HOW HSH’S FEDERALLY-FUNDED PROGRAMS ARE MONITORED

While HSH does not conduct formal audits on our federal and state funded programs, we do conduct regular monitoring and compliance reviews to ensure all HSH grantees are meeting federal program requirements. It is also important to note that HSH’s federal funding through HUD’s Continuum of Care program provides financial support for the following programs:

- Permanent Supportive Housing (PSH)
- Rapid ReHousing (RRH)
- Homeless Management Information Systems (HMIS)
- Coordinated Entry (CE)
- CoC Planning Grant (Swarded to HSH directly for costs associated with managing the San Francisco’s CoC Program CA-501, these funds are not distributed to project grantees.)

At current, HSH federally funded programs go through the following review:

- **Annual project applications** - each year, HUD releases its annual *Notice of Funding Availability (NoFA) for the Continuum of Care Program* as outlined in the *Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH)*. HUD awards program funding on a 12 month basis, requiring programs to complete a comprehensive review of program compliance and fiscal responsibilities as part of a national competition for $3 billion dollars allocated by Congress annually.
  - HSH’s role- as the Collaborative Applicant for the City/County of San Francisco’s Continuum of Care, facilitates and completes the application process as outlined here. Included in that process is the SF CoC community rank and review process, in which programs are scored based on new project outline and/or current project utilization and federal compliance.

- **Contract Award** - In response to the annual NoFA, HUD releases their annual CoC awards. Awards are made to direct grantees who are responsible for carrying out program requirements as listed in the *HEARTH Act*. HSH is currently the direct grantee for 63 HUD CoC funded projects with includes permanent supportive housing PSH and rapid rehousing (RRH) projects as well Homeless Management Information System (HMIS) and Coordinated Entry. HUD issues HSH grant award contracts for each of the individual CoC funded projects, post NoFA award.
  - **HSH’s role** - Review each grant award issued by HUD; ensure scope of work, financial obligation and persons served matches project application; prepare sub-grantee in meeting outlined terms of grant award contract and timeline, return signed contracts to HUD for final processing.

- **Annual Progress Reporting** - Upon completion of a CoC funded project award contract year, HUD funded programs are required to complete an Annual Progress Report (APR). APRs outline number of persons served, financial management, match documentation and program narrative. APRs are submitted into the HUD reporting system SAGE for review by HSH federal programs compliance staff and approval by HUD. APR data that is found not suitable to HUD standards are rejected and sent back to HSH for programmatic clarification and review. APRs are due 90 days post annual contract completion.
HSH’s role- HSH as the direct grantee for 63 programs is responsible for the review, completion, submission and approval of all HSH sub-grantee APRs. HSH uses this opportunity to ensure program compliance and utilization as part of on-going oversight and technical support to grantee agencies.

- **Monitoring and compliance**- HSH monitors each of its federal and state funded grantee programs annual to ensure programmatic and financial compliance. There are four steps to HSH’s monitoring process:
  - **Risk Assessment**- This two-step process provides the basis for developing an internal protocol and individual sub-recipient monitoring strategy. This includes: identifying how each of HSH’s federal grantees will be monitored; establishing a schedule that reflects sub-recipient need; indicating a method of monitoring (on-site or remote); describing the scope of monitoring (program, finance, both) and projected timeframes for completion.
  - **Desk Audit**- Desk Audits are conducted every year and function as HSH’s annual monitoring of sub-grantees. If serious issues have been identified, the results of the desk audit may require follow up by HSH through an onsite monitoring and/or targeted technical assistance. Participating in the desk audit should require no extra preparation on behalf of the sub-recipient. HSH will only ask for program information that is readily available. The information reviewed is based on requirements set forth in the HEARTH Act and Continuum of Care Interim Rule.
  - **On-site Monitoring**- Post desk audit, HSH may determine that additional support may be beneficial to ensure that federally-funded sub-recipients are administering homeless programs in accordance with all applicable local, state and federal laws including but not limited to the HEARTH Act, CoC Interim Rule, OMB Super Circular, local city requirements and CoC Coordinated Entry Policies and Procedures and Written Standards. All HSH federally-funded programs will participate in an on-site monitoring with HSH at least once every five years, regardless of their desk audit scores, to ensure full program compliance.
  - **Corrective Action**- In the case where areas of concern are identified, HSH will develop and enforce a corrective action plan with sub-grantee agencies. Corrective Action plans clearly outline the concern or finding, site the federal regulation or statutory compliance rule and clearly define action steps needed to correct identified issues. Corrective Action plans always include a timeline for completion and HSH follow up.

- **Annual Project Application**- While also stated above HUD’s annual CoC NoFA requires a community scoring process, where CoC funded projects requesting renewal funding are scored based on their annual performance, including but not limited to: APR submission, utilization rate, fiscal compliance and spending and data collection and management. This scoring tool is developed in conjunction with the CoC community partners each year and reviewed publically both on the HSH website and at notified public hearings. Projects are then listed in order of score highest to lowest, with the highest on list having a greater chance for project funding renewal. Low scoring projects are provided an opportunity to appeal their scores in writing as to the areas that they scored low along with their plan of action towards program improvement. This also provides HSH the opportunity to continue an on-going dialog into program utilization and compliance when identified.
Finally, HSH’s CoC program was selected twice in the past 12 months for both audit and monitoring.

- **Single Audit**: Any entity that receives over $500,000 in federal funds is required to conduct a single audit to ensure program compliance and fiscal responsibility. HSH’s CoC funded Tenant Based Rental Assistance Program (TBRA) was selected in November 2018 as the project for review. The independent audit firm reviewed, client files, HSH CoC program management and fiscal practices and spending. HSH received no findings or concerns from this audit.

- **As part of HUD’s regular monitoring process**, HSH’s Continuum of Care program was selected by the San Francisco office of the US Department of Housing and Urban Development (HUD) in July/August of 2019. HUD monitored under five exhibits as outlined in [HUD’s CPD handbook](#). They included:
  - Overall grant management
  - Financial management
  - CoC funded activities
  - Civil Rights requirements and
  - Lead Based Paint

  HSH had rectified any concerns verbalized prior to the completion of the on-site visit.

Finally, HSH participates in [City/County of San Francisco’s annual Joint Fiscal Monitoring process](#). This partnership between the City’s Office of the Controller and the Department of Homelessness and Supportive Housing conducts desk audits and on-site fiscal monitoring of HSH grantees who receive funding in excess of $500,000 a year from the City/County. Joint fiscal monitoring practices include staffing from both agencies and focus on the sub-grantees utilization and compliance of overall agency funding as opposed to individual grant awards. Joint monitoring reports are shared between applicable City agencies to ensure overall non-profit management is in compliance with City/County and federal regulations. Concerns and findings that arise during the City/County’s joint fiscal monitoring process are addressed during HSH’s CoC monitoring process to ensure grantee agencies are actively working towards full compliance.