

2020 Intent to Renew – Desk Audit Guidance

Chicago Continuum of Care



Introduction:

The 2020 Intent to Renew Desk Audit topics are listed below. Starting January 13, 2020, you will have access to a SurveyGizmo form which you will use to submit your agency's Desk Audit. Each agency will submit once. However, with each topic there will be an opportunity for you to upload multiple responses in case you have different documentation for different projects. The criteria that All Chicago will use to review each attachment has been provided. The last two attachments are informational, but still required.

Attachment A: HUD Monitoring Documentation (if applicable)

Attach the following:

- 📎 *HUD Monitoring Letter (indicating findings or lack thereof) – **Submit if monitored in calendar year 2017, 2018 or 2019***
- 📎 *HUD close out letter (indicating resolution of findings) – **Submit if there was a finding that has been resolved***
- 📎 *Correspondence submitted to HUD to attempt to resolve the finding(s) as well as any additional response(s) from HUD – **Submit if there was a finding that hasn't yet been resolved***

Criteria

- The program has documentation of HUD monitoring and has evidence of steps taken to work towards or complete the resolution of any findings in a timely manner.

Attachment B: Annual Financial Statement Audit

Attach the following:

- 📎 *Most recently completed audited financial statement (complete package)*

Criteria

- An audit is completed within 9 months of the end of the agency's fiscal year.
- The audit opinion indicates that the organization's financial statements are fairly presented in accordance with generally accepted accounting procedures (GAAP).
- The audit opinion does not include any substantial doubt about the organization's ability to continue as a going concern.

Attachment C: Single Audit Report or Management Letter

Attach the following:

- 📎 *Single audit report (complete package)*

In general, agencies with \$750,000 in federal expenditures in a fiscal year are required to undergo a single (Uniform Guidance) audit.

OR

- 📎 *If not required to undergo a single (uniform guidance audit), determine which of these three letters were issued*

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by your auditors and attach all such letters. At a minimum, attach the AU 260 letter. If you have any questions regarding these letters, contact your auditors for clarification.

- Auditor’s management letter (if issued by your auditor)
- Auditor’s Communication With Those Charged With Governance, referred to as an AU 260 letter (this communication is required to be issued in connection with an audit)
- A “Communicating Internal Control Related Matters Identified in an Audit” letter, referred to as an AU 265 letter (if issued by your auditor)

Criteria

The single audit or management letters will be reviewed along with the financial statements to develop a financial risk score for each agency. The items that factor in the risk assessment score are as follows:

- In the case of the single audit, the following items will factor into the financial risk score.
 - Whether the reports were issued within 9 months of fiscal year-end
 - Any modification of the financial statement opinion
 - Any qualification of opinion with respect to a federal program.
 - Any audit findings with that are required to be disclosed under 2 CFR 200,516(a)
 - Any material weaknesses with regards to financial statements or federal awards
 - Any significant deficiencies with regards to financial statements or federal awards
 - Whether the organization is determined to be a low-risk auditee
- If no single audit is required:
 - Any issues with management with respect to the audit.
 - Any material weaknesses or significant deficiencies.

Attachment D: Recordkeeping Policy

Attach the following:

- 📄 The agency’s policy for keeping program participant records.

Criteria

- The period of time client records are kept must be in accordance with 24 CFR 578.103(c)
- The type of client records kept must be in accordance with 24 CFR 578.103(3-9)

Attachment E: Conflict of Interest Policy

Note: The purpose is to ensure all agencies have a written policy and that disclosure procedures are in place. Due to its legal nature, All Chicago is not reviewing the content of the policy.

Attach the following:

- 📄 The agency’s conflict of interest policy.
- 📄 The agency’s conflict of interest disclosure form.

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☞ If not included in the first attachment, the process used to ensure the conflict of interest disclosure is signed by staff and board members. Also describe the frequency with which staff and board members sign the disclosure.

☞ If not included in the first attachment, the process used to ensure that HUD has the most updated version of the agency's policy on file.

Criteria

- The agency has a conflict of interest policy.
- The agency has a process to ensure the conflict of interest disclosure is signed by staff and board members.
- The agency has considered how frequently to require staff and board members to sign the conflict of interest disclosure.
- The agency has considered the timeframe in which each staff or board member is required to sign the conflict of interest disclosure upon beginning their involvement with the agency.

Attachment F: Occupancy Charges and Rental Payments

Answer the following for each project:

1. What is the program model type?
2. What is the funding source for the housing component of the project? (HUD CoC Leasing BLI, HUD CoC Rental Assistance BLI, units owned by the agency, LIHTF, CHA, IDHS, VA, Other – Please Specify)

Attach the following:

☞ The written formula, set of rules, or template form(s) the project uses to calculate the occupancy or rental payment of the participants, including the income calculation.

*Note: This is not a request for the rent reasonableness process. This is to demonstrate what the **participant's portion** of the rent is or the **participant's occupancy charge**.*

☞ A description of the process the project uses to re-evaluate occupancy charges or rent amounts, including the frequency.

☞ A description of how utility costs are paid for the units in which program participants reside. This description must include whether utilities are paid by the project or participant, what budget line is used if paid by the project, which utilities are covered, how the project factors utility costs into the participant's occupancy or rent amount, and, if applicable, how the project calculates utility reimbursements.

Criteria

- Projects with leasing budget line items may impose occupancy charges but are not required to. If occupancy charges are imposed, they must be in accordance with 24 CFR 578.77 (b). The project may charge less than the full HUD-calculated amount but all participants must be treated the same.

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- Projects with rental assistance budget line items must charge participants rent in accordance with section 3(a)(1) of the U.S. Housing Act of 1937 (42 U.S.C. 1437a(a)(1)).
- Income must be calculated in accordance with 24 CFR 5.609 and 24 CFR 5.611(a)
- Projects must examine a program participant's income initially and annually thereafter.
- Adjustments to a program participant's contribution toward the rental payment must be made as changes in income are identified.
- Projects may not charge program participants program fees.
- If a project has a leasing budget line item and utilities are included in the rent, the project pays for the utilities with the leasing budget.
- If a project has a leasing budget line item and utilities are not included in the rent, the following occurs: 1) if the project pays for the utilities, they are paid with operating funds or other sources, 2) if the participant pays for the utilities, a utility allowance is applied to the occupancy charge calculation.
- If the project has a rental assistance budget, the project may pay the utilities using rental assistance funds or non-CoC funds, or the participant may be required to pay for the utilities.
- If utilities are not included in the rent for a project that uses a leasing budget or rental assistance budget, the following occurs: 1) a reasonable utility consumption amount is calculated and factored into the participant's rent contribution or occupancy charge; 2) if when the reasonable utility consumption amount is subtracted from the participant's rent contribution or occupancy charge, the calculation equals a number less than \$0, a utility reimbursement is paid to the participant. These calculations must be in accordance with the guidance provided in [HUD Notice CPD-17-11](#), "Determining a Program Participant's Rent Contribution, Occupancy Charge or Utility Reimbursement in the Continuum of Care (CoC) Program when the Program Participant is Responsible for the Utilities."
- Eligible utilities include gas/oil, electricity, water, and sewage. Utilities besides these, including telephone, internet, cable, and others are not paid with CoC funding.

Exceptions

- If the Chicago Housing Authority (CHA) calculates the participants' rental payments in a project, the project must describe the process used to receive the determination from CHA. If possible, also submit the formula that the CHA uses to make the determination. Describe the project's role, if any, in the rental payment process of the participants.

Attachment G: Connection to Mainstream Benefits, including SOAR

Attach the following:

- 📄 A description of the process used to assess and connect participants to mainstream benefits, including whether the project uses a single application for multiple benefits.
- 📄 A description of the process used to assess and connect participants to SOAR.
- 📄 If the project has SOAR-trained staff, a description of the process used to track outcomes related to SOAR.

Criteria

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- The project assesses whether participants would benefit from connections to mainstream benefits or SOAR.
- For participants who would benefit from connections, the project has a method for ensuring mainstream benefits are received or renewed.
- The project uses a single application for multiple benefits.
- For participants who would benefit from SOAR, the project has SOAR-trained staff or an established referral or partnership for SOAR.
- The project has a process for tracking outcomes related to SOAR. Online Application Tracking (OAT) is one example of this although other methods may be used.

Informational Questions

Please note that the following questions are *informational*, which means that All Chicago will not assign any required technical assistance on these topics. The purpose is to gather information. If an agency does not have a current policy or practice related to an aspect of these questions, it is acceptable to indicate this and outline what the agency intends to do moving forward. After reviewing all the submissions, All Chicago may have questions to discuss with some agencies and may offer Technical Assistance at a later date based on information gathered through this process.

Attachment H: Supportive Services (Informational)

Reminder: You may submit different documents for different projects within your agency. Multiple uploads will be allowed.

Attach the following:

- 📄 A service list or menu of services, including all supportive services provided by the agency, a partner, or a non-partner.
- 📄 A description of the process used to document the services and assistance provided to each program participant. *Please note that this pertains to participant-level file documentation.*
- 📄 The form used to log and track referrals to external services or resources. If the project does not use a form, instead describe how referrals are documented in the participants' files.
- 📄 A written description of how the project assesses the needs of the participants annually and uses the information to adjust services.
- 📄 The form the project uses to annually assess the services needs of program participants. *Note: this is not a request for the Individual Service Plan template. If the project's process does not include using an assessment to inform the development of the service plan, skip this bullet point.*
 - If the project uses multiple assessments, submit each one.
 - If the project uses an electronic assessment, export a blank template if possible.
 - If not possible to provide a blank template, instead provide a description of the assessment including the categories that are assessed.

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Criteria

- The service list or menu of services encompasses all the supportive services indicated in section 4A. of the project's FY2019 Renewal Application.
- The project has standards/expectations for staff to follow regarding how to document the services that are provided to each individual program participant and that this documentation is maintained in the program participants' files. This is in accordance with 24 CFR 578.103(a)(7)(i).
- The project maintains documentation in each program participant's file of referrals made to external services or resources.
- The project assesses the service needs of participants in accordance with 24 CFR 578.53(a)(2).
- Assessments of service needs are completed annually and are signed and dated by staff and program participants.
- The annual assessment in HMIS is one component of assessing a participant but is not enough by itself to *fully assess a participant's service needs*. Therefore, the project has a form or process that addresses a range of topics in addition to completing the annual assessment in HMIS.

Attachment I: Internal Data Standards (Informational)

Attach the following:

📄 A description of the agency's Internal Data Review process and/or practices, including details such as how often data is reviewed to ensure accuracy, completeness and timeliness, as well as who on the team is involved in the process.

- If such a process does not exist, please submit a brief narrative of what your current practices are.

📄 A description of the agency's Internal Communication Plan and/or current practices for all HMIS-related and HMIS-adjacent (ie. Coordinated Entry) communications to users within the agency.

- If such a process does not exist, please submit a brief narrative of what your current practices are.
- If the agency does not use HMIS, explain the internal communication plan for your database system.

📄 A description of the agency's training process for new HMIS/data collection staff.,

- If such a process does not exist, please submit a brief narrative of what your current practices are.

📄 The intake assessment used by the agency. If different projects use different assessments, submit each one.

- 2020 HUD Data Standards went into effect in October 2019, as such, intake packets should be updated to reflect the new standards.
- Please note that you do NOT need to re-submit all the intake documents that were requested in Attachment D of the 2019 ITR. This request is for the intake assessment only.

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Criteria

- The project has some type of mechanism to review data whether it be internal case reviews or weekly/monthly staff meetings.
- New HMIS/data collection staff are aware of basic information regarding their project and of the agency's own data protocols.
- The agency has updated their intake form to reflect changes from the 2020 HUD Data Standards.