. Private landlord rent/lease payments must be billed to Rent/Fac Support Lease. Government and tribal government rent/lease payments must be budgeted and billed under Other Rent/Facility Support Housing Costs.
- ✓ SDG standard Administration - up to 15 percent of SDG Standard and PSH CHF contracted budget may be allocated to administration.
- ✓ HEN Administration - up to 7 percent of the HEN contracted budget may be allocated to HEN administration
- ✓ Eviction Prevention Administration – up to 15 percent for the lead grantee and each sub grantee may be allocated to administration.
- ✓ Budgeted amounts in these four funding categories cannot be changed by moving funds from one of these categories to another

##### 3.2.1 Budget Categories

The following table maps the budget categories to the allowable expenses.

Fund Source	Budget Categories	Allowable Expenses (linked to relevant sections of the Guidelines)
SDG Standard	Admin	Administration
	Rent/Fac Support Lease	Rent Payments and <b>Error! Reference source not found.</b> to private landlords
	Other Rent/Fac Support Lease and Housing Costs	Rent Payments and <b>Error! Reference source not found.</b> to government and tribal government, <b>Other Housing Costs</b> , and <b>Other Facility Costs</b>
	Operations	<b>Error! Reference source not found.</b> , including <b>Error! Reference source not found.</b>
	PSH CHF Rent/Fac Support Lease	Rent Payments and <b>Error! Reference source not found.</b> to private landlords
	PSH CHF Other Rent/Fac Support Lease and Housing Costs	Rent Payments and <b>Error! Reference source not found.</b> to government and tribal

PSH CHF		government, <a href="#">Other Housing Costs</a> , and <a href="#">Other Facility Costs</a>
	PSH CHF Operations	<a href="#">Error! Reference source not found.</a> , including <a href="#">Error! Reference source not found.</a>
HEN	HEN Admin	<a href="#">Administration</a>
	HEN Rent/Fac Support Lease and Other Housing Costs	<a href="#">Error! Reference source not found.</a> and <a href="#">Error! Reference source not found.</a>
	HEN Operations	<a href="#">Error! Reference source not found.</a> , including <a href="#">Error! Reference source not found.</a>
Eviction Prevention	Eviction Prevention Admin	<a href="#">Administration</a>
	Eviction Prevention Rent	<a href="#">Rent Payments and Other Housing Costs</a>
	Eviction Prevention Operations	<a href="#">Error! Reference source not found.</a> , including <a href="#">Error! Reference source not found.</a>

### 3.3 Reimbursements

Grantees must bill Commerce monthly for reimbursement of allowable costs. Invoices are due on the 20<sup>th</sup> of the month following the provision of services. Final invoices for a biennium may be due sooner than the 20<sup>th</sup>. If the grantee fails to submit an invoice within a three-month period, without a reasonable explanation, Commerce may take corrective action as outlined in the Scope of Work. Exceptions to billing procedures can be negotiated with Commerce on a case-by-case basis.

Invoices must be submitted online using the Commerce Contract Management System (CMS) through Secure Access Washington (SAW).

#### 3.3.1 Back-up Documentation

All submitted invoices must include the SDG Voucher Detail and any required HMIS reports. Invoices may not be paid until the report(s) are received and verified. Commerce may require a grantee to submit additional documentation. Grantee must retain original invoices submitted by their subgrantees.

### 3.4 Budget Revisions

Revisions must be submitted using the Budget Revision Tool and approved by Commerce. Budget Caps must be maintained with each revision. A contract amendment is required when revisions (in one or cumulative transfers) reach more than 10 percent of the grant total.

**4 Homelessness Assistance (funded with SDG Standard and PSH CHF)**

**4.1 Homelessness Assistance Allowable Interventions**

All housing intervention definitions can be found in Section 1.4.

**4.1.1 Temporary Housing Interventions**

- ✓ Emergency Shelter (ES)
  - Drop-in Shelter
  - Continuous-stay Shelter
- ✓ Transitional Housing (TH)

**4.1.2 Permanent Housing Interventions**

- ✓ Rapid Re-Housing (RRH)
- ✓ Permanent Supportive Housing (PSH)

**4.1.3 Services Only Interventions**

- ✓ Street Outreach

**4.2 Homelessness Assistance Household Eligibility**

A household is one or more individuals seeking to obtain housing together. The entire household is considered for eligibility determination and services. A household does not include friends or family that are providing temporary housing. Refer to Appendix B: Household Eligibility Requirements.

A household’s primary nighttime residence, where they sleep the majority of the time, is used for eligibility determination.

A household’s current nighttime residence, where they slept last night, is used for determining HMIS project entry.

Eligible households for homelessness assistance must meet both housing status and income requirements as detailed in the following sections.

**4.2.1 SDG Standard**

<b>Housing Status</b>		<b>Income*</b>
Homeless	AND	At or below 80% area median income

\*Household income must not exceed 80 percent of area median income. Lead grantees may determine to target households with a lower area median income.

## 4.2.2 Permanent Supportive Housing for Chronically Homeless Families (PSH CHF)

Eligibility for PSH CHF:

- ✓ Head of household (HOH) must meet housing status detailed below and have a disability as defined in section 4.8, and
- ✓ Household must meet income status and have dependents. Dependent is defined as any household member who is not the head, co-head, or spouse, but is: under the age of 18 years; disabled (of any age); or a full-time student (of any age).

<b>Housing Status</b>		<b>Income*</b>
HOH Chronically Homeless	AND	At or below 80% area median income

\*Household income must not exceed 80 percent of area median income. Lead grantees may determine to target households with a lower area median income.

## 4.3 Homelessness Assistance Housing Status Eligibility

### 4.3.1 Homeless

Households are homeless if they are unsheltered or residing in a temporary housing program, as defined below.

#### 4.3.1.1 Unsheltered Homeless:

- ✓ Living outside or in a place that is not designed for, or ordinarily used as a regular sleeping accommodation for human beings, including a vehicle, park, abandoned building, bus or train station, airport, or campground
- ✓ Fleeing or attempting to flee violence: domestic violence, dating violence, sexual assault, stalking, human trafficking, or other dangerous or life-threatening conditions that relate to violence against the household member(s), including children, that have either taken place within the household's primary nighttime residence or has made the household member(s) afraid to return to their primary nighttime residence

#### 4.3.1.2 Sheltered Homeless:

- ✓ Residing in a temporary housing program including shelters, transitional or interim housing, and hotels and motels paid for by charitable organizations or government programs
- ✓ Exiting a system of care or institution where they resided for 90 days or less AND who resided in an emergency shelter or place not meant for human habitation immediately before entering that system of care or institution
- ✓ Residing in a trailer or recreational vehicle that is parked illegally or in a location that is not intended for long-term stays (i.e. parking lots)

### 4.3.2 Chronically Homeless<sup>7</sup>

1. A homeless individual with a disability<sup>8</sup> who:
  - ✓ Lives in a place not meant for human habitation, or in an emergency shelter; and
  - ✓ Has been homeless (as described above) continuously for at least 12 months or on at least 4 separate occasions in the last 3 years where the combined occasions must total at least 12 months
    - Occasions separated by a break of at least seven nights
    - Stays in institution of fewer than 90 days do not constitute a break
2. An individual who has been residing in an institutional care facility for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or
3. A family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in (1) or (2) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

## 4.4 Homelessness Assistance Documentation of Housing Status

An eligible housing status must be verified and documented prior to program entry.

### 4.4.1 Housing Status Eligibility Exemption

Households entering emergency shelter are exempt from housing status requirements.

## 4.5 Homelessness Assistance Income Eligibility

The combined household income must not exceed 80 percent of area median gross income as defined by HUD. Lead grantees can determine to target households with a lower area median income.

Income limits are based on Area Median Income (AMI) which can be located for each county at: [www.huduser.gov](http://www.huduser.gov) (Data Sets, Income Limits).

Income is money that is paid to, or on behalf of, any household member. Income includes the current gross income (annualized) of all adult (18 years and older) household members and unearned income attributable to a minor. Income eligibility determinations are based on the household's income at program entry. Income inclusions and exclusions are listed in the Electronic Code of Federal Regulations, [www.ecfr.gov](http://www.ecfr.gov), Title 24 – Housing and Urban Development: Subtitle A 0-99: Part 5: Subpart F: Section [5.609 Annual Income](#).

**Gross Income** is the amount of income earned before any deductions (such as taxes and health insurance premiums) are made.

**Current Income** is the income that the household is currently receiving. Income recently

---

<sup>7</sup> Section 4.3.2 summarizes HUD's definition of chronically homeless. Refer to 24 CFR part 578 for the full definition.

<sup>8</sup> Refer to Section 4.8 of the guidelines to read more on disability.

terminated should not be included.

#### **4.5.1 Income Eligibility Exemptions**

Income eligibility requirements are never required for Drop-in Shelter or for households receiving only flex funding.

The following are exempt from income eligibility requirements for the first 90 days of program participation:

- ✓ Households entering Transitional Housing
- ✓ Households entering a **Error! Reference source not found.** program
- ✓ Households entering a Continuous-stay Shelter

Households residing in Domestic Violence Shelters past 90 days may be exempt from income requirements on a case by case basis, as determined by the lead/subgrantee, if needed in order to ensure safety of the household.

#### **4.6 Homelessness Assistance Documentation of Income Eligibility**

Income Eligibility must be verified and documented prior to program entry.

#### **4.7 Homelessness Assistance Eligibility Recertification**

Income eligibility must be documented at least every three months.

Income recertification is not required for SDG Standard PSH or PSH CHF.

#### **4.7.1 Income Ineligible at Recertification**

If households are determined income ineligible, they may remain in the program for an additional three months. Case management may continue for an additional six months after the determination of income ineligibility to support the household transition to self-sufficiency.

#### **4.8 Additional Eligibility Requirements for Permanent Supportive Housing**

To be eligible for SDG Standard PSH, a household must be homeless (as defined in section 4.3.1) AND include at least one household member who has a disability.

To be eligible for PSH CHF, the head of household must meet homelessness and disability criteria identified in the definition of chronically homeless in Section 4.3.2.

Disabilities are expected to be long-continuing or indefinite in duration and sustainability impedes the household member's ability to live independently.

Disability includes: a physical, developmental, mental, or emotional impairment, including impairment caused by alcohol or drug abuse, post-traumatic stress disorder, or brain injury. A person will also be considered to have a disability if he or she has Acquired Immune Deficiency Syndrome (AIDS) or any conditions arising from the etiologic agent for 86 Acquired Immune Deficiency Syndrome, including infection with the Human Immunodeficiency Virus (HIV).



#### **4.8.1 Documentation of a Disability**

Disability must be verified and documented prior to program entry. Acceptable documentation of the disability must include one the following:

- ✓ Written verification of the disability from a professional licensed by the state to diagnose and treat the disability and his or her certification that the disability is expected to be long continuing or of indefinite duration and substantially impedes the individual's ability to live independently
- ✓ Written verification from the Social Security Administration
- ✓ Disability check receipt (Social Security Disability Insurance check or Veteran Disability Compensation)
- ✓ Other documentation approved by Commerce

If unable to document disability at program entry with the above methods, program staff must record observation of disability. Required documentation (above) must be obtained within 45 days of program enrollment.

#### **4.8.2 Maintaining Homeless Status for Permanent Housing**

While receiving Rapid Re-Housing assistance, households maintain their homeless status for purposes of eligibility for other permanent housing placements.

## 5 Homelessness Prevention (funded with SDG Standard and Eviction Prevention)

### 5.1 Homelessness Prevention Allowable Housing Intervention

All housing intervention definitions can be found in Section 1.4.

#### 5.1.1 Permanent Housing Interventions

- ✓ Homelessness Prevention (HP)

### 5.2 Homelessness Prevention Household Eligibility

A household is one or more individuals seeking to obtain or maintain housing together. The entire household must be considered for eligibility determination and services. A household does not include friends or family that are providing temporary housing. Refer to **Error! Reference source not found.**

A household's primary nighttime residence, where they sleep the majority of the time, is used for determining eligibility.

A household's current nighttime residence, where they slept last night, is used for determining HMIS project entry.

Eligible households for homelessness prevention must meet both housing status and income requirements as detailed in the following sections.

<b>Housing Status</b>		<b>Income*</b>
At Risk of Homelessness	AND	At or below 80% area median income

\*Household income must not exceed 80 percent of area median income. Lead grantees may determine to target households with a lower area median income.

### 5.3 Homelessness Prevention Housing Status Eligibility

#### 5.3.1 At Risk of Homelessness

Households are at risk of homelessness if they meet one of the following conditions:

- ✓ Have a missed rent payment and currently owe all or part of a rent payment (current month or past months); OR
- ✓ Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; OR
- ✓ Is living in the home of another because of economic hardship; OR
- ✓ Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; OR

- ✓ Lives in a hotel/motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; OR
- ✓ Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; OR
- ✓ Is exiting a publicly funded institution or system of care.

#### **5.4 Homelessness Prevention Documentation of Housing Status**

An eligible housing status must be verified and documented prior to program entry.

##### **5.4.1 Targeted Prevention**

Programs that provide prevention assistance must use an evidence-based process to prioritize households most likely to become homeless, suffer severe health consequences after eviction, and those disproportionately impacted by housing instability.

#### **5.5 Homelessness Prevention Income Eligibility**

The combined household income must not exceed 80 percent of area median gross income as defined by HUD. Lead grantees can determine to target households with a lower area median income.

Income limits are based on Area Median Income (AMI) which can be located for each county at: [www.huduser.gov](http://www.huduser.gov) (Data Sets, Income Limits).

Income is money that is paid to, or on behalf of, any household member. Income includes the current gross income (annualized) of all adult (18 years and older) household members and unearned income attributable to a minor. Income eligibility determinations are based on the household's income at program entry. Income inclusions and exclusions are listed in the Electronic Code of Federal Regulations, [www.ecfr.gov](http://www.ecfr.gov), Title 24 – Housing and Urban Development: Subtitle A 0-99: Part 5: Subpart F: Section [5.609 Annual Income](#).

**Gross Income** is the amount of income earned before any deductions (such as taxes and health insurance premiums) are made.

**Current Income** is the income that the household is currently receiving. Income recently terminated should not be included.

##### **5.5.1 Income Eligibility Exemptions**

Income eligibility verification is never required for households receiving only flexible funding.

#### **5.6 Homelessness Prevention Documentation of Income Eligibility**

Income eligibility must be verified and documented prior to program entry.

## **5.7 Homelessness Prevention Eligibility Recertification**

Income eligibility must be recertified and documented at least every three months.

### **5.7.1 Income Ineligible at Recertification**

If households are determined income ineligible, they may remain in the program for an additional three months. Case management may continue for an additional six months after the determination of income ineligibility to support the household transition to self-sufficiency.

## **5.8 Landlords Applying for Homelessness Prevention Assistance on Behalf of Tenant**

Landlords must be allowed to initiate a request for assistance on behalf of their tenants. Eligibility is based on tenant eligibility. At minimum, a reasonable attempt to contact the tenant must be made using the information provided from the landlord. A process must be created for what is reasonable based on the agency and staffing capacity.

If a tenant is unresponsive, ineligible, or eligibility cannot be determined, assistance must be denied.

## 6 Housing and Essential Needs (funded with HEN)

### 6.1 Allowable Interventions

All housing intervention definitions can be found in Section 1.4.

#### 6.1.1 Temporary Housing Interventions

- ✓ Transitional Housing (TH)

#### 6.1.2 Permanent Housing Interventions

- ✓ Homelessness Prevention (HP)
- ✓ Rapid Re-Housing (RRH)
- ✓ Permanent Supportive Housing (PSH)

#### 6.1.3 Services Only Interventions

- ✓ Street Outreach

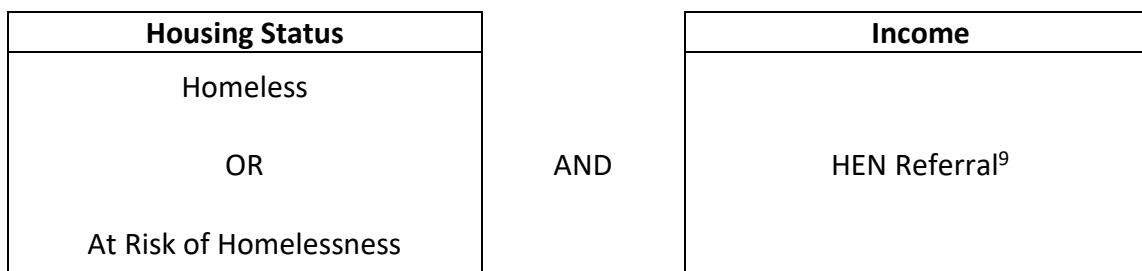
### 6.2 HEN Household Eligibility

A household is one or more individuals seeking to obtain or maintain housing together. The entire household must be considered for eligibility determination and services. A household does not include friends or family that are providing temporary housing. Refer to Appendix B: Household Eligibility Requirements.

A household's primary nighttime residence, where they sleep the majority of the time, is used for determining eligibility.

A household's current nighttime residence, where they slept last night, is used for determining HMIS project entry.

Eligible HEN households must meet both housing status and income requirements as detailed in the following sections.



### 6.3 HEN Housing Status Eligibility

#### 6.3.1 Homeless

Households are homeless if they are unsheltered or residing in a temporary housing

<sup>9</sup> HEN Referral includes households who have a HEN Referral and households enrolled in General Assistance (ABD recipient) and General Assistance Pregnancy (Pregnant Women Assistance recipient) from the Washington State Department of Social and Health Services (DSHS) as documented in the Benefits Verification System (BVS).

program, as defined below.

#### **6.3.1.1 Unsheltered Homeless:**

- ✓ Living outside or in a place that is not designed for, or ordinarily used as a regular sleeping accommodation for human beings, including a vehicle, park, abandoned building, bus or train station, airport, or campground.
- ✓ Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, human trafficking, or other dangerous or life-threatening conditions that relate to violence against the household member(s), including children, that have either taken place within the household's primary nighttime residence or has made the household member(s) afraid to return to their primary nighttime residence.

#### **6.3.1.2 Sheltered Homeless:**

- ✓ Residing in a temporary housing program including shelters, transitional or interim housing, and hotels and motels paid for by charitable organizations or government programs.
- ✓ Exiting a system of care or institution where they resided for 90 days or less AND who resided in an emergency shelter or place not meant for human habitation immediately before entering that system of care or institution.
- ✓ Residing in a trailer or recreational vehicle that is parked illegally or in a location that is not intended for long-term stays (i.e. parking lots).

### **6.3.2 At Risk of Homelessness**

Households are at risk of homelessness if they meet one of the following conditions:

- ✓ Have a missed rent payment and currently owe all or part of a rent payment (current month or past months); OR
- ✓ Has moved because of economic reasons 2 or more times during the 60 days immediately preceding the application for assistance; OR
- ✓ Is living in the home of another because of economic hardship; OR
- ✓ Has been notified that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance; OR
- ✓ Lives in a hotel/motel and the cost is not paid for by charitable organizations or by Federal, State, or local government programs for low-income individuals; OR
- ✓ Lives in an SRO or efficiency apartment unit in which there reside more than 2 persons or lives in a larger housing unit in which there reside more than one and a half persons per room; OR
- ✓ Is exiting a publicly funded institution or system of care.

### **6.4 HEN Documentation of Housing Status**

An eligible housing status must be verified and documented prior to program entry.

#### **6.4.1 Targeted Prevention**

Programs that provide prevention assistance must use an evidence-based process to prioritize households most likely to become homeless, suffer severe health

consequences after eviction, and those disproportionately impacted by housing instability.

## **6.5 HEN Referral**

### **6.5.1 Documentation of HEN Referral<sup>10</sup>**

Household's HEN Referral must be verified and documented from the Washington State Department of Social and Health Services (DSHS) as documented in the Benefits Verification System (BVS) prior to program entry.

For Pregnant Women Assistance (PWA) recipients with a HEN Referral, BVS will only display active PWA households. If a household is no longer on the program (e.g. birth of baby), BVS will no longer display an active status. Contact your Commerce SDG grant manager to help determine PWA status. The referral to HEN remains valid for 24 consecutive months.

## **6.6 HEN Eligibility Recertification**

Recertification of the household's HEN Referral must be documented from DSHS as documented in the BVS at least every three months.

Recertification is not required for HEN households who are a PWA recipient up to 24 months.

### **6.6.1 HEN Ineligible at Recertification**

If households do not have a HEN Referral at recertification and are determined ineligible for HEN, HEN funding cannot be used to support that household any further. Consider using other SDG funding such as SDG Standard or Eviction Prevention to support the household transition to self-sufficiency. If other SDG funding is used for an ineligible household they may remain in the program for an additional three months and case management may continue for an additional six months

---

<sup>10</sup> HEN Referral includes households who have a HEN Referral and households enrolled in General Assistance Pregnancy (Pregnant Women Assistance recipient) from DSHS as documented in BVS.

## 7 Allowable Expenses

### 7.1 Rent

#### 7.1.1 Rent Payments

- ✓ Monthly rent and any combination of first and last months' rent. Rent assistance is not time-limited.
- ✓ Rental arrears and associated late fees. Arrears is not time-limited.
  - Rental arrears is any missed rent payment currently owed (full or partial), including the current month or past months.
  - Rental arrears for HEN households can be paid for a time period when the household was not HEN enrolled.
- ✓ Lot rent for RV or manufactured home
- ✓ Costs of parking spaces when connected to a unit
- ✓ Landlord incentives, including reimbursement for damages paid to a landlord
- ✓ Security deposits for households moving into new units
- ✓ Hotel/Motel expenses for households if no suitable shelter bed is available during housing search or when a hotel/motel unit is used as permanent housing.
- ✓ Utilities that are included in rent
- ✓ Other fees that are included in rent, including landlord administrative fees

#### 7.1.2 Other Housing Costs

- ✓ Utility payments
- ✓ Utility arrears
- ✓ Utility deposits for a household moving into a new unit
- ✓ Application fees, background, credit check fees, and costs of urinalyses for drug testing of household members if necessary/required for rental housing
- ✓ Other costs as approved by Commerce

#### 7.1.3 Special Circumstances

- ✓ Master-lease: Security deposit and monthly rent is allowable when an organization master-leases a unit, and then sub-leases the property to SDG eligible households in the context of a Rapid Re-Housing or Permanent Supportive Housing program.
- ✓ Temporary absence: If a household must be temporarily away from the unit, but is expected to return grantees may pay for the household's rent for up to 60 days.
- ✓ Subsidized housing: rent/utility assistance may be used for move-in costs (security deposits, first and last month's rent) for subsidized housing (where household's rent is adjusted based on income), including project- or tenant-based housing.<sup>11</sup> Funds may also be used for rental arrears or utility arrears for subsidized housing.

---

<sup>11</sup> In this context tax credit units are not considered subsidized housing.



#### 7.1.4 Ineligible Expenses

- Ongoing rent/utilities for subsidized housing
- Rent and rent/utility assistance in combination with SDG-funded facility support
- Cable deposits or services
- Mortgage assistance and utility assistance for homeowners

### 7.2 Facility Support

#### 7.2.1 Lease Payments

- ✓ Lease or rent payment on a building used to provide temporary housing or permanent supportive housing
- ✓ Hotel/Motel expenses to provide temporary housing
- ✓ Move-in costs (security deposits, first and last month's rent) for permanent housing

#### 7.2.2 Other Facility Costs

- ✓ Utilities
- ✓ Facility Maintenance supplies and services. Maintenance activities include cleaning activities; protective or preventative measures to keep a building, its systems, and its grounds in working order; and replacement of existing appliances or objects that are not fixtures or part of the building.
- ✓ Security and janitorial services
- ✓ Essential facility equipment and supplies
- ✓ Expendable transportation costs
- ✓ On-site and off-site management costs related to the building
- ✓ Facility specific insurance (mortgage insurance is not allowable) and accounting
- ✓ Costs for securing permanent housing including: application fees, background check fees, credit check fees, utility deposits, and costs of urinalyses for drug testing of household members if necessary/required for housing
- ✓ Other expenses as approved by Commerce

#### 7.2.3 Ineligible Expenses

- Replacement or operating reserves
- Debt service
- Construction or rehabilitation of shelter facilities
- Facility support in combination with SDG funded rent and rent/utility assistance
- Mortgage payment for the facility

#### 7.2.4 HEN Facility Support

Lease payments and other facility costs are allowable with HEN funding for **Error! Reference source not found.** and **Error! Reference source not found.** Emergency shelter is not allowable.

HEN facility support must be proportionally billed according to an estimate of the number of HEN households expected to occupy the facility.

## **7.3 Operations**

Operations expenses are directly attributable to a particular program or to the homeless crisis response system.

- ✓ Salaries and benefits for staff costs directly attributable to the program or to the homeless system, including but not limited to program staff, information technology (IT) staff, human resources (HR) staff, bookkeeping staff, and accounting staff
- ✓ Office space, utilities, supplies, phone, internet, and training related to grant management and/or service delivery/conferences/travel and per diem
- ✓ Equipment up to \$5,000 per grant period unless approved in advance by Commerce

### **7.3.1 Homeless Crisis Response System Expenses**

- ✓ Point-in-Time counts
- ✓ Annual report/housing inventory
- ✓ Local homeless plans
- ✓ Coordinated entry planning, implementation and operations
- ✓ State data warehouse and Homeless Management Information System
- ✓ Interested landlord list and landlord outreach activities
- ✓ Participation in local Continuum of Care

### **7.3.2 Program Expenses**

- ✓ Intake and Assessment
- ✓ Housing Stability Services
- ✓ Housing Search and Placement Services
- ✓ Outreach services
- ✓ Optional support services
- ✓ Mediation and outreach to property owners (landlord incentives)
- ✓ Data collection and entry
- ✓ General liability insurance and automobile insurance
- ✓ Other costs as approved in advance by Commerce

### **7.3.3 Flexible Funding**

Flexible Funding is the provision of goods or payments of expenses not included in other allowable expense categories, which directly help a household to obtain or maintain permanent housing or meet essential household needs.

Essential household needs means personal health and hygiene items, cleaning supplies, transportation passes and other personal need items. Essential household need items are available to all eligible households. Verification of housing status is not required for households with a HEN Referral. Essential needs distribution does not need to be documented in housing stability plans.

All eligible households are eligible for Flexible Funding. Households receiving only

Flexible Funding and not ongoing assistance are exempt from income eligibility requirements. Verification of housing status is required. Flexible Funding payments must be paid directly to a third party on behalf of the household and noted in a household's housing stability plan.

### 7.3.3.1 Ineligible Expenses

- Retailer or merchant gift cards, vouchers, or certificates that can be exchanged for cash or that allow the recipient to purchase alcohol or tobacco products

## 7.4 Administration

Non-HEN Administration - up to 15 percent of the SDG Standard and PSH CHF contracted budget may be allocated to administration.

HEN Administration - up to 7 percent of the HEN contracted budget may be allocated to HEN administration.

Eviction Prevention Administration - up to 15 percent for the lead grantee and each subgrantee.

Allowable administrative costs benefit the organization as a whole and cannot be attributed specifically to a particular program or to the homeless crisis response system. Administrative costs may include the same types of expenses that are listed in program operations (such as IT staff and office supplies), in the case that these costs are benefiting the agency as a whole and are not attributed to a particular program or the homeless system. Administrative costs may include, but are not limited to, the following:

- ✓ Executive director salary and benefits
- ✓ General organization insurance
- ✓ Organization wide audits
- ✓ Board expenses
- ✓ Organization-wide membership fees and dues
- ✓ Washington State Quality Award (WSQA) expenses
- ✓ General agency facilities costs (including those associated with executive positions) such as rent, depreciation expenses, and operations and maintenance

All amounts billed to administration must be supported by actual costs. If actual costs in the contract period meet the budget cap, they may be charged in equal monthly amounts. These costs must be charged to grant cost centers by one of the following three methods:

- ✓ Billed directly such as IT services that are billed by the hour.
- ✓ Shared costs that are allocated directly by means of a cost allocation plan.
- ✓ Costs related to executive personnel such that a direct relationship between the cost and the benefit cannot be established must be charged indirectly by use of an indirect cost rate which has been appropriately negotiated with an approved cognizant agency or by use of the 10 percent de minimus rate.



## **8 Requirements of Grantees Providing Direct Service**

### **8.1 PSH CHF Referral to Foundational Community Supports (FCS)**

PSH CHF eligible households must be offered a referral to Foundational Community Supports (FCS). A provider directory can be found at:

<https://www.myamerigroup.com/washington-fcs/home.html>

Households are not required to participate in FCS services.

### **8.2 HEN Rent Subsidy**

HEN households cannot be required to pay any of their ABD cash benefit or other earned income reported to DSHS towards their rent.

### **8.3 Habitability**

Documented habitability is required for all housing units into which households will be moving, except when a household moves in with friends or family or into a hotel/motel unit.

Housing units must be documented as habitable prior to paying the rent subsidy. Allowable methods for unit habitability determination include landlord certification of habitability or a unit inspection.

All facilities must conduct and document an inspection at least once a year.

#### **8.3.1.1 Habitability Complaint Procedure**

Each household must be informed in writing of the habitability complaint process and assured that complaints regarding their housing unit's safety and habitability will not affect the household's program eligibility.

Lead/subgrantee must have a written procedure describing the response to complaints regarding unit safety and habitability. The procedure must include mandatory inspection when a complaint is reported using the HHS Form, HQS Inspection Form, or documenting the specific complaint in an alternate format that includes follow-up and resolution.

### **8.4 Lead Based Paint Assessment**

To prevent lead poisoning in young children, programs must comply with the Lead-Based Paint Poisoning Prevention Act of 1973 and its applicable regulations found at 24 CFR 35, Parts A, B, M, and R.

For a guide to compliance see Appendix C: Lead Based Paint Visual Assessment Requirements.

#### **8.4.1 For Rent Assistance**

A lead-based paint visual assessment must be completed prior to providing rapid re-housing or homelessness prevention rent assistance if a child under the age of six, or pregnant woman resides in a unit constructed prior to 1978.

#### **8.4.2 For Facilities**

All facilities that may serve a child under the age of six or a pregnant woman constructed prior to 1978 must conduct and document an annual lead-based paint visual assessment.

#### **8.4.3 Exceptions to the Lead-Based Paint Visual Assessment Requirement**

Visual assessments are not required under the following circumstances:

- ✓ Zero-bedroom or SRO-sized units;
- ✓ X-ray or laboratory testing of all painted surfaces by certified personnel has been conducted in accordance with HUD regulations and the unit is officially certified to not contain lead-based paint;
- ✓ The property has had all lead-based paint identified and removed in accordance with HUD regulations;
- ✓ The unit has already undergone a visual assessment within the past 12 months – obtained documentation that a visual assessment has been conducted; or
- ✓ It meets any of the other exemptions described in 24 CFR Part 35.115(a).

#### **8.5 Consent to Review Information in the Benefits Verification System**

Programs may review confidential information in the BVS only after all adult household members have provided informed consent as documented using the form *DSHS 14-012(x)(REV 02/2003)*. See Appendix D: Access to the DSHS Benefits Verification System Data Security Requirements for more information.

#### **8.6 Personal Identifying Information**

Personal identifying information must never be sent electronically unless sent via a secure file transfer. Request secure file transfer login credentials from Commerce.

#### **8.7 Prohibitions**

- ✓ Programs may not require households to participate in a religious service as a condition of receiving program assistance.
- ✓ Programs must not terminate or deny services to households based on refusal to participate in supportive services. Supportive services are helping or educational resources that include support groups, mental health services, alcohol and substance abuse services, life skills or independent living skills services, vocational services and social activities. Supportive services do not include housing stability planning or case management.
- ✓ Programs may not deny shelter to households that are unable to pay fees for shelter.
- ✓ If a program serves households with children, the age of a minor child cannot be used as a basis for denying any household's admission to the program.

## **8.8 Nondiscrimination**

As stated in the SDG General Terms and Conditions Section 9 and Section 22, grantees must comply with all federal, state, and local nondiscrimination laws, regulations and policies.

Programs must comply with the Washington State Law against Discrimination, RCW 49.60, as it now reads or as it may be amended. RCW 49.60 currently prohibits discrimination or unfair practices because of race, creed, color, national origin, families with children, sex, marital status, sexual orientation, age, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained guide dog or service animal by a person with a disability.

Programs must comply with the Federal Fair Housing Act and its amendments as it now reads or as it may be amended. The Fair Housing Act currently prohibits discrimination because of race, color, national origin, religion, sex, disability or family status. The Fair Housing Act prohibits enforcing a neutral rule or policy that has a disproportionately adverse effect on a protected class.

Programs serving households with children must serve all family compositions. If a program operates gender-segregated facilities, the program must allow the use of facilities consistent with the client's gender expression or identity.

Local nondiscrimination laws may include additional protected classes.

## **9 Additional Requirements for Grantees Providing Rent Assistance**

### **9.1 Washington Residential Landlord-Tenant Act**

Programs must provide information on the Washington Residential Landlord Tenant Act (RCW 59.18) to households receiving rent assistance.

For more information on this law, visit Washington Law Help, housing page, tenant rights at [www.washingtonlawhelp.org](http://www.washingtonlawhelp.org)

### **9.2 Rent Limits**

Grantees must set a rent limit for their service area. The rent limit is the maximum rent that can be paid for a unit of a given size. Rent limit calculations must include the cost of utilities.

### **9.3 Rental Agreements**

Client files must contain a rental agreement if rent assistance is paid on their behalf. If the rent assistance paid is move-in costs only, an Intent to Rent form is allowable.

### **9.4 Dispute Resolution Center Partnerships**

Lead/subgrantees must coordinate with their local Dispute Resolution Centers (DRC) if one exists within the service area. DRCs can be an important pathway to prevent evictions, and providing rent assistance can be critical to settling disputes.



## 10 Washington State's Landlord Mitigation Law

Washington State's Landlord Mitigation Law ([RCW 43.31.605](#)) became effective on June 7, 2018 to provide landlords with an incentive and added security to work with tenants receiving rental assistance. The program offers up to \$1,000 to the landlord in reimbursement for some potentially required move-in upgrades, up to fourteen days' rent loss and up to \$5,000 in qualifying damages caused by a tenant during tenancy. A move in/move out condition report is required for a landlord to receive reimbursement.

For more information, please visit the Commerce Landlord Mitigation Program [website](#).

## 11 Appendix A: Performance Requirements

### 11.1 Prioritization Requirements

Performance measures help evaluate the effectiveness of Homeless Crisis Response Systems as they work to ensure that homelessness is rare, brief, and one time.

RCW 43.185C.185 requires that Commerce ensure equity in new state funds. During the period of July 2022 to June 2023 Commerce will develop performance requirements that promote both equitable program access and equitable program outcomes in partnership with grantees, subgrantees, stakeholders and other experts:

- Communicate and examine project level to system level HMIS entry racial and ethnic demographic data
- Develop racial equity performance requirements including benchmarks and targets
- Develop housing outcome measures for homelessness prevention projects including benchmarks and targets
- Review and update (if needed) existing homeless system performance requirements, including prioritization requirements and housing outcome requirements
- Implement new homeless system performance requirements for July 2023 contract period

Grantees must prioritize unsheltered homeless households and households fleeing violence for services and projects.

A household is considered in unsheltered priority status if they are:

- ✓ Currently living in a place not meant for habitation<sup>12</sup>  
OR
- ✓ Currently fleeing violence: domestic violence, dating violence, sexual assault, stalking, trafficking or other dangerous or life-threatening conditions that relate to violence against the individual or a family member. *Note: Currently fleeing violence means fleeing, or is attempting to flee the situation, or is afraid to return to their primary nighttime residence.*

### 11.2 Housing Outcome Performance Measures

Grantees must maintain performance measures to help evaluate their effectiveness as they work to ensure that homelessness is rare, brief, and one time.

- ✓ HUD Homeless System Performance measures or a variation of these measures must be included in subgrantee agreements with applicable targets or benchmarks
- ✓ Subgrantee agreements or a performance management plan must describe the frequency of performance monitoring

---

<sup>12</sup> Living outside or in a place that is not designed for, or ordinarily used as a regular sleeping accommodation for human beings, including a vehicle, park, abandoned building, bus or train station, airport, or campground.

- ✓ Subgrantee agreements or a performance management plan must describe actions taken if the performance expectations are not met

### **11.2.1 Housing Outcome Performance Monitoring**

Commerce will monitor grantee SDG performance management activities. Grantees must provide the following upon request:

- ✓ Evidence of communicating performance outcomes with subgrantees through web-based dashboards, reports or other means
- ✓ Evidence of performance monitoring
- ✓ A description of performance monitoring outcomes including the number of projects with performance issues and specific actions taken (e.g. development of technical assistance plans, reduction in funding, etc.)
- ✓ A description of performance improvement strategies currently deployed or in development

## 12 Appendix B: Household Eligibility Requirements

ELIGIBILITY REQUIREMENTS			
	HOUSING STATUS	INCOME AT ENROLLMENT	INCOME AT RECERTIFICATION
<b>Flex Funding</b>	Homeless, Chronically Homeless, or At risk of homelessness	At or below 80% AMI, HEN referral, or None if not receiving ongoing rent assistance	None
<b>Drop-in Shelter</b>	None	None	None
<b>Continuous-stay Shelter</b>	None	None	At or below 80% AMI
<b>Transitional Housing</b>	Homeless	None	At or below 80% AMI
<b>Rapid Re-Housing (SDG Standard)</b>	Homeless	None	At or below 80% AMI
<b>Homelessness Prevention (SDG Standard and Eviction Prevention)</b>	At risk of homelessness	At or below 80% AMI	At or below 80% AMI
<b>HEN Rapid Re-Housing</b>	Homeless	DSHS HEN Referral	DSHS HEN Referral
<b>HEN Homelessness Prevention</b>	At risk of homelessness	DSHS HEN Referral	DSHS HEN Referral
<b>Permanent Supportive Housing (SDG Standard)</b>	Homeless and a household member with a permanent disability	At or below 80% AMI	None
<b>Permanent Supportive Housing for Chronically Homeless Families (PSH CHF)</b>	Chronically homeless head of household with a permanent disability	At or below 80% AMI	None

### 13 Appendix C: Lead Based Paint Visual Assessment Requirements

To prevent lead-poisoning in young children, Lead/Subgrantees must comply with the Lead-Based Paint Poisoning Prevention Act of 1973 and its applicable regulations found at 24 CFR 35, Parts A, B, M, and R.

#### **Disclosure Requirements**

For ALL properties constructed prior to 1978, landlords must provide tenants with:

- ✓ Disclosure form for rental properties disclosing the presence of known and unknown lead-based paint;
- ✓ A copy of the “Protect Your Family from Lead in the Home” pamphlet.

Both the disclosure form and pamphlet are available at: <https://www.epa.gov/lead/real-estate-disclosure>

It is recommended that rent assistance providers also share this information with their clients.

#### **Determining the Age of the Unit**

Lead/Subgrantees should use formal public records, such as tax assessment records, to establish the age of a unit. These records are typically maintained by the state or county and will include the year built or age of the property. To find online, search for your county name with one of the following phrases:

- ✓ “property tax records”
- ✓ “property tax database”
- ✓ “real property sales”

Print the screenshot for the case file. If not available online, the information is public and can be requested from the local authorities.

#### **Conducting a Visual Assessment**

Visual assessments are required when:

- ✓ The leased property was constructed before 1978;  
AND
- ✓ A child under the age of six or a pregnant woman will be living in the unit occupied by the household receiving rent assistance.

A visual assessment must be conducted prior to providing rent assistance to the unit and on an annual basis thereafter (as long as assistance is provided). Lead/Subgrantees may choose to have their program staff complete the visual assessments or they may procure services from a contractor. Visual assessments must be conducted by a HUD-Certified Visual Assessor. Anyone may become a HUD-Certified Visual Assessor by successfully completing a 20-minute online training on HUD’s website at:

<http://www.hud.gov/offices/lead/training/visualassessment/h00101.htm>

If a visual assessment reveals problems with paint surfaces, Lead/Subgrantees cannot approve the unit for rent assistance until the deteriorating paint has been repaired. Lead/Subgrantees may wait until the repairs are completed or work with the household to locate a different (lead-safe) unit.

### **Locating a Certified Lead Professional and Further Training**

To locate a certified lead professional in your area:

- ✓ Call your state government (health department, lead poison prevention program, or housing authority).
- ✓ Call the National Lead Information Center at 1-800-424-LEAD (5323).
- ✓ Go to the US Environmental Protection Agency website at <https://www.epa.gov/leadand> and click on "Find a Lead-Safe Certified Firm."
- ✓ Go to Washington State Department of Commerce Lead-Based Paint Program website at <http://www.commerce.wa.gov/building-infrastructure/housing/lead-based-paint/lead-based-paint-program-lbpabatement/> and click on "Find a Certified LBP Firm" under Other Resources.

Information on lead-based programs in Washington State can be found at <http://www.commerce.wa.gov/building-infrastructure/housing/lead-based-paint/>.

For more information on the Federal training and certification program for lead professionals, contact the National Lead Information Center (NLIC) at <https://www.epa.gov/lead/forms/lead-hotline-national-lead-information-center> or 1-800-424-LEAD to speak with an information specialist.

The Lead Safe Housing Rule as well as a HUD training module can be accessed at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/healthy\\_homes/enforcement/lshr](http://portal.hud.gov/hudportal/HUD?src=/program_offices/healthy_homes/enforcement/lshr)

## 14 Appendix D: Access to the DSHS Benefits Verification System Data Security Requirements

1. **Definitions.** The words and phrases listed below, as used in this Appendix, shall each have the following definitions:
  - a. “Authorized User(s)” means an individual or individuals with an authorized business requirement to access DSHS Confidential Information.
  - b. “Hardened Password” means a string of at least eight characters containing at least one alphabetic character, at least one number and at least one special character such as an asterisk, ampersand or exclamation point.
  - c. “Unique User ID” means a string of characters that identifies a specific user and which, in conjunction with a password, passphrase or other mechanism, authenticates a user to an information system.
  - d. “Contractor” means SDG Lead/subgrantees.
  
2. **Data Transport.** When transporting DSHS Confidential Information electronically, including via email, the Data will be protected by:
  - a. Transporting the Data within the (State Governmental Network) SGN or Contractor’s internal network, or;
  - b. Encrypting any Data that will be in transit outside the SGN or Contractor’s internal network. This includes transit over the public Internet.
  
3. **Protection of Data.** The Contractor agrees to store Data on one or more of the following media and protect the Data as described:
  - a. **Hard disk drives.** Data stored on local workstation hard disks. Access to the Data will be restricted to Authorized User(s) by requiring logon to the local workstation using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards.
  - b. **Network server disks.** Data stored on hard disks mounted on network servers and made available through shared folders. Access to the Data will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on disks mounted to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.

For DSHS Confidential Information stored on these disks, deleting unneeded Data is sufficient as long as the disks remain in a Secured Area and otherwise meet the requirements listed in the above paragraph. Destruction of the Data as outlined in Section 5. Data Disposition may be deferred until the disks are retired, replaced, or otherwise taken out of the Secured Area.
  - c. **Optical discs (CDs or DVDs) in local workstation optical disc drives.** Data provided by DSHS on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a Secured Area. When not in use for the contracted purpose, such discs must be locked in a drawer, cabinet or other container to which only Authorized Users have the key, combination or mechanism required to access the contents of the container.

Workstations which access DSHS Data on optical discs must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.

- d. **Optical discs (CDs or DVDs) in drives or jukeboxes attached to servers.** Data provided by DSHS on optical discs which will be attached to network servers and which will not be transported out of a Secured Area. Access to Data on these discs will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on discs attached to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
- e. **Paper documents.** Any paper records must be protected by storing the records in a Secured Area which is only accessible to authorized personnel. When not in use, such records must be stored in a locked container, such as a file cabinet, locking drawer, or safe, to which only authorized persons have access.
- f. **Remote Access.** Access to and use of the Data over the State Governmental Network (SGN) or Secure Access Washington (SAW) will be controlled by DSHS staff who will issue authentication credentials (e.g. a Unique User ID and Hardened Password) to Authorized Users on Contractor staff. Contractor will notify DSHS staff immediately whenever an Authorized User in possession of such credentials is terminated or otherwise leaves the employ of the Contractor, and whenever an Authorized User's duties change such that the Authorized User no longer requires access to perform work for this Contract
- g. **Data storage on portable devices or media.**
  - (1) Except where otherwise specified herein, DSHS Data shall not be stored by the Contractor on portable devices or media unless specifically authorized within the terms and conditions of the Contract. If so authorized, the Data shall be given the following protections:
    - (a) Encrypt the Data with a key length of at least 128 bits
    - (b) Control access to devices with a Unique User ID and Hardened Password or stronger authentication method such as a physical token or biometrics.
    - (c) Manually lock devices whenever they are left unattended and set devices to lock automatically after a period of inactivity, if this feature is available. Maximum period of inactivity is 20 minutes.Physically Secure the portable device(s) and/or media by
    - (d) Keeping them in locked storage when not in use
    - (e) Using check-in/check-out procedures when they are shared, and
    - (f) Taking frequent inventories
  - (2) When being transported outside of a Secured Area, portable devices and media with DSHS Confidential Information must be under the physical control of Contractor staff with authorization to access the Data.
  - (3) Portable devices include, but are not limited to; smart phones, tablets, flash memory devices (e.g. USB flash drives, personal media players), portable hard disks, and laptop/notebook/netbook computers if those computers may be transported outside of a



Secured Area.

(4) Portable media includes, but is not limited to; optical media (e.g. CDs, DVDs), magnetic media (e.g. floppy disks, tape), or flash media (e.g. CompactFlash, SD, MMC).

**h. Data stored for backup purposes.**

(1) DSHS data may be stored on portable media as part of a Contractor's existing, documented backup process for business continuity or disaster recovery purposes. Such storage is authorized until such time as that media would be reused during the course of normal backup operations. If backup media is retired while DSHS Confidential Information still exists upon it, such media will be destroyed at that time in accordance with the disposition requirements in Section 5. Data Disposition

(2) DSHS Data may be stored on non-portable media (e.g. Storage Area Network drives, virtual media, etc.) as part of a Contractor's existing, documented backup process for business continuity or disaster recovery purposes. If so, such media will be protected as otherwise described in this exhibit. If this media is retired while DSHS Confidential Information still exists upon it, the data will be destroyed at that time in accordance with the disposition requirements in Section 5. Data Disposition.

**4. Data Segregation.**

- a. DSHS Data must be segregated or otherwise distinguishable from non-DSHS data. This is to ensure that when no longer needed by the Contractor, all DSHS Data can be identified for return or destruction. It also aids in determining whether DSHS Data has or may have been compromised in the event of a security breach. As such, one or more of the following methods will be used for data segregation.
- b. DSHS Data will be kept on media (e.g. hard disk, optical disc, tape, etc.) which will contain no non-DSHS data. And/or,
- c. DSHS Data will be stored in a logical container on electronic media, such as a partition or folder dedicated to DSHS Data. And/or,
- d. DSHS Data will be stored in a database which will contain no non-DSHS data. And/or,
- e. DSHS Data will be stored within a database and will be distinguishable from non-DSHS data by the value of a specific field or fields within database records.
- f. When stored as physical paper documents, DSHS Data will be physically segregated from non-DSHS data in a drawer, folder, or other container.
- g. When it is not feasible or practical to segregate DSHS Data from non-DSHS data, then both the DSHS Data and the non-DSHS data with which it is commingled must be protected as described in this exhibit.

**5. Data Disposition.** When the contracted work has been completed or when no longer needed, except as noted in Section 3. Protection of Data b. Network Server Disks above, Data shall be returned to DSHS or destroyed. Media on which Data may be stored and associated acceptable methods of destruction are as follows:

<b>Data Stored On:</b>	<b>Will be Destroyed By:</b>
Server or workstation hard disks, or  Removable media (e.g. floppies, USB flash drives, portable hard disks) excluding optical discs	Using a “wipe” utility which will overwrite the Data at least three (3) times using either random or single character data, or  Degaussing sufficiently to ensure that the Data cannot be reconstructed, or  Physically destroying the disk
Paper documents with sensitive or Confidential Information	Recycling through a contracted firm provided the contract with the recycler assures that the confidentiality of Data will be protected.
Paper documents containing Confidential Information requiring special handling (e.g. protected health information)	On-site shredding, pulping, or incineration
Optical discs (e.g. CDs or DVDs)	Incineration, shredding, or completely defacing the readable surface with a coarse abrasive
Magnetic tape	Degaussing, incinerating or crosscut shredding

**6. Notification of Compromise or Potential Compromise.** The compromise or potential compromise of DSHS shared Data must be reported to the Department of Commerce Contact designated in the Grant Agreement within one (1) business day of discovery.

**Data shared with Subcontractors.** If DSHS Data access provided under this Contract is to be shared with a subcontractor, the Contract with the subcontractor must include all of the data security provisions within this Contract and within any amendments, attachments, or exhibits within this Contract.

## 15 Appendix E: Access to the DSHS HEN Referral List Data Security Requirements

As required under RCW 43.185.C 230 and RCW 74.62.030, the Lead/sub grantee may use the **HEN Referral List** information for the sole purpose of improving access to HEN assistance for individuals determined eligible for a referral to HEN.

Access to Data shall be limited to staff whose duties specifically require access to such Data in the performance of their assigned duties.

Prior to making Data available to its staff, the Data Recipient shall notify all such staff of the Use and Disclosure requirements.

All staff accessing the data must sign a [DSHS Nondisclosure of Confidential Information – Non Employee](#) form prior to accessing the Data.

The Lead/sub grantee shall maintain a list of such staff and their signed [DSHS Nondisclosure of Confidential Information – Non Employee](#) forms. These forms must be updated annually and submitted to Commerce upon request.

**Limitations on Use of Data:** If the Data and analyses generated by the Lead/sub grantee contain personal information about DSHS clients, then any and all reports utilizing these Data shall be subject to review and approval by Commerce prior to publication in any medium or presentation in any forum.

1. **Definitions.** The words and phrases listed below, as used in this Exhibit, shall each have the following definitions:
  - a. “AES” means the Advanced Encryption Standard, a specification of Federal Information Processing Standards Publications for the encryption of electronic data issued by the National Institute of Standards and Technology (<http://nvlpubs.nist.gov/nistpubs/FIPS/NIST.FIPS.197.pdf>).
  - b. “Authorized Users(s)” means an individual or individuals with a business need to access DSHS Confidential Information, and who has or have been authorized to do so.
  - c. “Business Associate Agreement” means an agreement between DSHS and a contractor who is receiving Data covered under the Privacy and Security Rules of the Health Insurance Portability and Accountability Act of 1996. The agreement establishes permitted and required uses and disclosures of protected health information (PHI) in accordance with HIPAA requirements and provides obligations for business associates to safeguard the information.
  - d. “Category 4 Data” is data that is confidential and requires special handling due to statutes or regulations that require especially strict protection of the data and from which especially serious consequences may arise in the event of any compromise of such data. Data classified as Category 4 includes but is not limited to data protected by: the Health Insurance Portability and Accountability Act (HIPAA), Pub. L. 104-191 as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH), 45 CFR Parts 160 and 164; the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. §1232g; 34 CFR Part 99; Internal Revenue Service

Publication 1075 (<https://www.irs.gov/pub/irs-pdf/p1075.pdf>); Substance Abuse and Mental Health Services Administration regulations on Confidentiality of Alcohol and Drug Abuse Patient Records, 42 CFR Part 2; and/or Criminal Justice Information Services, 28 CFR Part 20.

- e. “Cloud” means data storage on servers hosted by an entity other than the Contractor and on a network outside the control of the Contractor. Physical storage of data in the cloud typically spans multiple servers and often multiple locations. Cloud storage can be divided between consumer grade storage for personal files and enterprise grade for companies and governmental entities. Examples of consumer grade storage would include iTunes, Dropbox, Box.com, and many other entities. Enterprise cloud vendors include Microsoft Azure, Amazon Web Services, and Rackspace.
- f. “Encrypt” means to encode Confidential Information into a format that can only be read by those possessing a “key”; a password, digital certificate or other mechanism available only to authorized users. Encryption must use a key length of at least 256 bits for symmetric keys, or 2048 bits for asymmetric keys. When a symmetric key is used, the Advanced Encryption Standard (AES) must be used if available.
- g. “FedRAMP” means the Federal Risk and Authorization Management Program (see [www.fedramp.gov](http://www.fedramp.gov)), which is an assessment and authorization process that federal government agencies have been directed to use to ensure security is in place when accessing Cloud computing products and services.
- h. “Hardened Password” means a string of at least eight characters containing at least three of the following four character classes: Uppercase alphabetic, lowercase alphabetic, numeral, and special characters such as an asterisk, ampersand, or exclamation point.
- i. “Mobile Device” means a computing device, typically smaller than a notebook, which runs a mobile operating system, such as iOS, Android, or Windows Phone. Mobile Devices include smart phones, most tablets, and other form factors.
- j. “Multi-factor Authentication” means controlling access to computers and other IT resources by requiring two or more pieces of evidence that the user is who they claim to be. These pieces of evidence consist of something the user knows, such as a password or PIN; something the user has such as a key card, smart card, or physical token; and something the user is, a biometric identifier such as a fingerprint, facial scan, or retinal scan. “PIN” means a personal identification number, a series of numbers which act as a password for a device. Since PINs are typically only four to six characters, PINs are usually used in conjunction with another factor of authentication, such as a fingerprint.
- k. “Portable Device” means any computing device with a small form factor, designed to be transported from place to place. Portable devices are primarily battery powered devices with base computing resources in the form of a processor, memory, storage, and network access. Examples include, but are not limited to, mobile phones, tablets, and laptops. Mobile Device is a subset of Portable Device.
- l. “Portable Media” means any machine readable media that may routinely be stored or moved independently of computing devices. Examples include magnetic tapes,

- optical discs (CDs or DVDs), flash memory (thumb drive) devices, external hard drives, and internal hard drives that have been removed from a computing device.
- m. “Secure Area” means an area to which only authorized representatives of the entity possessing the Confidential Information have access, and access is controlled through use of a key, card key, combination lock, or comparable mechanism. Secure Areas may include buildings, rooms or locked storage containers (such as a filing cabinet or desk drawer) within a room, as long as access to the Confidential Information is not available to unauthorized personnel. In otherwise Secure Areas, such as an office with restricted access, the Data must be secured in such a way as to prevent access by non-authorized staff such as janitorial or facility security staff, when authorized Contractor staff are not present to ensure that non-authorized staff cannot access it.
  - n. “Trusted Network” means a network operated and maintained by the Contractor, which includes security controls sufficient to protect DSHS Data on that network. Controls would include a firewall between any other networks, access control lists on networking devices such as routers and switches, and other such mechanisms which protect the confidentiality, integrity, and availability of the Data.
  - o. “Unique User ID” means a string of characters that identifies a specific user and which, in conjunction with a password, passphrase or other mechanism, authenticates a user to an information system.
- 2. Authority.** The security requirements described in this document reflect the applicable requirements of Standard 141.10 (<https://ocio.wa.gov/policies>) of the Office of the Chief Information Officer for the state of Washington, and of the DSHS Information Security Policy and Standards Manual. Reference material related to these requirements can be found here: <https://www.dshs.wa.gov/fsa/central-contract-services/keeping-dshs-client-information-private-and-secure>, which is a site developed by the DSHS Information Security Office and hosted by DSHS Central Contracts and Legal Services.
- 3. Administrative Controls.** The Lead/sub grantee must have the following controls in place:
- a. A documented security policy governing the secure use of its computer network and systems, and which defines sanctions that may be applied to Lead/sub grantee staff for violating that policy.
- 4. Authorization, Authentication, and Access.** In order to ensure that access to the Data is limited to authorized staff, the Lead/sub grantee must:
- a. Have documented policies and procedures governing access to systems with the shared Data.
  - b. Restrict access through administrative, physical, and technical controls to authorized staff.
  - c. Ensure that user accounts are unique and that any given user account logon ID and password combination is known only to the one employee to whom that account is assigned. For purposes of non-repudiation, it must always be possible to determine which employee performed a given action on a system housing the

- Data based solely on the logon ID used to perform the action.
- d. Ensure that only authorized users are capable of accessing the Data.
  - e. **Ensure that an employee's access to the Data is removed immediately:**
    - (1) **Upon suspected compromise of the user credentials.**
    - (2) **When their employment is terminated.**
    - (3) **When they no longer need access to the Data.**
  - f. Have a process to periodically review and verify that only authorized users have access to systems containing DSHS Confidential Information.
  - g. When accessing the Data from within the Lead/sub grantee's network (the Data stays within the Lead/sub grantee's network at all times), enforce password and logon requirements for users within the Lead/sub grantee network, including:
    - (1) A minimum length of 8 characters, and containing at least three of the following character classes: uppercase letters, lowercase letters, numerals, and special characters such as an asterisk, ampersand, or exclamation point.
    - (2) That a password does not contain a user's name, logon ID, or any form of their full name.
    - (3) That a password does not consist of a single dictionary word. A password may be formed as a passphrase which consists of multiple dictionary words.
    - (4) That passwords are significantly different from the previous four passwords. Passwords that increment by simply adding a number are not considered significantly different.
  - h. When accessing Confidential Information from an external location (the Data will traverse the Internet or otherwise travel outside the Lead/sub grantee network), mitigate risk and enforce password and logon requirements for users by employing measures including:
    - (1) Ensuring mitigations applied to the system don't allow end-user modification.
    - (2) Not allowing the use of dial-up connections.
    - (3) Using industry standard protocols and solutions for remote access. Examples would include RADIUS and Citrix.
    - (4) Encrypting all remote access traffic from the external workstation to Trusted Network or to a component within the Trusted Network. The traffic must be encrypted at all times while traversing any network, including the Internet, which is not a Trusted Network.
    - (5) Ensuring that the remote access system prompts for re-authentication or performs automated session termination after no more than 30 minutes of inactivity.
    - (6) Ensuring use of Multi-factor Authentication to connect from the external end point to the internal end point.
  - i. Passwords or PIN codes may meet a lesser standard if used in conjunction with another authentication mechanism, such as a biometric (fingerprint, face recognition, iris scan) or token (software, hardware, smart card, etc.) in that

case:

- (1) The PIN or password must be at least 5 letters or numbers when used in conjunction with at least one other authentication factor
- (2) Must not be comprised of all the same letter or number (11111, 22222, aaaaa, would not be acceptable)
- (3) Must not contain a “run” of three or more consecutive numbers (12398, 98743 would not be acceptable)

j. If the contract specifically allows for the storage of Confidential Information on a Mobile Device, passcodes used on the device must:

- (1) Be a minimum of six alphanumeric characters.
- (2) Contain at least three unique character classes (upper case, lower case, letter, number).
- (3) Not contain more than a three consecutive character run. Passcodes consisting of 12345, or abcd12 would not be acceptable.

k. Render the device unusable after a maximum of 10 failed logon attempts.

5. **Protection of Data.** The Lead/sub grantee agrees to store Data on one or more of the following media and protect the Data as described:

a. **Hard disk drives.** For Data stored on local workstation hard disks, access to the Data will be restricted to Authorized User(s) by requiring logon to the local workstation using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards.

b. **Network server disks.** For Data stored on hard disks mounted on network servers and made available through shared folders, access to the Data will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on disks mounted to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.

For DSHS Confidential Information stored on these disks, deleting unneeded Data is sufficient as long as the disks remain in a Secure Area and otherwise meet the requirements listed in the above paragraph. Destruction of the Data, as outlined below in Section 8 Data Disposition, may be deferred until the disks are retired, replaced, or otherwise taken out of the Secure Area.

c. **Optical discs (CDs or DVDs) in local workstation optical disc drives.** Data provided by DSHS on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a Secure Area. When not in use for the contracted purpose, such discs must be Stored in a Secure Area. Workstations which access DSHS Data on optical discs must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.

d. **Optical discs (CDs or DVDs) in drives or jukeboxes attached to servers.** Data

provided by DSHS on optical discs which will be attached to network servers and which will not be transported out of a Secure Area. Access to Data on these discs will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on discs attached to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.

- e. **Paper documents.** Any paper records must be protected by storing the records in a Secure Area which is only accessible to authorized personnel. When not in use, such records must be stored in a Secure Area.
- f. **Remote Access.** Access to and use of the Data over the State Governmental Network (SGN) or Secure Access Washington (SAW) will be controlled by DSHS staff who will issue authentication credentials (e.g. a Unique User ID and Hardened Password) to Authorized Users on Contractor's staff. Contractor will notify DSHS staff immediately whenever an Authorized User in possession of such credentials is terminated or otherwise leaves the employ of the Contractor, and whenever an Authorized User's duties change such that the Authorized User no longer requires access to perform work for this Contract.
- g. **Data storage on portable devices or media.**
  - (1) Except where otherwise specified herein, DSHS Data shall not be stored by the Lead/sub grantee on portable devices or media unless specifically authorized within the terms and conditions of the Grant. If so authorized, the Data shall be given the following protections:
    - (a) Encrypt the Data.
    - (b) Control access to devices with a Unique User ID and Hardened Password or stronger authentication method such as a physical token or biometrics.
    - (c) Manually lock devices whenever they are left unattended and set devices to lock automatically after a period of inactivity, if this feature is available. Maximum period of inactivity is 20 minutes.
    - (d) Apply administrative and physical security controls to Portable Devices and Portable Media by:
      - i. Keeping them in a Secure Area when not in use,
      - ii. Using check-in/check-out procedures when they are shared, and
      - iii. Taking frequent inventories.
  - (2) When being transported outside of a Secure Area, Portable Devices and Portable Media with DSHS Confidential Information must be under the physical control of Lead/sub grantee staff with authorization to access the Data, even if the Data is encrypted.
- h. **Data stored for backup purposes.**
  - (1) DSHS Confidential Information may be stored on Portable Media as part



of a Lead/sub grantee's existing, documented backup process for business continuity or disaster recovery purposes. Such storage is authorized until such time as that media would be reused during the course of normal backup operations. If backup media is retired while DSHS Confidential Information still exists upon it, such media will be destroyed at that time in accordance with the disposition requirements below in Section 8 *Data Disposition*.

- (2) Data may be stored on non-portable media (e.g. Storage Area Network drives, virtual media, etc.) as part of a Lead/sub grantee's existing, documented backup process for business continuity or disaster recovery purposes. If so, such media will be protected as otherwise described in this exhibit. If this media is retired while DSHS Confidential Information still exists upon it, the data will be destroyed at that time in accordance with the disposition requirements below in Section 8 *Data Disposition*.

i. **Cloud storage.** DSHS Confidential Information requires protections equal to or greater than those specified elsewhere within this exhibit. Cloud storage of Data is problematic as neither DSHS nor the Lead/sub grantee has control of the environment in which the Data is stored. For this reason:

- (1) DSHS Data will not be stored in any consumer grade Cloud solution, unless all of the following conditions are met:
  - (a) Lead/sub grantee has written procedures in place governing use of the Cloud storage and Contractor attests in writing that all such procedures will be uniformly followed.
  - (b) The Data will be Encrypted while within the Lead/sub grantee network.
  - (c) The Data will remain Encrypted during transmission to the Cloud.
  - (d) The Data will remain Encrypted at all times while residing within the Cloud storage solution.
  - (e) The Lead/sub grantee will possess a decryption key for the Data, and the decryption key will be possessed only by the Lead/sub grantee and/or DSHS.
  - (f) The Data will not be downloaded to non-authorized systems, meaning systems that are not on either the DSHS or Lead/sub grantee networks.
  - (g) The Data will not be decrypted until downloaded onto a computer within the control of an Authorized User and within either the DSHS or Lead/sub grantee's network.
- (2) Data will not be stored on an Enterprise Cloud storage solution unless either:
  - (a) The Cloud storage provider is treated as any other Sub-Contractor, and agrees in writing to all of the requirements within this exhibit; or,
  - (b) The Cloud storage solution used is FedRAMP certified.
- (3) If the Data includes protected health information covered by the Health

Insurance Portability and Accountability Act (HIPAA), the Cloud provider must sign a Business Associate Agreement prior to Data being stored in their Cloud solution.

6. **System Protection.** To prevent compromise of systems which contain DSHS Data or through which that Data passes:
  - a. Systems containing DSHS Data must have all security patches or hotfixes applied within 3 months of being made available.
  - b. The Lead/sub grantee will have a method of ensuring that the requisite patches and hotfixes have been applied within the required timeframes.
  - c. Systems containing DSHS Data shall have an Anti-Malware application, if available, installed.
  - d. Anti-Malware software shall be kept up to date. The product, its anti-virus engine, and any malware database the system uses, will be no more than one update behind current.
7. **Data Segregation.**
  - a. DSHS Data must be segregated or otherwise distinguishable from non-DSHS data. This is to ensure that when no longer needed by the Lead/sub grantee, all DSHS Data can be identified for return or destruction. It also aids in determining whether DSHS Data has or may have been compromised in the event of a security breach. As such, one or more of the following methods will be used for data segregation.
    - (1) DSHS Data will be kept on media (e.g. hard disk, optical disc, tape, etc.) which will contain no non-DSHS Data. And/or,
    - (2) DSHS Data will be stored in a logical container on electronic media, such as a partition or folder dedicated to DSHS Data. And/or,
    - (3) DSHS Data will be stored in a database which will contain no non-DSHS data. And/or,
    - (4) DSHS Data will be stored within a database and will be distinguishable from non-DSHS data by the value of a specific field or fields within database records.
    - (5) When stored as physical paper documents, DSHS Data will be physically segregated from non-DSHS data in a drawer, folder, or other container.
  - b. When it is not feasible or practical to segregate DSHS Data from non-DSHS data, then both the DSHS Data and the non-DSHS data with which it is commingled must be protected as described in this exhibit.
8. **Data Disposition.** When the contracted work has been completed or when the Data is no longer needed, except as noted above in Section 5.b, Data shall be returned to DSHS or destroyed. Media on which Data may be stored and associated acceptable methods of destruction are as follows:

Data stored on:	Will be destroyed by:
Server or workstation hard disks, or  Removable media (e.g. floppies, USB flash drives, portable hard disks) excluding optical discs	Using a “wipe” utility which will overwrite the Data at least three (3) times using either random or single character data, or  Degaussing sufficiently to ensure that the Data cannot be reconstructed, or  Physically destroying the disk
Paper documents with sensitive or Confidential Information	Recycling through a contracted firm, provided the contract with the recycler assures that the confidentiality of Data will be protected.
Paper documents containing Confidential Information requiring special handling (e.g. protected health information)	On-site shredding, pulping, or incineration
Optical discs (e.g. CDs or DVDs)	Incineration, shredding, or completely defacing the readable surface with a coarse abrasive
Magnetic tape	Degaussing, incinerating or crosscut shredding

9. **Notification of Compromise or Potential Compromise.** The compromise or potential compromise of DSHS shared Data must be reported to COMMERCE and DSHS Privacy Officer at [dshsprivacyofficer@dshs.wa.gov](mailto:dshsprivacyofficer@dshs.wa.gov) designated within one (1) business day of discovery. Lead/sub grantee must also take actions to mitigate the risk of loss and comply with any notification or other requirements imposed by law or DSHS.
10. **Data shared with Subcontractors.** If DSHS Data provided under this Grant is to be shared with a subcontractor, the Grant with the subcontractor must include all of the data security provisions within this Grant and within any amendments, attachments, or exhibits within this Grant. If the Lead grantee cannot protect the Data as articulated within this Grant, then the contract with the sub grantee must be submitted to COMMERCE for review and approval.

## 16 Appendix F: Agency Partner HMIS Agreement

The Homeless Management Information System (“HMIS”) is a client management system that maintains information regarding the characteristics and service needs of Clients for a variety of reasons, including the provision of more effective and streamlined services to Clients and the creation of information that communities can use to determine the use and effectiveness of services.

Ultimately, when used correctly and faithfully by all involved parties, the HMIS is designed to benefit multiple stakeholders, including provider agencies, persons who are homeless, funders and the community, through improved knowledge about people who are homeless, their services and service needs and a more effective and efficient service delivery system.

The Homeless Housing and Assistance Act of 2005 requires the Department of Commerce to collect HMIS data in the form of a data warehouse. Each homeless service provider will submit HMIS data to Commerce.

Grantees/ sub grantees and the Department of Commerce agree as follows:

General Understandings:

In this Agreement, the following terms will have the following meanings:

"Client" refers to a consumer of services;

"Partner Agency" refers generally to any Agency participating in HMIS.

"Agency staff" refers to both paid employees and volunteers.

"HMIS" refers to the HMIS system administered by Commerce.

"Enter(ing)" or "entry" refers to the entry of any Client information into HMIS.

"Shar(e)(ing)," or "Information Shar(e)(ing)" refers to the sharing of information which has been entered in HMIS with another Partner Agency.

"The Balance of State Continuum of Care Steering Committee" or "Steering Committee" refers to a Commerce advisory body that serves in a consultative and counseling capacity to Commerce as the system administrator. The Steering Committee is comprised of representatives from the State, the Balance of State Continuum of Care regions and at-large members.

"Identified Information" refers to Client data that can be used to identify a specific Client. Also referred to as "Confidential" data or information.

"De-identified Information" refers to data that has specific Client demographic information removed, allowing use of the data **without identifying** a specific Client. Also referred to as "non-identifying" information.

Agency understands that when it enters information into HMIS, such information will be available to Commerce staff who may review the data to administer HMIS; to conduct analysis in partnership with the Research and Data Analysis (RDA) division at the Department of Social and Health Services (DSHS); and to prepare reports that may be submitted to others in de-identified form **without** individual identifying Client information.

Agency understands that Agency will have the ability to indicate whether information Agency entered into HMIS may be shared with and accessible to Partner Agencies in HMIS system.

Agency is responsible for determining and designating in HMIS whether information may or may not be shared using the Interagency Data Sharing Agreement available through Commerce.

Confidentiality:

Agency will not:

enter information into HMIS which it is not authorized to enter; and

will not designate information for sharing which Agency is not authorized to share, under any relevant federal, state, or local confidentiality laws, regulations or other restrictions applicable to Client information. By entering information into HMIS or designating it for sharing, Agency represents that it has the authority to enter such information or designate it for sharing.

Agency represents that: **(check applicable items)**

it is;  is not; a “covered entity” whose disclosures are restricted under HIPAA (45 CFR 160 and 164); More information about “covered entities” can be found here:

<http://www.hhs.gov/ocr/privacy/hipaa/understanding/coveredentities/index.html>

it is;  is not; a program whose disclosures are restricted under Federal Drug and Alcohol Confidentiality Regulations: 42 CFR Part 2;

If Agency is subject to HIPAA, (45 CFR 160 and 164) or 42 CFR Part 2, a fully executed Business Associate or Business Associate/Qualified Service Organization Agreement must be attached to this agreement before information may be entered. Sharing of information will not be permitted otherwise.

If Agency is subject to any laws or requirements which restrict Agency’s ability to either enter or authorize sharing of information, Agency will ensure that any entry it makes and all designations for sharing fully comply with all applicable laws or other restrictions.

Agency shall comply with the Violence Against Women and Department of Justice Reauthorization Act of 2005 (VAWA) and Washington State RCW 43.185C.030. No Identified Information may be entered into HMIS for Clients in licensed domestic violence programs or for Clients fleeing domestic violence situations.

Agency shall not enter confidential information regarding HIV/AIDS status, in accordance with RCW 70.02.220. If funding (i.e., HOPWA) requires HMIS use, those clients’ data shall be entered without Identifying Information.

To the extent that information entered by Agency into HMIS is or becomes subject to additional restrictions, Agency will immediately inform Commerce in writing of such restrictions.

Information Collection, Release and Sharing Consent:

**Collection of Client Identified information:** An agency shall collect client identified information only when appropriate to the purposes for which the information is obtained or when required by law. An Agency must collect client information by lawful and fair means and, where appropriate, with the knowledge or consent of the individual.

**Obtaining Client Consent:** In obtaining Client consent, each adult Client in the household must sign the **HMIS Client Release of Information** (or a Commerce-approved equivalent release document) to indicate consent to enter Client identified information into HMIS. If minors are present in the household, at least one adult in the household must consent minors by writing their names on the **HMIS Client Release of Information**. If any adult member of a household does not provide written consent, identifying information may not be entered into HMIS for *anyone* in the household. Unaccompanied youth may not sign the consent form for themselves.

Do not enter personally identifying information into HMIS for clients who are in licensed domestic violence agencies or currently fleeing or in danger from a domestic violence, dating violence, sexual assault or stalking situation.

Do not enter HIV/AIDS status in HMIS. If funding (i.e, HOPWA) requires HMIS use, those clients' data shall be entered without personally identifying information.

Telephonic consent from the individual may temporarily substitute for written consent provided that written consent is obtained at the first time the individual is physically present at Agency.

A Client may withdraw or revoke consent for Client identified information collection by signing the **HMIS Revocation of Consent**. If a Client revokes their consent, Agency is responsible for immediately contacting Commerce and making appropriate data modifications in HMIS to ensure that Client's personally identified information will not be shared with other Partner Agencies or visible to the Agency staff within the system.

This information is being gathered for the collection and maintenance of a research database and data repository. The consent is in effect until the client revokes the consent in writing.

**No Conditioning of Services:** Agency will not condition any services upon or decline to provide any services to a Client based upon a Client's refusal to allow entry of identified information into HMIS.

**Re-release Prohibited:** Agency agrees not to release any Client identifying information received from HMIS to any other person or organization without written informed Client consent, or as required by law.

**Client Inspection/Correction:** Agency will allow a Client to inspect and obtain a copy of his/her own personal information except for information compiled in reasonable anticipation of, or for use in, a civil, criminal or administrative action or proceeding. Agency will also allow a Client to correct information that is inaccurate. Corrections may be made by way of a new entry that is in addition to but is not a replacement for an older entry.

**Security:** Agency will maintain security and confidentiality of HMIS information and is responsible for the actions of its users and for their training and supervision. Among the steps Agency will take to maintain security and confidentiality are:

**Access:** Agency will permit access to HMIS or information obtained from it only to authorized Agency staff who need access to HMIS for legitimate business purposes (such as to provide services to the Client, to conduct evaluation or research, to administer the program, or to comply with regulatory requirements). Agency will limit the access of such staff to only those records that are immediately relevant to their work assignments.

**User Policy:** Prior to permitting any user to access HMIS, Agency will require the user to sign a **User Policy, Responsibility Statement & Code of Ethics** ("User Policy"), which is found on the Commerce web page ([www.commerce.wa.gov/hmiswa](http://www.commerce.wa.gov/hmiswa)) and is incorporated into this agreement and may be amended from time to time by Commerce. Agency will comply with, and enforce the User Policy and will inform Commerce immediately in writing of any breaches of the User Policy

**Computers:** Security for data maintained in HMIS depends on a secure computing environment. Computer security is adapted from relevant provisions of the Department of Housing and Urban Development's (HUD) "Homeless Management Information Systems (HMIS) Data and Technical Standards Notice" (Docket No. FR 4848-N-01; see

<https://www.hudexchange.info/resource/1318/2004-hmis-data-and-technical-standards-final-notice/>). Agencies are encouraged to directly consult that document for complete documentation of HUD's standards relating to HMIS.

Agency agrees to allow access to HMIS only from computers which are:  
owned by Agency or approved by Agency for the purpose of accessing and working with HMIS;  
protected from viruses by commercially available virus protection software;  
protected with a software or hardware firewall;  
maintained to insure that the computer operating system running the computer used for the HMIS is kept up to date in terms of security and other operating system patches, updates, and fixes;  
accessed through web browsers with 256-bit encryption (e.g., Internet Explorer, version 11.0). Some browsers have the capacity to remember passwords, so that the user does not need to type in the password when returning to password-protected sites. This default shall **not** be used with respect to Commerce' HMIS; the end-user is expected to physically enter the password each time he or she logs on to the system;  
staffed at all times when in public areas. When computers are not in use and staff is not present, steps should be taken to ensure that the computers and data are secure and not publicly accessible. These steps should minimally include: Logging off the data entry system, physically locking the computer in a secure area, or shutting down the computer entirely.

**Passwords:** Agency will permit access to HMIS only with use of a User ID and password, which the user may not share with others. Written information pertaining to user access (e.g. username and password) shall not be stored or displayed in any publicly accessible location. Passwords shall be at least eight characters long and meet industry standard complexity requirements, including, but not limited to, the use of at least one of each of the following kinds of characters in the passwords: Upper and lower-case letters, and numbers and symbols. Passwords shall not be, or include, the username, or the HMIS name. In addition, passwords should not consist entirely of any word found in the common dictionary or any of the above spelled backwards. The use of default passwords on initial entry into the HMIS application is allowed so long as the default password is changed on first use. Passwords and user names shall be consistent with guidelines issued from time to time by HUD and/or Commerce.

**Training/Assistance:** Agency will permit access to HMIS only after the authorized user receives appropriate confidentiality training including that provided by Commerce. Agency will also conduct ongoing basic confidentiality training for all persons with access to HMIS and will train all persons who may receive information produced from HMIS on the confidentiality of such information. Agency will participate in such training as is provided from time to time by Commerce. Commerce will be reasonably available during Commerce defined weekday business hours for technical assistance (i.e. troubleshooting and report generation).

**Records:** Agency and Commerce will maintain records of any disclosures of Client identifying information either of them makes of HMIS information for a period of **seven** years after such disclosure. On written request of a Client, Agency and Commerce will provide an accounting of all such disclosures within the prior **seven**-year period. Commerce will have access to an audit trail from HMIS so as to produce an accounting of disclosures made from one Agency to another by way of sharing of information from HMIS.

**Retention of paper copies of personally identifying information:** Agencies must develop and adopt policies governing the retention of paper records containing personally identifying information derived from a Homeless Management Information system. The policy must define how long paper records are retained after they are no longer being actively utilized, and the process that will be used to destroy the records to prevent the release of personally identifying information. The policy must require the destruction of the paper records derived from an HMIS no longer than seven years after the last day the person was served by the organization.

**Information Entry Standards:**

Information entered into HMIS by Agency will be truthful, accurate and complete to the best of Agency's knowledge.

Agency will **not** solicit from Clients or enter information about Clients into the HMIS database unless the information is required for a legitimate business purpose such as to provide services to the Client, to conduct evaluation or research, to administer the program, or to comply with regulatory requirements.

Agency will only enter information into HMIS database with respect to individuals that it serves or intends to serve, including through referral.

Agency will enter all data for a particular month into HMIS database by the 5<sup>th</sup> business day of the following month. Additionally, Agency will make every attempt enter all data for a particular week by the end of that week.

Agency will not alter or over-write information entered by another Agency.

**Use of HMIS:**

Agency will not access identifying information for any individual for whom services are neither sought nor provided by the Agency. Agency may access identifying information of the Clients it serves and may request via writing access to statistical, non-identifying information on both the Clients it serves and Clients served by other HMIS participating agencies.

Agency may report non-identifying information to other entities for funding or planning purposes. Such non-identifying information shall not directly identify individual Clients.

Agency and Commerce will report only non-identifying information in response to requests for information from HMIS unless otherwise required by law.

Agency will use HMIS database for legitimate business purposes only.

Agency will not use HMIS in violation of any federal or state law, including, but not limited to, copyright, trademark and trade secret laws, and laws prohibiting the transmission of material, which is threatening, harassing, or obscene.

Agency will not use the HMIS database to defraud federal, state or local governments, individuals or entities, or conduct any illegal activity.

**Proprietary Rights of the HMIS:**

Agency shall not give or share assigned passwords and access codes for HMIS with any other Agency, business, or individual. Each user shall request their own login and password.

Agency shall take due diligence not to cause in any manner, or way, corruption of the HMIS database, and Agency agrees to be responsible for any damage it may cause.

**Steering Committee:** Commerce will consult with the Steering Committee from time to time regarding issues such as revision to the form of this Agreement. Written Agency complaints that are not resolved may be forwarded to the Steering Committee, which will try to reach a voluntary resolution of the complaint.



**Limitation of Liability and Indemnification:** No party to this Agreement shall assume any additional liability of any kind due to its execution of this agreement of participation in the HMIS. It is the intent of the parties that each party shall remain liable, to the extent provided by law, regarding its own acts and omissions; but that no party shall assume additional liability on its own behalf or liability for the acts of any other person or entity except for the acts and omissions of their own employees, volunteers, agents or contractors through participation in HMIS. The parties specifically agree that this agreement is for the benefit of the parties only and this agreement creates no rights in any third party.

**Limitation of Liability.** Commerce shall not be held liable to any member Agency for any cessation, delay or interruption of services, nor for any malfunction of hardware, software or equipment.

**Disclaimer of Warranties.** Commerce makes no warranties, express or implied, including the warranties of merchantability and fitness for a particular purpose, to any Agency or any other person or entity as to the services of the HMIS to any other matter.

**Additional Terms and Conditions:**

Agency will abide by such guidelines as are promulgated by HUD and/or Commerce from time to time regarding administration of the HMIS.

Agency and Commerce intend to abide by applicable law. Should any term of this agreement be inconsistent with applicable law, or should additional terms be required by applicable law, Agency and Commerce agree to modify the terms of this agreement so as to comply with applicable law.

Neither Commerce nor Agency will transfer or assign any rights or obligations regarding HMIS without the written consent of either party.

Agency agrees to indemnify and hold Commerce and its agents and staffs harmless from all claims, damages, costs, and expenses, including legal fees and disbursements paid or incurred, arising from any breach of this Agreement or any of Agency's obligations under this Agreement.

This Agreement will be in force until terminated by either party. Either party may terminate this agreement at will with 20 days written notice. Either party may terminate this agreement immediately upon a material breach of this Agreement by the other party, including but not limited to the breach of the Commerce Security Policy by Agency.

If this Agreement is terminated, Agency will no longer have access to HMIS. Commerce and the remaining Partner Agencies will maintain their right to use all of the Client information previously entered by Agency except to the extent a restriction is imposed by Client or law. Copies of Agency data will be provided to the Agency upon written request of termination of this agreement. Data will be provided on CDs or other mutually agreed upon media. Unless otherwise specified in writing, copies of data will be delivered to Agency within fourteen (14) calendar days of receipt of written requests for data copies