

Policy: CoC Monitoring Policy **Approved By:** RTFH Governance Board **Effective Date:** 1/17/2019

Prepared By: The Regional Task force on Homelessness, Continuum of Care (Collaborative Applicant)

Policy Authority: This policy is adopted under the authority of the local Continuum of Care (CoC), the Regional Task Force on the Homeless as Collaborative Applicant for the San Diego region.

Purpose: To effectively administer the federal grant funds, specific standards for operating and managing the CoC Program are defined to include general recordkeeping requirements, fiscal management, program participant records, and monitoring procedures.

Standard: Grant recipients and subrecipients under the Continuum of Care (CoC) Program are required to show compliance with regulations through appropriate program implementation, administration and recordkeeping.

Scope: Recipients and subrecipients of CoC Program funds, the CoC Collaborative Applicant, and the HMIS Lead.

Authority: Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act Code of Federal Regulation (CFR) for the CoC Program 24 CFR Part 578, Subpart G Grant Administration; and the Office of Management Budget (OMB) to include OMB Guidance for Grants and Agreements 2 CFR 200; Audits of States, Local Government and Nonprofit Organizations 24 CFR Part 85; the Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846); and Environmental review activities subject to 24 CFR Part 50.

Responsibilities:

1. DEFINITIONS

1.1 Collaborative Applicant is defined to mean an instrumentality of state or local government, local government, nonprofit, state, or public housing authority that has been designated by the Continuum of Care to collect the required application information from all projects within the geographic area of the Continuum and apply for a grant.

1.2 Recipient is defined to mean an applicant that signs a grant agreement with the U.S. Department of Housing and Urban Development (HUD), as defined in Section 424 of the McKinney-Vento Act.

1.3 Subrecipient is defined to mean a private nonprofit organization, State or local government, or instrumentality of a State or local government that receives a subgrant from the recipient to operate a project. The definition of “subrecipient” is consistent with the definition of “project sponsor” found in Section 401 of the McKinney-Vento Act.

2. PROGRAM MONITORING The Regional Task Force on the Homeless (the Collaborative Applicant), will establish and maintain standard procedures for ensuring that Continuum of Care (CoC) Program funds are used in accordance with federal requirements, and will establish and maintain sufficient records to enable the U.S. Department of Housing and Urban Development (HUD) to determine whether the recipient and its subrecipients are meeting the requirements of 24 CFR Part 578.

To support this role and responsibility, CoC Program monitoring activities will include financial and program compliance outlined in 24 CFR Part 578 identified in this policy and the supporting CoC Program Monitoring Checklist. The United States Department of Housing and Urban Development (HUD) maintains responsibility for monitoring all CoC recipients, and this will include monitoring a sample of subrecipients when a recipient is selected for HUD program monitoring.

3. ADMINISTRATION AND GENERAL RECORDKEEPING

Administration and recordkeeping activities include, but are not limited to:

3.1 Continuum of Care Records (24 CFR 578.103(a)(1)) As the jurisdiction's CoC Collaborative Applicant, the Regional Task Force on the Homeless will maintain documentation relating to establishment and operations of the local Continuum of Care (CoC).

3.2 Program Records (24 CFR 578.103(a)(3 through 17) Recipients and subrecipients will maintain documentation relating to implementation and operations of CoC Program projects, to include:

- a) **Homeless Status** – Documentation of literal homelessness as defined in 24 CFR Part 576.500(b).
- b) **At Risk of Homeless Status** – Documentation that establishes “at risk of homelessness” status of each individual or family who receives homelessness prevention assistance as defined in 24 CFR Part 576.500(c).
- c) **Reasonable Belief of Imminent Threat of Harm** – Documentation for people who moved to a different Continuum of Care (region) due to imminent threat of further domestic violence, dating violence, sexual assault, or stalking under 24 CFR Part 578.51(c)(3).
- d) **Annual Income** – Perform initial, and at least annually thereafter, a review of income for people receiving housing assistance where rent or occupancy charge is paid by the program participant. The annual income review will be performed in compliance with 24 CFR Parts 578.77. Calculating Occupancy Charges, Rent and Annual Income will be entered in HMIS using the anniversary of the program entry date that is established “when the fiscal payment of rent begins (first date of Housing Assistance Payment)” regardless of the date when the actual income review was completed, as long as this review was no sooner than 30 days prior to the anniversary date, and no later than 30 days following the anniversary date. The supporting income documentation will be retained in the participant case file, and may be uploaded into HMIS for agencies using electronic filing.
- e) **Program Participant Records** – Documentation for each program participant receiving services, an annual assessment of services for those program participants that remain in the program for more than a year, and compliance with the termination of assistance requirements under 24 CFR 578.91.

ADMINISTRATION AND GENERAL RECORDKEEPING {Continued}

- f) **Housing Standards** - Documentation of compliance with the housing quality standards (HQS), to include inspection reports under 24 CFR 578.75(b).
- g) **Services Provided** – Documentation of supportive services provided under the recipient or subrecipients program and the amounts spent on those services, to include the annual assessment of services for participants and that the service package offered to program participants was adjusted, as applicable.
- h) **Services to Families/ Youth** - Agencies must have a *designated a staff person* to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community (**Education**), including early childhood programs such as Head Start. A policy must be in place to ensure that families with children under the age of 18 are not denied admission or separated when entering housing. 24 CFR § 578.93 (e); 24 CFR § 578.23 (c)(iii)(iv).
- i) **Match** – Records of the source and use of contributions made to satisfy the match requirement in 24 CFR 578.73, to include the records of match provided by subrecipients. The record will show *how* the value placed on third party in-kind contributions was derived.
- j) **Conflicts Of Interest** – Documentation to show compliance with organizational conflict-of-interest requirements.
- k) **Homeless Participation** – Documentation to show compliance with the homeless participation requirements.
- l) **Faith-Based Activities** – Documentation to show compliance with the faith-based requirements under 24 CFR 578.87(b), as applicable.
- m) **Affirmatively Furthering Fair Housing** – Maintain marketing, outreach and other materials used to inform eligible persons of the program to document compliance with the requirements in 24 CFR 578.93(c).
- n) **Other Federal Requirements** – Documentation in support of compliance with 24 CFR 578.99, as applicable. www.fsr.gov
- o) **Subrecipients and Contractors** – The recipient will retain copies of all solicitations from and agreements with subrecipients, records of payment requests and payments, and documentation of monitoring findings with corrective actions of subrecipients, as applicable.
- p) **Other Records Specified by HUD** - Other documentation defined in 24 CFR 578.103(a)(17).

3.3 Confidentiality (24 CFR Part 578.103(b)) In addition to meeting the specific confidentiality and security requirements for HMIS data, the recipient and subrecipient will establish written procedures to ensure records containing program participant identifying information are kept secure and confidential, address or location of violence program site will not be made public, and the address or location of any housing of a program participant will not be made public.

ADMINISTRATION AND GENERAL RECORDKEEPING {Continued}

3.4 Record Retention (24 CFR Part 578.103(c)) All records pertaining to CoC Program funds must be retained for the greater of 5 years from grant close-out, and 15 years from the date first occupied for acquisition, construction, and/or rehabilitation programs.

3.5 Access To Records (24 CFR Part 578.103(d)) All records are subject to Federal and public rights as outlined in this rule. Notwithstanding the confidentiality procedures, HUD, the HUD Office of the Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, must have the right of access to all books, documents, papers, or other records of the recipient and its subrecipients that are pertinent to the CoC Program grant audits, examinations, excerpts, and transcripts.

3.6 Reports (24 CFR Part 578.103(e)) In addition to reports outlined in 24 CFR parts 84 and 85, the recipient must collect and report data on CoC Program funds in an Annual Performance Report (APR), as well as, any additional reports required by HUD.

3.7 Financial Management Monitoring of CoC Programs will include internal controls to include:

- a) Documentation demonstrating compliance with the Single Audit Act and OMB Circular 2 CFR 200. All non-Federal entities that expend \$750,000 or more of Federal awards in a year are required to obtain an annual audit in accordance with the 2 CFR 200.501 Audit Requirement and the OMB Circular Compliance Supplement and Government Auditing Standards.
- b) Compliance with the Federal Procurement Management Review under the Federal Suspension and Debarment. www.gsa.gov or <http://www.gsaig.gov/index.cfm/suspension-and-debarment-listed-by-state/>

4. GRANT AND PROJECT CHANGES The recipient and subrecipients may not make any significant changes to a project without prior HUD approval, evidenced by a grant amendment signed by HUD and the recipient. Any other minor changes to an approved grant must be fully documented in the recipient and subrecipient records.

4.1 Significant changes include a change of recipient and subrecipient, a change of project site, additions or deletions of the types of eligible activities approved for a project, a shift of more than 10 percent from one approved eligible activity to another, a reduction in the number units, and a change in the subpopulation served.

4.2 Minor changes or program revisions that require recipient approval before the recipient or subrecipient can implement the change include all budget changes, a shift in funded program activities, and any program change not referenced in item 4.1 of this policy.

5. MONITORING SELECTION PROCESS

Monitoring Selection and Sampling: The risk analysis process will be used to determine which recipients and program areas should be reviewed. Once that process has been completed, where it is indicated that a file review is necessary to answer monitoring questions, the RTFH reviewer will consider the following factors when determining the specific files that will comprise the review sample:

- a. Where feasible, initial monitoring selection should be made using a random selection method.
- b. The reviewer may consider adding more files to this selection to:
Include file(s) from each staff person working in the respective program area being monitored;
 - I. Expand the sample, if possible, to include additional files with the same characteristics, if indicated by the severity or nature of any problems(s) noted during the initial selection's review (for example, same problem category, same staff person, same activities or other characteristics). This expanded sampling aids in determining whether problems are isolated events or represent a systemic problem.
- c. The reviewer may also add files to the selection that the HUD reviewer has reason to believe may have compliance problems or that is substantially different in terms of size, complexity, or other factors from other projects the recipient has administered.

6. ON-SITE MONITORING Annually, the Collaborative Applicant will contact the CoC Program recipients to schedule an on-site monitoring visit, and confirm the monitoring visit in a written letter sent to recipient via email, which will include a copy of the CoC Program Monitoring Checklist.

6.1 On-site monitoring visits will be coordinated by the Collaborative Applicant, the monitor(s) will observe the independently funded programs according to applicable CoC Program and federal regulations.

6.2 On-site monitoring may occur for programs requiring additional assistance or due to poor performance.

6.3 Program monitoring will consist of on-site review or off-site (or remote) review of records/files, agency policies and procedures, participants' files, HMIS and/or CES reports.

6.4 On-site reviews are conducted at the grant recipients' office and may include visits to housing sites. The Collaborative Applicant will contact the recipient to schedule the monitoring visit and will provide written notice and details of the monitoring visit at least 15 business days prior to the monitoring visit.

Onsite Monitoring (continued)

- a) Prior to Onsite Monitoring Site Visit-
 1. RTFH will send an email to the recipient requesting pertinent documents (i.e. Financial Audit, HUD Findings, APR).
 2. All requested pertinent documents must be submitted to RTFH **10 business days prior** to the Onsite Monitoring Visit.
 3. The recipient will have a date to return the documents noted in the email.

- b) During Onsite Monitoring Site Visit-
 1. At the monitoring visit, the purpose of the monitoring will be communicated by the Collaborative Applicant and the recipient will provide an overview of their project.
 2. Document Review – The Monitoring Team will complete the monitoring tool, including a review of the program policies, procedures and all required documents.
 3. The Monitoring Team will ask clarifying questions and will take notes, attach copies or photos of what was examined, and document the resulting analysis.
 4. Participant File Review – The Monitoring Team may randomly selected participant files to review.
 5. Prior to exiting the meeting, the Monitoring Team will discuss concerns, findings, observations, recommendations and suggest corrective actions (if necessary).

6.5 Within 30 calendar days of completing the on-site monitoring, RTFH will summarize the monitoring review, document performance, and identify concerns and/or findings. If a concern or finding is notes, RTFH will document the concern/finding in a Corrective Action Plan and submit the plan to the recipient within 30 days of the onsite monitoring visit.

- a) A *concern* is a deficiency in program performance and will result in a finding if the concern is not corrected by the requested date in the corrective action plan.
- b) A *finding* is a deficiency in program performance based on material noncompliance with a statutory, regulatory, or program requirement for which sanctions or other corrective actions are authorized. A *finding*, depending on the nature may be immediately reportable to HUD.
- c) The Corrective Action Plan will address all concerns and/or findings with a list of actions and measurable goals to correct the problem(s)
- d) RTFH reserves the right to request immediate corrective action for housing quality standards issues that may affect the health and safety of consumers.

6.6 The subrecipient will have 15 calendar days to provide a written response to RTFH regarding the onsite monitoring notification letter and corrective action plan, inclusive of actionable goals.

7. REMEDIAL ACTIONS AND SANCTIONS RTFH will review the performance of each recipient in carrying out its responsibilities. This will occur through annual on-site monitoring visits, single or program specific audits, and other financial audit reports, information generated by HUD financial and reporting systems (e.g. LOCCS and e-snaps), HMIS, the Annual Performance Report (APR) and, relevant information pertaining to recipient and subrecipient performance gained from other sources, to include citizen comments, complaints, and litigation. For programs that fail to meet program requirements:

7.1 RTFH shall notify the recipient and subrecipient of the nonperformance and/or non-compliance with CoC Program regulations, and/or citizen comments and complaints.

7.2 If the recipient determines that a subrecipient is not complying with a program requirement or its subrecipient agreement; the recipient must take action through the following process:

- a) The recipient will document the subrecipient non-compliance with the CoC Program regulations and develop corrective actions designed to prevent a continuation of the deficiency, to mitigate to the extent possible, its adverse effects, and to prevent its recurrence. This report will be submitted to RTFH.
- b. RTFH will convene a meeting to review program performance and compliance to the CoC program guidelines and present the proposed corrective actions. The recipient and subrecipient will attend the meeting to support the development of a schedule with milestones necessary to implement the corrective actions. The outcome of this review will be a Corrective Action Plan that assigns responsibilities for carrying out the remedial actions and corresponding dates for evaluating activities.

7.3 If the recipient or subrecipient fails to respond to the proposed corrective actions of the corrective action plan, or fails to reply within the designated time frames, and is not able to demonstrate compliance, the following sections describe remedial actions and sanctions that may be taken or imposed by both HUD and/or The Continuum of Care.

1) Remedial Actions:

- a. Remedial actions as described at 24 CFR part 578.107(b)(1) may include the following:
 - Developing and following a schedule of actions for carrying out project activities and projects affected by non-compliance, including schedules, timetables, and milestones;
 - Establishing and following a grants management plan that assigns responsibilities for carrying out remedial actions;
 - Canceling or revising project activities or projects likely to be affected by non-compliance before expending associated grant funds;
 - Re-programming grant funds not yet expended for given activities or projects to eligible costs or projects;
 - Suspending funds disbursement;
 - Reducing or terminating a subrecipients remaining grant funds and re-allocating funds to other subrecipients or returning funds to HUD; and
 - Requiring matching contributions to be made before or in conjunction with draws being made from the recipient's grant.

REMEDIAL ACTIONS AND SANCTIONS {Continued}

- 2) Sanctions by HUD:
 - a. Sanctions, as defined at 24 CFR part 578.107(b)(2) through (9), may include the following:
 - Changing method of payment to reimbursement;
 - Suspending payments to preclude the further expenditure of funds for affected projects or activities;
 - Continuing the grant with a substitute recipient of HUD's choosing;
 - Denying matching credit for all or part of the cost of the affected activities and requiring further matching contributions;
 - Requiring the recipient to reimburse its line of credit in an amount equal to the funds used for the affected activities;
 - Reducing or terminating the remaining grant;
 - Imposing conditions on a future grant; and
 - Imposing other legally available remedies.

8. Recipients must be in compliance the following federal laws as applicable:

- **Code of Federal Regulations:** Title 24 part 578, 2 CFR part 200
- **The McKinney-Vento Homeless Assistance Act**
As Amended by S.896 The Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) of 2009
- **Fair Housing Laws and Presidential Executive Orders**
https://www.hud.gov/program_offices/fair_housing_equal_opp/FHLaws
- **HUD-CoC Notices**
<https://www.hudexchange.info/coc/coc-program-law-regulations-and-notices/#notices>
- **Fair Housing and Equal Opportunity** requirements
24 CFR § 578.93; 24 CFR § 578.103(a)(15)
- **Environmental Review**
24 CFR § 578.99; 24 CFR § 578.31
- **Compliance with other federal requirements** (i.e. *lead based paint, Section 3, Section 504*), if applicable 24 CFR § 578.99; 24 CFR § 35; 24 CFR § 578.3