

New Resources for Monitoring for Compliance in HPRP Programs

August 19, 2011

Audience: Program managers and staff at the grantee and subgrantee levels

Purpose:

Grantees should already be monitoring their subgrantees in accordance with their Consolidated Plan, or more frequently. Because of the high level of transparency required with Recovery Act funds, and because of the staff turnover with many grantees and subgrantees throughout this program, HUD strongly recommends monitoring subgrantees as frequently as possible.

This monitoring listserv message:

- Announces new resources useful for monitoring HPRP;
- Provides grantees and subgrantees with some common findings found by HUD staff when conducting compliance monitoring for HPRP; and
- Provides tips and tools to use when conducting HPRP compliance monitoring.

Monitoring Resources

Most grantees have developed a monitoring plan for HUD programs; this is documented in the community's Consolidated Plan. Grantees are encouraged to review these existing plans and revise them if needed for HPRP.

In an effort to provide additional guidance to grantees on how to monitor HPRP subgrantees, HUD is making available two new resources – one for grantees to use when monitoring, and one for grantees and providers to use in ensuring their case files are complete. Both of these tools were designed to be a template to provide a framework; grantees are encouraged to alter the tools as needed based on local requirements or needs. Both are provided in Microsoft Word format as well as in PDF format. Both contain the updated guidance around oral leases, and have been added to a new [HPRP Program Monitoring](#) section of the HRE under TA Tools and Resources.

- [HPRP Grantee Monitoring Toolkit](#) (<http://hudhre.info/index.cfm?do=viewResource&ResourceID=4437>): This tool provides details on areas grantees should focus on while monitoring subgrantees and checklists grantees can use for monitoring.
- [HPRP Procedures & Documentation Assessment](#) (<http://hudhre.info/index.cfm?do=viewResource&ResourceID=4436>): This tool was developed to provide grantees and subgrantees with a template for conducting in-depth programmatic assessments to verify compliance with the HPRP Notice.

As a reminder, HUD has also made available the [HPRP Documentation Checklist Templates](#) for grantees to use as tools to ensure HPRP participant case files include documentation consistent

with HUD requirements and guidance related to Participant Eligibility Documentation and Financial Assistance & Housing Unit documentation.

Further, the resources listed below may not be specific to HPRP, but provide valuable information grantees may find useful when monitoring the various aspects of their HPRP program:

- *From Intake to Analysis: A Toolkit for Developing a CoC Data Quality Plan*, available at: <http://www.hudhre.info/documents/HUDDDataQualityToolkit.pdf>
- *Data Quality Monitoring Tool*, available at: <http://www.hudhre.info/documents/HUDDDataQualityMonitoringTool.xls>

Why monitor?

The primary purpose of monitoring any HUD program is to document compliance with program regulations. HPRP grantees are subject to onsite or remote compliance monitoring done by HUD staff. For HPRP, staff monitor for compliance based on requirements set forth in the [HPRP Notice](#) using exhibits in Chapter 8 of the [CPD Monitoring Handbook](#) (online at: http://www.hudhre.info/documents/CPDMonitoringHandbook_Ch8.pdf). In cases where HUD finds a grantee out of compliance with the Notice, the grantee will be issued a finding and will be given instructions on how to correct the finding. In other cases where there is a compliance issue that, while not directly related to the Notice, could lead to the grantee being out of compliance in the future, HUD will issue a concern. While there are no corrective actions required for concerns, HUD monitoring staff will provide recommendations to the grantee and will provide technical assistance if appropriate to help the grantee fix the issues raised in the concern.

In addition to being monitored by HUD, grantees must also monitor any subgrantees providing HPRP assistance as part of their HPRP grant. Monitoring subgrantees is a critical component of administering HPRP. While in many cases subgrantees are actually providing services under HPRP, the grantee is still ultimately responsible for ensuring the program is implemented in compliance with the HPRP Notice. HUD does not issue findings or concerns to subgrantees; HUD looks to the grantee to document how the program is being implemented when conducting a monitoring. Grantees are responsible for what is being done to implement the program at the subgrantee level.

Common Findings and Concerns

HUD staff continues to actively monitor HPRP programs across the country and have documented common findings and concerns addressed in the course of these monitoring visits. HUD conducted a webinar on [Common Monitoring Findings and Concerns](#) earlier this year, detailing these issues. However, the following common issues continue to be identified:

- **Lack of Documentation:** The primary issue uncovered during compliance monitoring is insufficient or missing documentation in the case file, particularly around the “but for”

determination. HPRP grantees are responsible for ensuring subgrantees are collecting adequate documentation on participants' eligibility, sources of income, assets (if applicable), completed and signed Staff Certification of Eligibility, and other pertinent documents. The file must contain all information needed for a third party to review and determine the household was eligible, received appropriate assistance, and did not exceed any limits set forth by the HPRP Notice. In some cases adequate documentation will be in the form of completed intake/assessment sheets, third party documents (bank statements, pay stubs, etc.), OR it may simply be notes written by the case manager. Any of these forms of documentation are acceptable. For additional information on what forms of documentation are acceptable, please refer to the HPRP Eligibility Determination and Documentation Guidance posted online at: http://www.hudhre.info/documents/HPRP_EligibilityAndDocumentationGuidance.pdf.

- **Lack of clear policies and procedures:** If the grantee does not develop and communicate clear policies and procedures for subgrantees to follow for HPRP, there is a greater likelihood that subgrantees may provide ineligible assistance, collect insufficient documentation, or do other things that would lead to a concern or a finding for the grantee. Specific issues HUD staff have found where the absence of clear guidance has led to findings around topics such as: subgrantees placing households in motels with HPRP funds when the Hotel/Motel criteria are not met; subgrantees unfamiliar with the limitation on assistance for arrears who have provided household with more than 6 months of assistance; and subgrantees not clear on when a unit must be inspected for lead-based paint and habitability standards. HPRP grantees are encouraged to develop policies, procedures, or guidance for subgrantees to insure common understanding and consistent implementation of HPRP. This will lessen the opportunity for subgrantees to provide ineligible assistance, improperly document important case file information, or otherwise improperly implement the community's HPRP program.
- **Lack of familiarity with HMIS policies:** HMIS is ultimately the responsibility of the Continuum of Care (CoC), and in many cases a second organization—the HMIS Lead Entity—is responsible for the day-to-day operation of the HMIS. Further, the HPRP Notice requires that grantees and subgrantees use HMIS (or a “comparable database,” in limited circumstances) to collect data on persons served and report out on HPRP activities. While other entities are ultimately responsible for the HMIS, the HPRP grantee is responsible to ensure all HPRP data is accurately input into the HMIS. This may entail the grantee working with the HMIS lead or the CoC lead to verify that end users adhere to confidentiality requirements, data quality checks are run on the data, and that data is entered in a timely manner. These questions will be asked of the grantee during a monitoring review and it is expected grantees will be able to answer based on their knowledge of their community's HMIS policies.
- **Not conducting Lead-Based Paint Visual Assessments when required:** Remember – a lead-based paint visual assessment must be conducted for Homelessness Prevention

assistance AND for Rapid Re-housing assistance—that is, **every time** there will be a child under the age of 6 in the household, and the housing was built before 1978.

- **Insufficient grantee oversight:** Overall, this is one of the most serious findings. Some grantees, facing challenges with local government budget cuts, have severely understaffed the HPRP program, limiting the capacity of the existing staff to properly administer the program. Often, there is no management plan or standard operating procedures in place to ensure HPRP funds are used properly, and the grantee has not monitored all or even most of its subgrantees and is not aware of their challenges and deficiencies. The more well-staffed a grantee’s HPRP program is, the better able it will be to administer the program proactively, instead of scrambling to address issues that HUD finds when monitoring.

Questions? Submit them to the HUD Virtual Help Desk on the newly re-designed Homelessness Resource Exchange, at www.hudhre.info.