CITY OF

PORTLAND, OREGON

PORTLAND HOUSING BUREAU

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Date

**Appendix F1 – Sample Monitoring Closing Letter**

June 7, 2012

Liesl Wendt

211info

1435 NE 81st Avenue, Suite 500

Portland, OR 97213

SUBJECT: Follow-up from May 9th, 2012, Monitoring Visit

Dear Ms. Wendt:

The Portland Housing Bureau (PHB) has completed its May 9th monitoring of 211info’s activities conducted under Contract #32000359. Funding for these activities includes Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) and a mix of one-time and ongoing City general funds. Funded activities reviewed in the monitoring include: 211 information and referral, severe weather, program outreach (including Housing Connections and Rent Well), and completion of the 2011 Point in Time Count of Homelessness.

The on-site monitoring and additional subsequent review consisted of the following:

1. Review of portions of 211info’s agency policies and procedures, including Conflict of Interest Statement and portions of the Employee Handbook, including the Non-Discrimination Policy, Client Confidentiality Agreement, Drug-Free Workplace Agreement, Use of Communications Technology Policy, Whistleblower Policy, and hiring and training procedures;
2. Review of City-funded program guidelines and processes, including those for data collection and reporting and current agency strategic planning initiatives and outcomes;
3. Review of FY 11-12 quarterly reports;
4. Review of call center data system and reporting functions;
5. Interviews with program staff;
6. Fiscal monitoring of financial documents and processes (See attached “Subrecipient Fiscal Monitoring Checklist”)

In general, our site visit and other monitoring indicate exceptional performance by 211info staff and leadership in conducting the work under the PHB/211info contract. 211info clearly demonstrates sound administrative and fiscal practices, with well-documented supporting agency-wide policy, training, and internal monitoring.

The monitoring process involved a review of program and financial documents and processes to identify potential findings and concerns. Findings are defined as direct violations to applicable regulations or contract conditions, and require immediate action to correct. Concerns are defined as issues that may pose challenges to performance and/or items that could be added to enhance performance of a particular program(s), in which recommended actions are provided.

**Findings:** PHB identified no programmatic or financial findings.

**Concerns:** PHB identified the following programmatic and financial concerns, along with associated recommended actions:

1. **Current eligibility documentation for CDBG-funded 211 information and referral services appears sufficient to demonstrate regulatory compliance, but documentation may be strengthened through additional supporting policy and practice.**

A small portion ($19,200) of the 211 call center staffing costs is paid by CDBG funds under this contract. These costs are for eligible CDBG Public Services meeting the Low/Moderate Income (LMI) Limited Clientele national objective as detailed in HUD Community Planning and Development Notice [CPD-04-07](http://www.hud.gov/offices/adm/hudclips/notices/cpd/04-7c.doc). HUD guidance requires that 211info must document that call center staffing costs reimbursed by CDBG funds reflect a portion of overall call center operations costs less than or equivalent to the portion of operations costs that serve callers who have or are presumed to have LMI. To meet these documentation standards, 211info may document caller income directly, or may presume LMI status based on referral of callers to services limited to people with LMI.

HUD provides detailed guidance regarding direct documentation of client income (see Section 13.3.6 of HUD’s [Basically CDBG](http://portal.hud.gov/hudportal/documents/huddoc?id=cdbgchapter13.pdf) guide). Though call center staff record client’s verbally self-reported household size and income in the call center data system, this may not be sufficient to meet HUD income documentation guidelines.

Alternatively, CPD Notice 04-07 provides detailed guidance for documenting pro-rated call center operations costs that can be attributed to presumed LMI clientele. That guidance requires systematic, ongoing examination of average per-call costs against actual related referral data to determine the prorated call center costs attributable to LMI clientele.

Given the following observations, PHB believes that 211info demonstrates compliance with the CDBG LMI Limited Clientele national objective:

* 211info’s call center data system documents and accurately reports client self-reported household size and income, as well as agency and service type for any referrals given to callers.
* 211info’s client-level self-reported income data reported to PHB suggest that at least 47% of 211info callers have LMI (income level for the remaining 53% is unknown; no callers reported incomes above 80% of median family income).
* Similarly, call center referral data reported to PHB indicate that more than half of callers are referred to services that may allow 211info to presume LMI status.
* CDBG Public Services funds represent only 9% of call center operations costs funded through this contract - far less than the prorated costs attributable to assisting LMI callers.

Should 211info continue to use CDBG Public Services funds to reimburse call center operations costs, PHB recommends the following actions to strengthen policy and practice for client-level eligibility documentation:

* 1. Following guidance in CPD Notice 04-07 and/or Section 13.3.6 of HUD’s Basically CDBG guide, establish agency policy that clearly identifies 211info’s method of documenting call center costs attributable to services provided to LMI clientele.
	2. If directly documenting caller income, work with PHB to clearly determine whether client self-report of income is sufficient to document income without additional backing documentation, including written third-party documentation.
	3. If documenting presumed income based on referrals, establish policy identifying which agencies and/or service types within the call center referral database are restricted to LMI Limited Clientele. Establish a means of examining, on an ongoing basis, actual call center costs attributable to referrals to agencies or service types restricted to LMI Limited Clientele. Use this to document that costs reimbursed by CDBG Public Services funds are less than or equal to the actual costs attributable to services to LMI Limited Clientele.

1. **Current call center data collection and retention practices appear to meet contractual and regulatory record retention requirements, but the practices lack supporting policy.**

CDBG regulations and Section V.G of the contract between 211info and PHB require that 211info maintain required records for four years after the City makes final payments and all other pending matters are closed. The 211info call center data system clearly allows 211info to meet this requirement relative to client-level eligibility records (like income status and referral resources), but there is no supporting agency policy requiring such retention.

* 1. PHB recommends that 211info adopt an electronic client-level record retention policy in support of its existing practice and incorporate the policy into applicable staff training procedures.
1. **Informal subcontracting practices for completion of 2011 Point-in-time Count of Homelessness may have exposed 211info to unnecessary risk.**

With appropriately documented approval from PHB, 211info engaged the services of Kristina Smock Consulting to complete the 2011 Point-in-time Count of Homelessness in Portland/Multnomah County as described in Section I.D of the Statement of Work within the PHB/211info contract. Timely completion of those services is well documented through periodic invoices and approved final work products, but 211info appears to have engaged the services through an informally documented proposal, rather than a formal subcontract. This practice may expose 211info to unnecessary risk, and does not appear sufficient to comply with Section V.M (Subcontracting and Assignment) of the contract between PHB and 211info, which states: “[211info] shall require any approved subcontractor to agree, as to the portion subcontracted, to fulfill all obligations of [211info] as specified in this contract.”

* 1. PHB recommends that 211info engage any future subcontracted work through formal subcontracts sufficient to mitigate risk and comply with contractual and/or regulatory obligations.
1. **Documentation of cost allocation across multiple funding sources for call center staffing activities is clear and generally demonstrates regulatory compliance, but could be strengthened.**

211info accounting and employee time record systems clearly demonstrate allocation of staff costs among multiple funding sources and are properly signed by staff and managers. Employee time records and corresponding accounting statements are routinely submitted as backing documentation to invoices under the PHB/211info contract. 211info appears to allocate staff costs based on routine splits of staff time by funding source, rather than by retrospective analysis of potentially variable staff effort related to each funding source.

Should 211info continue this practice, PHB recommends the following action to strengthen time recording policies:

* 1. Develop and maintain retrospective employee certification of level of effort documentation, reviewed and signed by staff on at least a quarterly basis. PHB can recommend sample formats if desired.

None of these concerns requires specific response at this time, though I am happy to further discuss any of them with you. You can contact me at (503) 823-2368 or ryan.deibert@portlandoregon.gov, if you have questions or want to provide response.

PHB is grateful for our partnership with 211info, and we appreciate your staff’s hard work and dedication to providing information and referral services to help meet the housing and service needs of people throughout our community. We particularly value 211info’s ongoing leadership and innovation in improving statewide access to critical health and human services and housing resources.

Sincerely,

Ryan Deibert, MPH

Program Coordinator

cc: Charlie Chau, Sally Erickson, Jacob Fox, PHB