

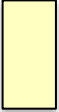




State Monitoring Policy and Procedure Manual

Utah Office of Homeless Services
Department of Workforce Services



6.2023 v.2

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Section 1: Introduction

A. Purpose

This document is designed to outline the standard process for ensuring state funded contracts with the State of Utah Department of Workforce Services (DWS), Office of Homeless Services (OHS) are monitored correctly. Ensuring state funded contracts are monitored correctly allows OHS Contract Owners to provide the highest level of customer service to awarded agencies. The creation of this document was informed by the following:

- DWS Contract Monitoring Policy
- DWS Contract Monitoring Procedure

B. Definitions

Agreement: For purposes of this policy and the associated procedures, an agreement is a written document that defines the terms of a DWS award to an agency. An agreement is also referred to as a contract.

Centralized Repository: The identified location for contract documents to be stored, as determined by the department. The storage is located on the I:drive or Webgrants.

Contract Analyst: DWS personnel responsible for assisting the OHS Contract Owner through the contract process. The Contract Analyst has oversight of the technical aspects of the contract process.

Contract Owner: DWS personnel responsible for ensuring the agreement or contract is in compliance with requirements and that performance expectations are being achieved. The Contract Owner is the primary person responsible for state monitoring. The Contract Owner is also referred to as the Program Specialist.

Contract: For purposes of this policy and the associated procedures, a contract is a written document that defines the terms of a DWS award which can include a memorandum of understanding/agreement or another agreement not determined to be an awarded agency. A contract is also referred to as an agreement.

Existing Agency: Agencies that have previously been allocated state-appropriated funds from the OHS. If the existing agency does not have any outstanding monitoring concerns and/or findings from the previous DWS-OHS monitoring, the OHS Contract Owner is required to conduct at least one virtual monitoring per contract year. If the agency has outstanding monitoring concerns and/or findings from the previous DWS-OHS monitoring, the OHS Contract Owner is required to conduct at least one site visit with a full and limited scope, preferably done onsite at the onset of the contract. An existing agency is referred to as an existing organization in DWS' Contract Monitoring Procedure.

Fiscal Grant Manager: DWS personnel responsible for ensuring the agreement or contract is in compliance with fiscal requirements. The Fiscal Grant Manager is the primary person responsible for fiscal monitoring.

Fiscal Monitoring: Any set of activities designed to determine compliance with fiscal requirements.

Invoice Review: Review of invoices by the OHS Contract Owner and Fiscal Grant Manager to determine if the rates and services are allowable per the contract. May include a review of supporting documents to adequately support the request for payment.

Monitoring Activities: Any activity or review that is designed to ensure the agreement is used for authorized purposes, in compliance with statutes, regulations, and terms and conditions of the agreement, and that performances are achieved. Monitoring includes both programmatic and fiscal activities. Monitoring activities will be primarily performed by the OHS Contract Owner.

Monitoring Tools: Designed forms or checklists used to perform and/or document monitoring activities.

New Agency: Agencies that have not previously been allocated state-appropriated funds from the OHS where the OHS Contract Owner is required to conduct at least one site visit with a full and limited scope, preferably done onsite at the onset of the contract. A new agency is referred to as a new organization in DWS' Contract Monitoring Procedure.

Quarterly Performance Reviews (Desk Reviews): Reviews of reports submitted by the awarded agency to the OHS. The OHS Contract Owner review actual performance against the contract requirements, actual expenditures to the approved budget, and current reporting period to prior periods. Referred to as desk reviews in DWS' Contract Monitoring Procedure.

Site Visit (Full and Limited Scope): Full scope site visits are scheduled visits to the organization's place of business/physical location of service provided. Limited scope site visits typically focus on a particular problem.

State Component Unit: All public colleges and universities, including the applied technology colleges, are component units of the State. Local governments and school districts are not considered State Component Units.

Virtual Visit: A virtual visit utilizing technology approved by DWS may be conducted, rather than a physical site visit, if the OHS Contract Owner believes the contract can be effectively evaluated or if other reasonable monitoring methods are not available. Refer to the DWS' Guidance for Virtual Contract Monitoring.

Section 2: Guiding Policy

A. Policy Introduction

Any state funds appropriated to an agency's contract (i.e., Homeless to Housing, Pamela Atkinson Homeless Trust Fund, Homeless Shelter Cities' Mitigation) must be monitored in accordance with DWS' Policy and Contract Monitoring Procedure.

For all state-appropriated funds, the assigned OHS Contract Owner and other DWS personnel will monitor program performance via technical assistance (TA), quarterly performance reviews (desk reviews), and claim/reimbursement reviews (invoice reviews) at a minimum of once each fiscal year. Not every contract will require the same level of monitoring, as monitoring activities are based on whether the agency is new or existing.

This policy satisfies the requirements as outlined by DWS' Contract Monitoring Policy, including any applicable required waivers from that policy that are available and/or required.

For guidelines on monitoring policies and procedures for federally funded contracts, refer to the OHS' Federal Monitoring Policy handbook.

Section 3: OHS Monitoring Introduction

A. Overview

The type and frequency of monitoring is determined by the funding source, relationship with the awarded agency, whether the agency is new or existing, the contract amount, and the type of contract. Monitoring activities will include programmatic and fiscal activities as outlined below (see Appendix A). In summation, state monitoring activities can include but are not limited to the following:

- Claim/reimbursement request processes
- Client grievances
- Agency participation in local homelessness coordination efforts (Local Homeless Council [LHC] and Continuum of Care [CoC])
- Policy and procedures

To assist the OHS in carrying out monitoring activities, the OHS has created monitoring tools that integrate the guidance described in Section 2 (see Appendix A and B). These tools will be reviewed and updated on an annual basis to ensure ongoing compliance.

B. Monitoring Responsibilities

Monitoring is initiated, organized, and performed by the OHS Contract Owner. Other DWS personnel will also be involved in monitoring activities as deemed necessary to provide reasonable assurance of compliance.

Fiscal monitoring is performed by the Fiscal Grant Manager and may also include the OHS Contract Owner and any other DWS personnel as deemed necessary.

When monitoring activities are conducted by a third party, the OHS Contract Owner must outline the monitoring responsibilities for the third party through a memorandum of understanding (MOU) or contract. Monitoring activities performed by a third party must demonstrate that the awarded agency has achieved the significant outcomes and deliverables in the agreement.

Section 4: State Monitoring Procedure

A. Monitoring Activities

New Agencies: As noted in Section 1, new agencies are defined as entities that have not previously been allocated state-appropriated funds from the OHS. In this instance, the OHS Contract Owner is required to conduct at least one site visit with a full and limited scope, preferably done onsite at the onset of the contract. Refer to Section 1 B for the definition of site visit (full and limited scope). The OHS Contract Owner in collaboration with the Division Director or designee will prioritize onsite site visits for new agencies. However, it is up to the discretion of the OHS Contract Owner and the Division Director or designee if a virtual monitoring (site visit) is done instead. Refer to Section 1 B for the definition of a virtual site visit.

Existing Agencies: As noted in Section 1, existing agencies are defined as entities that have previously been allocated state-appropriated funds from the OHS. In this instance and if the awarded agency does not have any outstanding monitoring concerns and/or findings from the previous DWS-OHS monitoring, the OHS Contract Owner is required to conduct at least one virtual monitoring. Refer to Section 1 B for the definition of a virtual site visit. If the agency has outstanding monitoring concerns

and/or findings from the previous DWS-OHS monitoring, the OHS Contract Owner is required to conduct at least one site visit with a full and limited scope, preferably done onsite at the onset of the contract. Refer to Section 1 B for the definition of site visit (full and limited scope).

The OHS Contract Owner in collaboration with the Division Director or designee reserves the right to deviate from the site requirements listed above. However, all deviations (and the associated approval) must be discussed with Internal Audit (IA), documented, and stored in a central repository.

Claim/Reimbursement Request Reviews (Invoice Review)

The OHS Contract Owner reviews each claim/reimbursement request to determine whether:

- Items/services are provided within the agreement period
- Amounts do not exceed agreement budget categories
- Items/services listed are allowable per the agreement
- Items/services and amounts are necessary and reasonable for the program/project
- Required supporting documentation has been submitted

For more information on OHS' claim review procedure, refer to OHS Claim Policy and Procedure handbook and/or the invoice review definition in Section 1 B.

The Fiscal Grant Manager reviews claims/reimbursement requests to determine the following:

- Agrees to the awarded agency's general ledger
- Items/services listed are allowable per agreement and state award
- Funds requested for reimbursement do not exceed the total agreement budget

For fiscal monitoring activities, the Fiscal Grant Manager reviews claims/reimbursement requests once per grant year or agreement period. If an agreement is less than a year, the Fiscal Grant Manager completes a review of supporting documentation to validate claims/reimbursement requests.

Technical Assistance

The OHS Contract Owner conducts technical assistance at least once annually. The awarded agency will be contacted two weeks prior to the monitoring to notify them of and schedule a technical assistance meeting.

During the monitoring, the assigned OHS Contract Owner will complete the OHS TA Form Template (see Appendix A) by asking the agency questions included but not limited to on the form.

Quarterly Performance (Desk Review)

The OHS Contract Owner in conjunction with a Homeless Management Information System (HMIS) Program Specialist will perform a review of any reports submitted by the awarded agency to HMIS or the OHS. This review will examine the actual performance of an awarded agency compared to contract requirements, expenditures to the approved budget, and current reporting period to prior periods. For more information, refer to the quarterly performance (desk review) definition in Section 1 B.

B. Post Monitoring

Once the OHS Contract Owner has completed claim/reimbursement request reviews (invoice reviews), technical assistance, and quarterly performance reviews (desk reviews), the OHS Contract Owner and awarded agency will establish follow up expectations to verify that any concerns deemed from monitoring activities are adequately resolved.

Additionally, OHS Contract Owners shall document any follow up in the DWS-OHS Contract Administration and Monitoring Tracking Sheet.

C. Develop a Monitoring Plan

To assist the OHS Contract Owners in carrying out monitoring activities, DWS-OHS has created a worksheet to complete during scheduled technical assistance meetings (see Appendix A).

The content covered in the TA form captures the three components of required state monitoring activities: claim/reimbursement requests (invoice reviews), technical assistance, and quarterly performance reviews (desk reviews).

Section 5: Remaining State Monitoring Procedures

A. Monitoring Documentation

The OHS Contract Owners keep detailed records of monitoring activities and results. Sufficient detail is documented in a manner that monitoring results can be recreated. Documentation should include, but is not limited to, the following:

- Monitoring procedures performed, documentation reviewed, results of monitoring, follow up activities, and whether compliance requirements have been met
- Who monitored and the dates that the monitoring occurred
- Written justification for any deviation from DWS' Monitoring Policy
 - Requires prior approval from the Division Director or designee

The OHS Contract Owner shall store all monitoring documentation in the central repository monitoring folder within 30 days after each monitoring activity. Invoices and associated supporting documents should be stored in the state's centralized accounting system (FINET) and are not stored in the central repository.

- Whenever possible, the OHS Contract Owner has 45 days from when the contract expires to complete monitoring and move the contract folder into the Division's Archive Folder.
- All monitoring documents must be retained for a minimum of six years after agreement termination or until all audits/litigation concerning the agreement have been completed, whichever is later.

B. Program Monitoring Communication


Awarded agencies must respond to monitoring correspondence within 10 business days. After the 10 day limit, the OHS Contract Owner reserves the right to follow contract terms related to agreement termination and/or default.

C. Quality Control of Monitoring Documentation

Program Monitoring: The Division Director or designee conducts quality control reviews of program monitoring activities as considered necessary.

- If deficiencies in program monitoring activities are found, the Division Director will work with the OHS Contract Owner to ensure compliance with monitoring and documentation requirements.
- Results of the quality control reviews are documented and stored with the performance records for the OHS Contract Owner.

Fiscal Monitoring: The Finance Director or designee conducts quality control reviews of fiscal monitoring activities as considered necessary.

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- If deficiencies in fiscal monitoring activities are found, the Finance Director or designee will work with the Fiscal Grant Manager to ensure compliance with the monitoring and documentation requirements.
 - Results of the quality control reviews are documented and stored with the performance records for the Fiscal Grant Manager.

Appendix A
TA form



Office of Homeless Services
Technical Assistance Form

Internal

This form should be completed by each contract owner once during Q1/Q2 and once during Q3/Q4.

Technical Assistance (TA) may be performed more often or with agencies not funded by OHS, but is not required.

Contract Owner: [redacted] Date of TA: [redacted] Method of TA: [redacted]

Agency Information

Agency Name: [redacted]
Agency Representative(s) Involved: [redacted]

Technical Assistance

Has there been any staff turnover within the program or in agency overall:
[redacted]

Is agency up to date with quarterly claim submission and are they on track to expend contract before end of fiscal year (list contract #'s):
[redacted]

Does agency require any budget changes to existing contracts or are their budget change requests pending approval (list contract #'s):
[redacted]

Does agency have any outstanding monitoring concerns from HUD or any other funders:
[redacted]

Has agency had any client grievances submitted since last TA visit:
[redacted]

Is the agency participating with the LHC and CoC on a consistent basis or are there any concerns with LHC or CoC:

[Redacted]

Does agency need assistance with program policies or procedures (i.e. eligibility, eligible activities or expenditures, best practices, case management notes, grievance policies, etc.):

[Redacted]

Does agency have any outstanding HMIS or data concerns (i.e. monitoring action items, annual assessments, client intakes, client exits, user training, data quality, etc.): ***Pull Data Quality Reports for agency and project***

[Redacted]

Is agency meeting quarterly performance metrics and other reporting requirements:

[Redacted]

Updates from OHS to agency about upcoming funding opportunities, OHS staff changes, deadlines, large scale changes, etc. Is agency receiving HMIS and OHS/BoS newsletters?

[Redacted]

Any other items that need to be discussed or specific contract concerns:

[Redacted]

Follow-up meeting time and date:

[Redacted]

Utah Office of Homeless Services Eligible Expense Guide





*This document is to be used in conjunction with HUD's Program Components Quick Reference:
<https://files.hudexchange.info/resources/documents/ESG-Program-Components-Quick-Reference.pdf>

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Category I - Indirect Costs

a) NICRA - If the organization has a federally approved Negotiated Indirect Cost Rate Agreement (NICRA), the NICRA must be used in Category I, unless the organization voluntarily chooses to waive indirect costs or charge less than the full indirect cost rate.

Any administrative costs that are not part of the basis of the NICRA and are direct charged can be listed in Category II.

b) De Minimis - If the organization does not have a NICRA and chooses a de minimis rate, Category I must be used. The de minimis rate can be charged at 10% of Modified Total Direct Costs (MTDC). MTDC is defined as being: ****All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward.**

Category II - Direct Administrative Expenses

*Staff **AND** activities are only allowed in this category if they do not provide services directly to a client or to a staff member providing direct service. This includes admin staff that provide accounting services for a specific project or high-level leadership staff. **Category II cannot be claimed if Category I is also being claimed.**

Salaries

Amounts paid to administrative employees who are in positions of a permanent nature or hired temporarily.

- Wages
- Vacation PTO
- Sick PTO
- Overtime
- Staff Incentive - must be first approved by OHS fiscal analyst

Fringe Benefits

Amounts paid on behalf of administrative employees, over and above gross salary.

- FICA/Payroll Tax (Social Security & Medicare)
- Workers Compensation
- Employee insurance such as group medical, dental, etc. This **DOES NOT** go into Program Insurance

Communications

Communication expenses that are connected to administrative activities.

- Phone
- Internet

Equipment

Tangible, non-expendable, personal property for administrative staff, having a useful life of more than one year, over \$5,000 (per individual item) has to be reviewed by OHS staff and must include a detailed business case. Equipment purchases that fall under \$5,000 can be subject to further review and requests of additional documentation upon submission of an invoice.

- Office furniture
- Technology related equipment: servers, monitors, computers, tablets, etc.

Program Insurance

Expenditures for all types of insurance coverage that are tied to administrative level costs.

- This category **DOES NOT** include insurance for employee benefits.
- Property (the loss of or damage to property owned or leased from fire, theft, storm, etc.)
- Liability (loss caused by administrative staff and employees due to accident or neglect; judgments awarded against the agency or its officers)

Agency Space Costs

Amounts paid for the payment and ongoing maintenance of administrative space within the agency's building(s).

- Leasing/Loan payments for buildings or offices that are tied to administrative staff
- Cost of ongoing regular maintenance performed by Agency staff of administrative space
- One-time maintenance costs of administrative space that is not a part of an ongoing regularly contracted service

Agency Utilities

Expenditures for the administrative portion of utility services supplied by public or private organizations.

- Water, sewer, trash, electric, gas

Professional Development & Training

Services supporting the professional and technical development of administrative personnel.

- Course & Conference Registration Fees
- Airfare & Ground Transportation for Conference
- Lodging & Meals

Professional Fees & Contract Services

Ongoing costs that are contracted out to a third party, for administrative services, on a regular basis.

- Outsourced Accounting Services

Supplies

Tangible personal property other than those described in the definition of equipment in this section. Items used for administrative activities that are normally consumed within one year and do not retain their original shape and appearance. A computing device is a

supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.

- Office supplies: pens, paper, envelopes, file folders, ink cartridges, flyers, etc.

Travel & Transportation

Transportation costs that are tied to administrative activities.

Category III - Project Expenses

Salaries

Amounts paid to employees who are in positions of a permanent nature or hired temporarily.

- Wages
- Vacation PTO
- Sick PTO
- Overtime
- Insurance or other stipends paid directly to employees as salary
- Staff Incentive - must be first approved by OHS fiscal analyst

Fringe Benefits

Amounts paid on behalf of employees, over and above gross salary.

- FICA/Payroll Tax (Social Security & Medicare)
- Workers Compensation
- Employee insurance such as group medical, dental, etc. This **DOES NOT** go into Program Insurance

Client Rent and Arrears Payments

Project-based, sponsor-based or tenant-based assistance provided on behalf of a program participant for rent payment. Does not include app fees or deposit.

- Short-Term Rental Assistance - up to 3 months
- Medium-Term Rental Assistance – 4 to 24 months
- Payment of Rental Arrears – One-time payment up to 6 months, including any late fees on those arrears
- Any Combination of the Three Types of Rental Assistance above – Total not to exceed 24 months during any 3 year period, including any payment for last month's rent.

Client Deposit, App Fees, and Utility Assistance

Assistance may be provided to a program participant outside of direct rental assistance.

Includes moving costs and utility deposits.

- Rental Application Fees
- Security Deposits
- Last Month's Rent



- Utility Deposit
- Utility Payment
- Moving Costs

Client Services

Includes any cost paid directly on behalf of the client.

- Activities to locate, identify, and build relationships with homeless people
- Engage with homeless people for the purpose of providing immediate support, intervention, and connections with homeless assistance programs, mainstream social services and housing programs.
- Cost of assessing housing and service needs
- Arranging, coordinating, and monitoring the delivery of individualized services to meet the needs of the program participant.
- Education Services
- Employment Assistance and Job Training
- Outpatient Health Services
- Legal Services
- Legal Representation
- Credit Repair
- Life Skills Training
- Mental Health Services
- Substance Abuse Treatment Services
- Transportation – client cab vouchers, bus vouchers, etc.

Hotel/Motel Payments

Previously categorized as Client Vouchers. Hotel or motel voucher for a family or individual.

Conference Attendance and Staff Training/Development

Services supporting the professional and technical development of program personnel, including instructional, administrative, and service employees.

- Course & Conference Registration Fees
- Airfare & Ground Transportation for Conference
- Lodging & Meals

Professional Fees & Contract Services

Previously Professional Development & Training. Ongoing costs that are contracted out to a third party on a regular basis.

- Leasing a copier from another company
- Pest control
- Third Party Security
- Specialized maintenance, such as plumber, electrician, etc.
- Legal Services
- Accounting Services
- Audit Services

Program Space Costs

Amounts paid for the payments and ongoing maintenance of the agency's building(s).

- Leasing/Loan payments for buildings or offices
- Cost of ongoing regular maintenance performed by Agency staff
- One-time maintenance costs that are not part of an ongoing regularly contracted service

Program Insurance

Expenditures for all types of insurance coverage tied to program activities.

- This category **DOES NOT** include insurance for employee benefits.
- Property (the loss of or damage to property owned or leased from fire, theft, storm, etc.)
- liability (loss caused by school board members and their employees due to accident or neglect; judgments awarded against the agency or its officers)
- Premiums for fidelity bonds that guarantee against losses resulting from the actions of the treasurer, employees, or other persons of the Agency.

Program Supplies, Space Utilities, Internet, Etc.

Previously three categories: Program Supplies, Program Utilities, and Communication. Items of an expendable nature that are consumed, worn out, or deteriorated in use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Items that individually exceed the capitalization threshold established by the agency. Does not include program equipment.

- Office supplies: pens, paper, envelopes, file folders, ink cartridges, flyers, etc.
- Water, sewer, trash, electric, gas
- Internet
- Phone

Program Equipment

Tangible, non-expendable, personal property having a useful life of more than one year, over \$5,000 (per individual item) has to be reviewed by OHS staff and must include a detailed business case. Equipment purchases that fall under \$5,000 can be subject to further review and requests of additional documentation upon submission of an invoice.

- Office furniture
- Technology related equipment: servers, monitors, computers, tablets, etc.

Program Transportation

Transportation provided by the agency that is directly tied to client services.

- Vehicle **leasing**
- Mileage reimbursement
- Agency vehicle insurance and maintenance
- **DOES NOT** include costs for client cab vouchers, bus vouchers, etc.

Sub-awards



Eligible Expense Guide
In accordance with IDIS CAPER, CR-75

Amounts paid for services rendered by organizations or personnel not on the payroll other than Professional and Technical Services or Professional Fees & Contract Services. Includes outsourced case management or data entry services. Only the first \$25,000 of subawarded amounts count towards indirect costs.