

**EMERGENCY SOLUTIONS GRANT (ESG)
ALLOWABLE COSTS CHECKLIST**

Emergency Solutions Grant (ESG) funds¹ can be used to provide an array of services for five (5) program components: Street Outreach, Emergency Shelter, Rapid Re-housing, Homelessness Prevention, and HMIS.

The checklist below outlines each component along with a list of corresponding **eligible activities** and **allowable costs** for ESG funds. While the costs listed below are allowable, whether the cost is **eligible for reimbursement** under a Project Service Agreement (PSA) is determined by the detailed budget approved by the KCRHA when the application was submitted. To determine if a project cost is **eligible for reimbursement**, please refer to the applicable PSA.

STREET OUTREACH	These activities are designed to meet the immediate needs of unsheltered homeless people by connecting them with emergency shelter, housing and/or critical health services.²	
Essential Services	Allowable Costs	Exceptions and/or Qualifiers
	Engagement 24 CFR 576.101(a)(1)	Activities to locate, identify, and build relationships with unsheltered homeless people for the purpose of providing immediate support, intervention, and connections with homeless assistance programs, social services, and housing programs.
	Case Management 24 CFR 576.101(a)(2)	Assessing housing and service needs and arranging/coordinating/monitoring the delivery of individualized services.
	Emergency Health Services 24 CFR 576.101(a)(3)	Direct outpatient treatment of medical conditions by licensed medical professionals in community-based settings (streets, parks, campgrounds) to eligible participants.
	Emergency Mental Health Services 24 CFR 576.101(a)(4)	Direct outpatient treatment of mental health conditions by licensed medical professionals in community-based settings (streets, parks, campgrounds) to eligible participants.

¹ [24 CFR Part 576](#) – Emergency Solutions Grant Program

² [24 CFR Part 576.101](#) – Street Outreach Component.

	<p>Transportation 24 CFR 576.101(a)(5)</p>	<p>Travel by outreach workers, social workers, medical professionals, or other service providers, provided that travel takes place during the provision of eligible services.</p> <p>Costs of transporting unsheltered people to emergency shelters or other service facilities, including travel on public transportation; service workers use of their own vehicles; purchasing or leasing a vehicle for staff to transport program participants (includes cost of gas, insurance, taxes and maintenance for the vehicle); and staff cost to accompany or assist program participants to use public transportation.</p>
	<p>Services for Special Populations 24 CFR 576.101(a)(6)</p>	<p>Cost to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under 24 CFR 576.101 (a)(1) through (a)(5).</p>
<p>EMERGENCY SHELTER SERVICES</p>	<p>Emergency Shelter Service activities are designed to increase the quantity and quality of temporary shelters provided to homeless people through renovation of existing shelters, conversion of buildings to shelters, paying for operating costs of shelters, and providing essential services. ³</p>	
<p>Essential Services 24 CFR 576.102(a)(1)</p>	<p>Allowable Costs</p>	<p>Exceptions and/or Qualifiers</p>
	<p>Case Management 24 CFR 576.102(a)(1)(i)</p>	<p>Assessing, arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant.</p>
	<p>Child Care 24 CFR 576.102(a)(1)(ii)</p>	<p>Includes providing meals and snacks, and comprehensive and coordinated sets of appropriate developmental activities.</p>

³ [24 CFR Part 576.102](#) – Emergency Shelter Component

		<p>The children must be under the age of 13, unless they are disabled. Disabled children must be under the age of 18.</p> <p>Child-care center must be licensed by the jurisdiction in which it operates for costs to be eligible.</p>
	<p>Education Services 24 CFR 576.102(a)(1)(iii)</p>	<p>Must be necessary for program participants to obtain and maintain housing.</p> <p>Includes instruction or training in consumer education, health education, substance abuse prevention, literacy, English as a Second Language, and General Educational Development (GED).</p>
	<p>Employment Assistance & Job Training 24 CFR 576.102(a)(1)(iv)</p>	<p>Includes classroom, online, and/or computer instruction; on-the-job instruction; and services that assist individuals in securing employment, acquiring learning skills, and/or increasing earning potential.</p> <p>Includes the cost of providing reasonable stipends to program participants in employment assistance and job training programs.</p>
	<p>Outpatient Health Services 24 CFR 576.102(a)(1)(v)</p>	<p>May only be used for direct outpatient treatment of medical conditions provided by licensed medical professionals.</p> <p>May only be used to the extent that other appropriate health services are unavailable within the community.</p>
	<p>Legal Services 24 CFR 576.102(a)(1)(vi)</p>	<p>Hourly fees for legal advice and representation by attorneys licensed and in good standing with the bar association of the State in which the services are provided, and by person(s) under the</p>

		<p>supervision of the licensed attorney, regarding matters that interfere with the program participant's ability to obtain and retain housing.</p> <p>Emergency Solutions Grant (ESG) funds may be used only for these services to the extent that other appropriate legal services are unavailable or inaccessible within the community.</p> <p>Eligible subject matters are child support, guardianship, paternity, emancipation, and legal separation, orders of protection and other civil remedies for victims of domestic violence, dating violence, sexual assault, and stalking, appeal of veterans and public benefit claim denials, and the resolution of outstanding criminal warrants.</p> <p>Component services or activities may include client intake, preparation of cases for trial, provision of legal advice, representation at hearings, and counseling.</p> <p>Fees based on the actual service performed (i.e., fee for service) are also eligible, but only if the cost is less than the cost of hourly fees. Filing fees and other necessary court costs are also eligible. If the subrecipient is a legal services provider and performs the services itself, the eligible costs are the subrecipient's employees' salaries and other costs necessary to perform the services.</p> <p>Legal services for immigration and citizenship matters and issues relating to</p>
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		<p>mortgages are ineligible costs. Retainer fee arrangements and contingency fee arrangements are ineligible costs.</p>
	<p>Life Skills Training 24 CFR 576.102(a)(1)(vii)</p>	<ul style="list-style-type: none"> • Costs of teaching critical life management skills. • Must be necessary to assist the program participant to function independently. • Component life skills training is budgeting resources, managing money, managing a household, resolving conflict, shopping for food and needed items, improving nutrition, using public transportation, and parenting.
	<p>Mental Health Services 24 CFR 576.102(a)(1)(viii)</p>	<p>Direct outpatient treatment by licensed professionals.</p> <p>Only be used for these services to the extent that other appropriate mental health services are unavailable or inaccessible within the community.</p> <p>Eligible treatment consists of:</p> <ul style="list-style-type: none"> • Crisis interventions. • Individual, family, or group therapy sessions. • The prescription of psychotropic medications or explanations about the use and management of medications. • Combinations of therapeutic approaches to address multiple problems.
	<p>Substance Abuse Treatment Services 24 CFR 576.102(a)(1)(ix)</p>	<p>Eligible substance abuse treatment services are designed to prevent, reduce, eliminate, or deter relapse of substance abuse or addictive behaviors and are</p>

		<p>provided by licensed or certified professionals.</p> <p>Only be used for these services to the extent that other appropriate substance abuse treatment services are unavailable or inaccessible within the community.</p> <p>Eligible treatment consists of:</p> <ul style="list-style-type: none"> • Client intake and assessment, and outpatient treatment for up to 30 days. • Group and individual counseling and drug testing are eligible costs. <p><u>Inpatient detoxification and other inpatient drug or alcohol treatment are not eligible costs.</u></p>
	<p>Transportation 24 CFR 576.102(a)(1)(x)</p>	<p>Eligible costs consist of the transportation costs of a program participant's travel to and from medical care, employment, childcare, or other eligible essential services facilities.</p> <p>These costs include the following:</p> <ul style="list-style-type: none"> • Participant's travel on public transportation. • Mileage allowance for service workers to visit program participants. • The cost of purchasing or leasing a vehicle for the recipient or subrecipient in which staff transports program participants and/or staff serving program participants, and the cost of gas, insurance, taxes, and maintenance for the vehicle. • The travel costs of recipient or subrecipient staff to accompany or

		assist program participants to use public transportation.
	Services for Special Populations 24 CFR 576.102(a)(1)(xi)	Cost to provide services for homeless youth, victim services, and services for people living with HIV/AIDS, so long as the costs of providing these services are eligible under 24 CFR 576.102 (a)(1) through (a)(10) .
Renovation (also includes Major Rehab and Conversion) 24 CFR 576.102(a)(2)	Allowable Costs	Exceptions and/or Qualifiers
	Labor.	Emergency shelter must be owned by a government entity or private nonprofit organization.
	Materials.	Emergency shelter must be owned by a government entity or private nonprofit organization.
	Tools.	Emergency shelter must be owned by a government entity or private nonprofit organization.
	Other costs for renovation (including rehab or conversion).	Emergency shelter must be owned by a government entity or private nonprofit organization.

Shelter Operations 24 CFR 576.102(a)(3)	Allowable Costs	Exceptions and/or Qualifiers
	Maintenance.	Includes minor or routine repairs
	Rent.	Rent payments for a space to operate the shelter.
	Security.	
	Fuel.	
	Equipment.	Must adhere to disposition requirements of 2 CFR 200.313 .
	Insurance.	
	Food.	
	Furnishings and supplies necessary for shelter operation.	
	Hotel/Motel Vouchers.	Where no appropriate emergency shelter is available for a homeless family or individual, may also include a hotel or motel voucher for family or individual. Also includes costs for cleaning and damage repair.
Installation and maintenance of handwashing stations and portable bathrooms. ⁴		
Under the Uniform Relocation and Real Property Acquisition Act of 1970 (URA)	Allowable Costs	Exceptions and/or Qualifiers
Persons that receive URA assistance are not considered “program participants” and relocation payments and other URA assistance are not considered “rental assistance” or “housing relocation and stabilization services.”	Relocation payments.	
	Other assistance to displaced persons.	

⁴ [ESG Guidelines Updated February 2024-Washington State Department of Commerce \(pg. 15\)](#)

RAPID RE-HOUSING	These activities are designed to move homeless people quickly to permanent housing through housing relocation and stabilization services and short- and/or medium-term rental assistance.⁵	
Rental Assistance⁶ <i>(May be project-based or tenant-based)</i>	Allowable Costs	Exceptions and/or Qualifiers
	Short-term rental assistance.	Short-term rental assistance is assistance for up to 3 months of rent.
	Medium-term rental assistance.	Medium-term rental assistance is assistance for more than 3 months but not more than 24 months of rent.
	Rental arrears.	Payment of rental arrears consists of a one-time payment for up to 6 months of rent in arrears, including any late fees on those arrears. Rental arrears must be included in determining the total period of rental assistance.
RRH Housing and Relocation Stabilization Services⁷		
Financial Assistance Costs CFR 576.105(a)	Allowable Costs	Exceptions and/or Qualifiers
	Rental Application Fees 24 CFR 576.105(a)(1)	May pay for the rental housing application fee that is charged by the owner to all applicants.
	Security Deposits 24 CFR 576.105(a)(2)	May pay for a security deposit that is equal to no more than 2 months' rent.
	Last month's rent 24 CFR 576.105(a)(3)	May be paid to the owner of the housing at the time the owner is paid the security deposit and the first month's rent. Must not exceed one month's rent and must be

⁵ [24 CFR Part 576.104](#) – Rapid Re-housing Assistance Component.

⁶ Subject to the general conditions of [§ 576.103](#) and [§ 576.104](#), a program participant may be provided up to 24 months of rental assistance during any 3-year period. This assistance may be short-term rental assistance, medium-term rental assistance, payment of rental arrears, or any combination of this assistance.

⁷ [24 CFR Part 576.105](#). The costs of homelessness prevention are only eligible to the extent that assistance is necessary to help the program participant regain stability in their current permanent housing or to move into other permanent housing and achieve stability in that housing. Homelessness prevention must be provided in accordance with the housing relocation and stabilization services requirements of § 576.105.

		included in the participant's total rental assistance, which cannot exceed 24 months during any 3-year period.
	Utility deposits 24 CFR 576.105(a)(4) & payments 24 CFR 576.105(a)(5)	<p>May pay for a standard utility deposit required by the utility company for all customers. Utility payments can be made for 24 months of utility payments per program participant, per service, including up to 6 months of utility payments in arrears, per service.</p> <p>Eligible utility services include <u>gas, electric, water, and sewage</u>.</p> <p>Note: No program participant shall receive more than 24 months of utility assistance within any 3-year period. A partial payment of a utility bill counts as one month.</p>
	Utility arrears 24 CFR 576.105(a)(5)	Up to 6 months per service.
	Moving Costs & temporary storage fees 24 CFR 576.105(a)(6)	<p>Included truck rental or hiring a moving company, payment of temporary storage fees for up to 3 months (provided the fees are accrued after the date the participant begins receiving assistance and before the program participant moves into permanent housing).</p> <p>Payment of temporary storage fees in arrears is not eligible.</p>
	Emergency Transfer Costs (Lease Breaks) 24 CFR 576.105(a)(7)	<p>If participants meet the conditions for an Emergency Transfer under 2 CFR 5.2005 (e), funds may be used to cover a break in lease.</p> <p>Not subject to the 24-month limit on rental assistance under § 576.106.</p>

Service Costs 24 CFR 576.105(b)	Allowable Costs	Exceptions and/or Qualifiers
	Housing search and placement 24 CFR 576.105(b)(1)	<p>Includes services or activities necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing, such as:</p> <ul style="list-style-type: none"> • Assessment of housing barriers/needs/ preferences. • Developing an action plan for locating housing; housing search. • outreach to and negotiation with owners. • Submitting rental applications and understanding leases. • Assessment of housing for compliance with ESG habitability requirements, lead-based paint, and rent reasonableness. • Obtaining utilities and making moving arrangements. • Tenant counseling.
	Housing stability case management 24 CFR 576.105(b)(2)	<p>Includes cost of assessing, arranging, coordinating, and monitoring delivery of services to facilitate housing stability (or overcoming immediate barriers to obtaining housing) for participant who resides in permanent housing.</p> <p>Cannot exceed 30 days during the period participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing.</p> <p>Activities may include:</p> <ul style="list-style-type: none"> • Initial evaluation & re-evaluation. • Counseling. • Coordinating benefits. • Monitoring & evaluating progress. • Providing information & referrals.

		<ul style="list-style-type: none"> Developing an individualized housing and service plan.
	Mediation 24 CFR 576.105(b)(3)	Between the program participant and owner or person(s) with whom the participant is living, provided that the mediation is necessary to prevent the participant from losing current permanent housing.
	Legal Services 24 CFR 576.105(b)(4)	Includes legal services defined by § 576.102(a)(1)(vi) and landlord/tenant matters. Services must be necessary to resolve a legal problem that prohibits the participant from obtaining permanent housing or will likely result in the loss of permanent housing where the participant currently resides.
	Credit Repair 24 CFR 576.105(b)(5)	Includes credit counseling and other services necessary to assist program participants with critical skills related to household budgeting, managing money, accessing a free personal credit report, and resolving personal credit problems. Does not include the payment or modification of a debt.
HMIS	These activities are designed to fund ESG recipient/subrecipient participation in HMIS data collection and analysis on individuals and families who are homeless or at-risk of homelessness.⁸	
	Allowable Costs	Exceptions and/or Qualifiers
	Contributing data to the HMIS designated for Continuum of Care (CoC) area.	Includes purchasing or leasing computer hardware, software or software licenses; purchasing or leasing equipment, including telephones, fax machines, and furniture; obtaining technical support; leasing office space; paying charges for electricity, gas,

⁸ [24 CFR Part 576.107](#) – HMIS Component

		water, phone service, and high-speed data transmission to operate or contribute data to the HMIS; salaries for operating HMIS, costs of staff to travel to and attend HUD-sponsored/approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act; staff travel costs to conduct intake; and participation fees charged by the HMIS Lead, if the recipient or subrecipient is not the HMIS Lead.
	HMIS Lead costs for managing the HMIS system.	See 24 CFR 576.107(a)(2)
	Victim services or legal service provider costs to establish and operate a comparable database.	If the subrecipient is a victim services provider or a legal services provider, ESG funds can be used to establish and operate a comparable database that collects client-level data over time and generates unduplicated aggregate reports based on the data.
Administrative Activities	Recipients may use up to 7.5 percent of their ESG grant for the payment of administrative costs related to planning and execution ESG activities. This does not include staff and overhead costs related to carrying out activities eligible under § 576.101 (Street Outreach Component) through § 576.107 (HMIS Component).⁹	
General Management, Oversight and Coordination 24 CFR 576.108(a)(1)	Allowable Costs	Exceptions and/or Qualifiers
	Salaries, wages, and related costs of staff engaged in program administration.	May include either the entire salary, wages, and related costs allocable to the program for each person whose primary responsibilities involve program administration assignments, or the pro rata share of the salary, wages, and related costs for each person whose job includes any program administration assignments. May use only one of these methods for each fiscal year grant.

⁹ [24 CFR Part 576.108](#) – Administrative Activities

		<p>Program administration assignments include:</p> <ul style="list-style-type: none"> • Preparing program budgets, schedules, and amendments to budgets and schedules. • Developing systems for assuring program compliance. • Developing agreements with recipients and contractors to carry out program activities. • Monitoring program activities for progress and compliance with program requirements. • Preparing reports and other documents directly related to the program for submission to HUD. • Coordinating the resolution of audit and monitoring findings. • Evaluating program results against stated objectives. • Managing or supervising persons whose primary responsibilities with regard to the program include such assignments.
	<p>Travel costs incurred for monitoring of subrecipients.</p>	
	<p>Administrative services performed under third-party contracts or agreements.</p>	<p>Includes general legal services, accounting services, and audit services.</p>
	<p>Other costs for goods and services required for administration of the program.</p>	<p>Includes the following:</p> <ul style="list-style-type: none"> • Rental or purchase of equipment. • General organization insurance. • Utilities. • Office supplies. • Organization wide audits. • Board expenses. • Organization wide membership fees and dues. • Rental and maintenance (but not purchase) of office space.

Training on ESG Requirements 24 CFR 576.108(a)(2)	Providing training on ESG requirements.	
	Attending HUD-sponsored ESG trainings.	
Consolidated Plan 24 CFR 576.108(a)(3)	Preparing and Amending Consolidated Plan.	Costs of preparing and amending the ESG and homelessness-related section of the consolidated plan in accordance with ESG requirements and 24 CFR part 91 .
Environmental Review 24 CFR 576.108(a)(4)	Conducting environmental reviews.	Costs of carrying out the environmental review responsibilities under § 576.407