

Supportive Services for Veteran Families (SSVF)

Compliance and Fiscal Oversight

Program Guide Changes

As of October 1, the Travel and Training Request Form will not need to be submitted in GIFTS for travel and training. Travel is allowable as a direct program cost when such travel will provide only a direct benefit to the SSVF program and grant award. Travel costs, including the reason and scope, have a high audit profile and are routinely examined by auditors and other government stakeholders. Grantees must be prudent with costs and perception of travel costs including the number of staff attending the same training or conference. The grantee/traveler are required to document in their files how the travel directly benefits/relates to the SSVF grant and project. All travel and training expense must adhere to Federal Travel Regulations. For staff travel Per-Diem expense reimbursement is allowable if it meets the reimbursement standards.

Program Guide Changes

Outreach

- Eligible expenses associated with providing outreach services may include costs such as outreach staff time, promotional materials limited to business cards, flyers and pamphlets.
- Items commonly referred to as “SWAG” purchased in the past but are now deemed ineligible include trucker hats, beanies, gloves, scarves, flashlights, sweatshirts, hoodies, jackets, key chains, pins, lanyards, pens and buttons.
- Items that do not DIRECTLY contribute to the effectiveness of reducing homelessness or housing placement/prevention will be considered a questioned cost.
- Any article of clothing for employee identification used during outreach is required to meet the criteria for “Uniforms” as per the Uniformed Guidance (2 CFR 200).

Program Guide Changes

Outreach

- Clothing for outreach must be evaluated to ensure who is receiving the clothing and how is it contributing to outreach activities for Veterans or staff (Identify SSVF and reflect the number of employees dedicated to SSVF activities). Grantees are encouraged to leverage non-SSVF funding for items that they see as beneficial to the outreach process.
- SSVF expenses can be used to create outreach (hygiene) kits when grantee staff are conducting direct outreach to Veterans living on the streets, encampments, vehicles or other unsheltered homeless situations. These outreach kits should typically include items that will assist with basic needs of homeless Veterans.
- SSVF Grantees are encouraged to solicit donations, volunteer community groups or use other funds to create outreach kits. If this is not possible then SSVF funds are allowable on a limited basis.
- As with any purchase bulk purchases that will extend past the current grant year are unallowable as is increasing cost to branding items with the SSVF logo unless it is supported by a lower cost.

Program Guide Changes

Outreach

Typically, a kit can include one or two of the following items:

- Pair of cotton socks • Pair of underwear • Travel size first aid kit • Razor • Deodorant • Handwipes
- Bug repellent • Sunscreen, lip balm
- SSVF may pay for SSVF marketing materials to enhance conventional staff-driven outreach provided that all of the following terms are met before incurring such costs:
 - Traditional staff-driven methods of outreach were tried but target numbers are still unmet.
 - An assessment was performed to ensure chosen marketing method will be effective.
 - A comparison was made between effectiveness of staff outreach versus marketing.
 - Care was taken to market only the SSVF program itself and not the sponsoring agency.
 - Marketing was designed to ensure effectiveness in connecting Veterans to SSVF.

SSVF Financials 101

Budget

- Must submit a budget and have it approved each grant year. Spending only allowed on approved budget line items unless program change is submitted and approved.

Mandatory Spending Requirements

- 1st quarter: 15% min. 35% max
- 2nd quarter: 40% min. 60% max
- 3rd quarter: 65% min. 80% max
- Failure to meet requirements will result in mandatory return of funds and may effect future funding levels.
- Potential for voluntary return of funds and request for additional funds as a result of natural disasters.

Extensions

- Can be approved for 1 month extension to reach program goals.

FER Financial Expenditure Report

- Custom template based on approved budget submitted with End of Year Certification requirement in GIFTS. It's a detailed description of expenses, funding changes, and justifications (per line item) for variances +/- 10%.

HHS Payment Management System

- Must gain access to PMS system as new user. Follow instructions posted on PMS website: <https://pms.psc.gov/>
- Draw down requests can be done as frequently as needed.
- Last business day of quarter is used to determine spending requirement compliance.
- FSR (Financial Status Reports) are annual and must be done prior to submission of EOY Certification requirement in GIFTS (within 45 days of grant closeout).

Predetermination- Recoupment Process

- FOIA review provides Predetermination letter added to FOIA reports.
- What this mean? SSVF Program Office can recoup “All unallowable and questionable costs” that occurred with SSVF grant funds.
- Determination of costs for recoupment. Funds or actions that result in a Non direct benefit to program or veteran
 - Food for staff meetings
 - SWAG for staff
 - Travel and Education not associated with SSVF Program
 - Salary charged to SSVF for non SSVF work.
 - Costs-expenses that do not have supporting documentation
 - Costs-expenses that are not equitable (overcharge to SSVF Program)

Financial and Operational Fitness Audits (FOFA)

- 50% of grantees reviewed per year. Each grantee will have an Audit or FOFA visit every other year.
- Scheduled is based on assessing program risk
- Input from Regional Coordinators via pre-review survey.
- Financial Objectives- Review of all costs and expenditures with SSVF Funds.
- Objective of Review is to validate the accuracy of information regarding grantee performance.
- Determine compliance for those activities
- Evaluate the reasonableness of judgments made for those activities.
- Ascertain the grantee's ability to ensure that activities carried out by subcontractors meet compliance requirements;
- Verify the accuracy of the grantee's records;
- Identify apparent causes of any problem(s); and
- Follow up on problems identified during the assessment. Improvement expected with education, training and Recommendations for Improvement.

Purpose of the FOFA Review

- Ensure compliance with SSVF Regulatory Guidance (38 CFR Part 62), SSVF Program Guide, Notice of Funding Availability (NOFA), Grant Agreements and other Uniform Grant Guidance (2 CFR Part 200)
- Provide the SSVF Program Office with an assessment of the Grantees ability to meet the needs of Homeless Veterans.
- Review Grantee's internal systems to detect and prevent fraud, waste and abuse.
- Provide consistent guidance on findings and recommended improvement areas.
- Provide Grantee Management/Board of Directors with an external assessment of organizational practices and procedures.
- Introduce a Corrective Action Plan follow-up/review close-out process.
- Discuss challenges and opportunities (best practices, program/process standardization and common approaches)

Keys to a Successful FOFA Review

- **Have an open mind**

Audit team is there to help, might not seem like it, but it's true

- **Understand the FOFA review program is different from the UMP program**

Holistic review approach

Greater detail and depth of review work

There will be findings and most likely questioned costs

- **Be responsive to auditor requests**

Timeliness will help reviewers verify program compliance and complete an accurate assessment of your organization

Ensure requested items are clear, understandable (intuitive), and complete

- **Ensure all required staff/subcontractors will be available during the on-site visit**

Team lead will coordinate with POC (minimal impact on your operations)

- **Be willing to engage the review team**

Review team members are open and willing to learn more about the specific circumstances or unique operational environment for your organization

Review team wants to learn the program from a real world application

FOFA Auditor Notes and General Observations

Ensure consistent data entry into the General Ledger (GL)

- Same naming convention
- Same classification of expenses and TFA
- Down stream data analysis and reporting

If you use a separate tool to manage your program and track data

- Ensure monthly reconciliation to the GL
- Work with financial team to see if their skill set can help you

If you are not using the specific forms provided in the Program Guide

- Ensure the key elements are included in your adopted version
- Ensure the intent and use of the form is not lost in translation
- If you include additional documents or forms in your case file that compliment your internal control environment, walk the review team through those forms so they can take those into consideration and evaluate for best practices
- If you have a great idea, be willing to share

Case Notes are KEY

- Be sure to be specific and include details
- Compliment weak or vague documentation

FOFA Auditor Notes and General Observations cont.

- Internal Controls
 - “is a process for assuring of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies”
 - Supervisor signature is a critical control point
 - Expense request process and applicable approval
 - If there is a requirement to ensure something happens or does not happen, ensure it's documented and communicated to the team
 - If policies and procedures highlight key or critical activities – how can you support that is being achieved...has to be auditable and supportable
- Documentation
 - Understand the intent of the form is and what it is trying to achieve
 - Income Calculation and Documentation Standards (supporting documents)
 - Housing Stability Plans – goals, objective, outcomes
 - Assistance in Obtaining VA Benefits and Coordinating Other Public Benefits
 - Referral Tracking Tool
 - Participant Satisfaction Surveys

FY 2018 Top 5 Findings

- **Expenses** – Identified at 52 percent of reviews
Finding – Claimed expenses were disallowed (outreach, food/water, equipment, travel)
- **SF-425 Reporting** – Identified at 44 percent of reviews
Finding – Required reporting is untimely/inaccurate
- **Payroll** – Identified at 44 percent of reviews
Finding – Staff payroll is not properly tracked/allocated or contained errors
- **Certification/Recertification** – Identified at 41 percent of reviews
Finding – Eligibility and recertification form approvals are untimely/inaccurate
- **TFA** – Identified at 33 percent of reviews
Finding – TFA paid without approved eligibility

FOFA Common Findings – Example 1

Finding

Incomplete Certification and Recertification of Eligibility Forms

Condition

We found four Certification of Eligibility Forms and nine Recertification of Eligibility Forms were not completed as required, resulting in over \$23,000 in questioned costs.

Criteria

SSVF Program Guide, Section V, Subsection G. and E.

Cause

Certification and Recertification of Eligibility Forms were not included in the case file is attributed to the grantee lacking policies pertaining to documentation standard and the associated processes to collect documents. The supervisor not signing the Certification of Eligibility is attributed to a lack of oversight.

Effect

Grantee providing services to a Veteran that may not be eligible. If TFA is provided, this will lead to questioned costs.

FOFA Common Findings – Example 1 cont.

Recommendations

Develop a formal process that requires supervisors review and sign all Certification and Recertification of Eligibility Forms before any services are provided.

Develop a formal process that requires all Certification and Recertification Forms to be maintained in the case files.

Provide training to supervisors authorized to review and approve Certification of Eligibility Forms. Document the training and maintain a list of personnel trained for auditor review.

Develop and implement a Quality Assurance/ Quality Check (QA/QC) review process to ensure adequate completion and retention of eligibility forms and related documentation. Update the organization's SSVF Program Policies and Procedures guide to include the new review process.

FOFA Common Findings- Example 2

Finding

Insufficient Subcontractor Monitoring and Oversight

Condition

Grantee was unable to confirm whether its subcontractor had SSVF policy and procedures in place and had not completed any periodic performance reviews to ensure program compliance.

Criteria

SSVF Program Guide, Section VII, Section J: Subcontractor Management

Cause

Grantee performs informal check-ins with the subcontractor but does not conduct formal performance reviews. The subcontractor also does not have access to SSVF policies and procedures.

Effect

Failure to conduct a formal performance review increases the risk of fraud, waste and abuse of program funds. Not providing the subcontractor with SSVF policies and procedures prevents them from following program guidelines.

Recommendations

Provide the subcontractor with current SSVF policies and procedures.

Develop a formal performance review process and conduct the reviews on an annual basis.

FOFA Common Findings- Example 3

Finding

Unallowable General and Administrative Expenditures

Condition

We found five unallowable general and administrative expenditures. This resulted in \$7,389.03 in questioned costs. Conditions outlined in the SSVF Program Guide were not met prior to the purchase of outreach items. Food and drink are unallowable per the SSVF Program Guide.

Criteria

SSVF Program Guide, Section VIII, Subsection B. Outreach Subsection F. Ineligible Activities

Cause

The grantee contended the mesh trucker hats, beanies, and promotional items (flashlights, hand sanitizers, and drawstring backpacks etc.) were handed out at an outreach event. The grantee stated that they were unaware the food and drink charges were unallowable,

Effect

Failure to follow cost allowability requirements increases the risk that unauthorized or unallowable expenses are charged to the SSVF Program.

FOFA Common Findings- Example 3 cont.

Recommendations

Conduct training on what costs are allowable, allocable, and reasonable and meet the applicable Federal Cost Principles set forth in the Office of Management and Budget (OMB) Circular A-122, Cost Principles for Non-Profit Organizations, codified in 2 CFR, Part 200 and the SSVF Program Handbook.

Document the training provided and maintain a list of personnel trained for auditor review.

FOFA Common Findings- Example 4

Finding

Unallowable Expenditures

Condition

Expenditures considered unreasonable based on the timing and circumstances associated with purchase.

Purchase of tablets to replace laptops purchased for SSVF staff eight months prior. The laptops were subsequently reassigned to other programs within the organization.

Purchase of office furniture for SSVF staff to replace furniture purchased a few months prior that did not fit in the Grantee's new office space. Some of these items were also reassigned to other programs within the organization. These two expenses resulted in a total of \$9,748.60 in questioned costs.

Criteria

SSVF Program Guide, Section VIII, Subsection C.

Part 200 - UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS Subpart D - Post Federal Award Requirements - Property Standards

Cause

Reasonableness issue due to the timeframe these purchases were made, the fact that other programs benefited from SSVF purchases and the disposal of equipment and office furniture still in good condition.

Effect

Failure to follow cost reasonableness requirements increases the risk of unallowable expenses and ineffective spending of grant funds.

FOFA Common Findings- Example 4

Recommendations

Enhance program policies and procedures to include management approval for disposition of supplies or equipment purchased with SSVF funds.

Before approval, management should determine the amount of compensation (per § 200.313 as noted within the criteria) of the SSVF items and ensure a credit is recognized in the General Ledger once a transfer is made.

FOFA Common Findings- Example 5

Finding

Inadequate Benefits Assessment

Condition

We found 25 instances in which the assessment for VA and other public benefits were not adequately documented.

Criteria

38 Code of Federal Regulations (CFR) Chapter 1 Part 62, 62.32(a) – Supportive Service: Assistance in Obtaining VA Benefits

Cause

The Grantee stated most case managers were certified benefits specialists, and an undocumented benefits assessment occurred during the intake process.

Effect

Failure to adequately assess benefits, may lead to Veterans being enrolled in the program for an extended amount of time. This assessment identifies additional resources that are important to the Veteran and support the program's primary goal of housing stability.

FOFA Common Findings- Example 5 cont.

Recommendation

Develop and implement a (QA/QC) review process to ensure case files include documentation of how VA and other public benefits are assessed and coordinated.

Perform QA/QC reviews to validate all case managers are providing benefit assistance and utilizing the Referral Tracking Form as part of the case management procedure.

FOFA Key Points Of Contact

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