

Chicago Continuum of Care Unified Funding Agency Memorandum of Understanding

1. Purpose

This Memorandum of Understanding (“MOU”) sets forth the terms, conditions and expectations the Chicago Continuum of Care (“CoC”) has for All Chicago Making Homelessness History (“All Chicago”) (collectively referred to as the “parties) in the performance of its responsibilities as the Unified Funding Agency (“UFA).

2. Key Stakeholders and Terminology

- a. Department of Housing and Urban Development (HUD). HUD is the federal government agency that implements and regulates the Continuum of Care program under the terms of 24 CFR Part 578 (Interim Rule).
- b. Chicago Continuum of Care (CoC). The CoC is a membership-based organization comprised of a variety of stakeholders committed to preventing and ending homelessness through the design and implementation of plans, which are consistent with local, state, and federal policies.
- c. Collaborative Applicant (CA). The CA is an eligible applicant designated by the CoC to:
 - i. Collect and submit all the required CoC application information for all projects selected for CoC funding; and
 - ii. Apply for planning funds on behalf of the CoC.
- d. Unified Fund Agency (UFA). The UFA is an eligible applicant (Collaborative Applicant) selected by the CoC:
 - i. to apply for a grant for the entire CoC;
 - ii. which has the capacity to carry out the duties of 24 CFR 578.11(b);
 - iii. which is approved by HUD and to which HUD awards a grant.
- e. All Chicago Making Homeless History (All Chicago). All Chicago is a 501(c)(3) nonprofit organization selected by the CoC to serve as both CA and UFA. All Chicago is subject to a separate Memorandum of Understanding for its role as CA.
- f. Subrecipient. A subrecipient is a member of the CoC who receives HUD CoC funding for a project through a subaward from the UFA under the terms of a separate Subrecipient Agreement.
- g. Reallocation of Funding Policy (Reallocation Policies). The Reallocation Policies are a set of rules that govern the process for reallocating CoC program funds from one project to another outside of the annual NOFA process.
- h. Chicago CoC Financial Policies and Procedures (Financial Policies). The Financial Policies provide guidelines to the UFA and its subrecipients regarding financial compliance with the Interim Rule and Uniform Guidance, monitoring of such compliance, and payment and grant administration under the UFA model.
- i. CoC Board (Board). The Board is the governance body of the CoC under the terms of its Governance Charter. The Board has the authority to determine whether the CoC will operate under the UFA model and to designate the CA/UFA. The Board may delegate

specific responsibilities under this MOU to its Executive Committee, the UFA Oversight Committee, or other committees and workgroups.

- j. UFA Oversight Committee (Oversight Committee). The Oversight Committee is the committee or workgroup designated by the Board to oversee, monitor, and evaluate the performance of the UFA under this MOU. The Oversight Committee will also be responsible for overseeing reallocation of funding decisions. This body will include a broad representation of subrecipients and other stakeholders and will report directly to the Board. All UFA related matters will require approval or recommendation from the Oversight Committee before being voted on by the Board.
- k. Project Prioritization Workgroup (PPW). The PPW is the body that is responsible for the determining the scoring and ranking of projects eligible for CoC funding as part of the project selection process.
- l. CEO Advisory Group (Advisory Group). The Advisory Group will consist of the chief executive officers or executive directors of all subrecipient partners of the UFA. This group will convene semi-annually to provide a high-level assessment of the impact of the UFA model on subrecipient operations and to the overall system and its performance. These convenings will be facilitated by the Oversight Committee, with support from the UFA if requested. The group may be convened at additional times during the year if necessary.

3. Responsibilities of the UFA

Once recognized as the UFA, the CA becomes the direct recipient for all the funding from HUD to the CoC. The UFA takes upon itself the responsibility to fulfill all commitments stated in the CoC consolidated application, including the CoC and project applications. The specific responsibilities of the UFA are as follows:

- a. Contracting with HUD. The UFA will enter into two separate grant contacts with HUD.
 - i. One grant for renewal projects, UFA costs and CoC planning funds; and
 - ii. One grant for new projects.
- b. Contracting with Subrecipients. The UFA will enter into subawards (or subgrants) with subrecipients for the various projects selected for CoC program funding.
 - i. The subrecipient for the project will be the CoC member applying for the project, unless the project applicant is replaced in accordance with the Reallocation Policies.
 - ii. The subaward will be in the form of a standard Subrecipient Agreement to be approved by the Oversight Committee.
- c. Payment of Subrecipients. The UFA is responsible for distributing funds to the subrecipients. The UFA will draw all project funds direct from HUD through the Line of Credit Control System (LOCCS). The guidelines for making subrecipient payments are detailed in the Financial Policies. The Financial Policies set an expectation that most payment requests will be made by the UFA to the subrecipient within two business days of receipt of the payment request from the subrecipient.
- d. Monitoring of and Technical Assistance Provision to Subrecipients. The UFA is required to annually monitor subrecipients for compliance with the CoC Program application. The

UFA will provide technical assistance as needed. The Financial Policies provide detail guidelines for subrecipient monitoring.

- e. Reallocation of Funds. The UFA may reallocate funds between projects outside of the annual NOFA competition process, subject to the Reallocation Policies. The UFA must work with the local HUD office for all budget changes, but a formal written grant amendment is needed only if a budget change exceeds 10% of an eligible activity category of the grant award cumulatively on an annual basis, a permanent change in targeted subpopulations, or a permanent decrease in the number of units.
- f. Matching Funds. The UFA is responsible for meeting and documenting the 25% match requirement for all funded costs, excluding leasing. The CoC may meet its match requirements using CoC-wide sources, rather than each project meeting the match requirements individually. The rules governing subrecipient match are detailed in the Financial Policies.
- g. Annual Performance Reports (APR). The UFA is required to submit the APR for all projects funded under its grants within 90 days of the end of the year. The UFA is required to submit a report upload for each program component and subcomponent funded for each grant.

4. **Term**

The effective date of this MOU will be the effective date of the first UFA contract between HUD and All Chicago.

The Board will determine whether the CoC will operate under the UFA model and will also designate the entity to serve as the UFA.

Should the Board vote to discontinue operating under the UFA model or if it decides to replace All Chicago as the CA and UFA, this MOU will terminate as of the expiration of the final UFA contract between HUD and All Chicago.

This MOU may also terminate by written agreement by both parties.

All Chicago acknowledges that if at any time their duties and responsibilities as UFA pursuant to MOU are terminated, All Chicago is obligated to participate in an expedient and professional transition of knowledge, documents, grants, subawards and all other relevant information to the successor entity, if applicable. This transition will also include a formal training period, the term of which will be negotiated by the parties involved, to facilitate the successful transfer of information with minimal disruption to the CoC.

5. **Performance Reporting and Monitoring**

All Chicago will provide a monthly status report to the Oversight Committee that includes an actual to budget spending report for all subawards and all information included in the UFA Monthly Status Report template set forth in Exhibit A.

The Oversight Committee will continuously monitor All Chicago's performance of the stated UFA responsibilities. Monitoring techniques will include the review of the monthly status reports, an annual survey of the subrecipients, feedback from the Advisory Group, review of any HUD

monitoring reports, a review of All Chicago's financial statements and single audit, and any other techniques deemed appropriate.

The Oversight Committee will notify All Chicago of any performance deficiencies and will work with All Chicago to develop corrective action plans with timelines to correct such deficiencies.

The Oversight Committee will submit a report to the CoC Board at each Board meeting informing the Board of contract status and UFA performance highlights and deficiencies.

6. Authority and Oversight Responsibilities

- a. The Board will have final authority with respect to the following:
 - i. Whether the CoC will continue operating under the UFA model.
 - ii. The selection of the CA and UFA.
 - iii. The approval and any subsequent changes to this MOU.
 - iv. The approval and any subsequent changes to the Reallocation Policies.
 - v. The approval and any subsequent changes to the Financial Policies.
 - vi. The approval and any subsequent changes to other system level policies.

In making any decisions regarding the UFA, the Board will first consider any recommendations made by the Oversight Committee. The Board may also delegate some of these responsibilities directly to the Oversight Committee, its Executive Committee or other committees or workgroups.

- b. The Oversight Committee will monitor the performance of the UFA (as specified above) and make recommendations to the Board with regard to the Board responsibilities listed above. The Oversight Committee will also be responsible for overseeing reallocation of funding decisions and making recommendations to the Board regarding such decisions. The Board may delegate specific responsibilities directly to the Oversight Committee.
- c. The Advisory Group will provide the Oversight Committee with a high level evaluation of the impact of the UFA model on subrecipient operations and on the overall system performance.
- d. The PPW is responsible for project selection process by the CoC. The UFA will grant subawards to the project applicants for all selected projects.
- e. All Chicago is responsible for the effective performance of the terms and conditions of its UFA contracts with HUD, for the effective performance of the UFA responsibilities detailed above, and for compliance with all the terms and conditions of this MOU.

All Chicago has the authority to take any actions it deems necessary with respect to its obligation to perform its contracts with HUD, including the imposition of subrecipient sanctions in accordance with 24 CFR 578.107(c).

7. Budget

The budget is set forth in Exhibit B.

DRAFT