



**GREGORY C. HARRELL**  
CLERK OF COURT AND COMPTROLLER – MARION COUNTY, FLORIDA

## **Emergency Rental Assistance Program (ERA1)**

**Report No. 2022-03**

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**Internal Audit Director**

April 27, 2022

*Issued To:*

The Honorable Board of County Commissioners  
Mounir Bouyounes, County Administrator

Engagement Team:

Heather Ewing, CIA, CFE, Internal Audit Manager  
Sarah Conti, CFE, Staff Auditor

**ABBREVIATIONS**

Capital Access	CA
Capital Access Projects and Grant Management Services	CAPGMS
Chief Executive Officer of Capital Access	CEO-CA
Chief Executive Officer of United Way of Marion County	CEO-UW
Emergency Rental Assistance Program	ERA1
Emergency Rental Assistance Program Grant Agreement between Marion County, Florida and United Way of Marion County, Inc.	County Agreement
The Florida Department of State's Division of Library and Information Services General Records Schedule	General Records Schedule
Homeless Management Information System	HMIS
Internal Audit	IA
Internal Revenue Service	IRS
Landlord and/or Utility Company	Payee
Marion County	County
Memorandum issued on August 19, 2021, from United Way CEO, Capital Access CEO, and CAPGMS System Designer to the County's Administrator, Assistant County Administrator, and Executive Director of Administrative Services (Exhibit A)	UW/CA Response Memo
Section 501 of Division N of the Consolidated Appropriation Act 2021	Section 501
U.S. Department of Housing and Urban Development	HUD
U.S. Department of the Treasury	Treasury
U.S. Department of the Treasury Emergency Rental Assistance Program Frequently Asked Questions Revised August 25, 2021 (created to provide guidance regarding the requirements of Section 501 of Division N of the Consolidated Appropriation Act 2021)	FAQ
United Way of Marion County	UW

**EXECUTIVE SUMMARY**

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The Marion County Board of County Commission participated in the federally funded Emergency Rental Assistance Program (ERA1) through an agreement with the U.S. Department of the Treasury (Treasury). Subsequently, the County entered into an agreement with United Way of Marion County (UW) to administer ERA1. UW decided to focus on outreach and contracted with Capital Access (CA) to administer the application process. The anticipated amount was originally \$10,818,131.11; however, the actual amount received was \$11,038,909.30.

On January 12, 2021, the Internal Audit (IA) Director attended a phone conference regarding Marion County's (County) application for ERA1. The concern of ensuring compliance with the program was discussed since neither County Administration nor Finance would be monitoring the activity. The IA Director offered IA's services to review performance and compliance matters relating to the ERA1. The parties agreed that IA should be involved in providing reasonable assurance that the County and subrecipient had complied with the terms of the ERA1 Grant Agreement between Marion County, Florida and United Way of Marion County, Inc. (County Agreement) and program requirements.

Overall, we believe in general that the Marion County's ERA1 aligned with the Treasury guidelines, FAQs, and the White House Administration as noted in an email from the White House Intergovernmental Affairs dated August 18, 2021, "Administration stressed that ERA programs can and should use simple forms and remove unnecessary documentation requirements to move swiftly distribute ERA funds – and they can do so without falling out of compliance with the program regulations."

There were, however, some risks over the system internal controls, public records requirements, and understanding of the terms of the County agreement by UW, which IA shared with UW and CA. In response, UW and CA implemented certain improvements but not all risks have been addressed. The County Administration should continue to monitor the subrecipient for the next Emergency Rental Assistance Program.

We summarized the identified risks and their status (Table 1 - Observation Summary on Page 2) and detailed in each observation for the County Administration to consider and determine if such risks need to be further addressed.

UW provided management responses (Exhibit B) to each observation along with a summarized response which we included in Table 1 – Observation Summary. The Executive Director of Administrative Services confirmed, via email on April 25, 2022, that the management responses provided by UW are an accurate representation of the County.

This audit does not guarantee that all areas for improvement were noted. Our focus was not on the amount of financial errors which we found based on our testing; but rather on the overall compliance with the County Agreement and program requirements.

**EMERGENCY RENTAL ASSISTANCE PROGRAM (ERA1)**

Noncompliance or irregularities not included in this report could exist because this audit did not include a review of all records and actions of the audit area.

<b>Table 1 OBSERVATION SUMMARY</b>			
<b>#</b>	<b>Risk Identified</b>	<b>Compliance Criteria</b>	<b>Management Response<sup>1</sup></b>
1	Capital Access Projects and Grant Management Services (CAPGMS) did not have all documentation that related to the determination of applicants' grant eligibility or ineligibility including notes to explain application activity.	Subrecipient must maintain records of grant determination and comply with public record laws and U.S. Department of the Treasury Emergency Rental Assistance Program Frequently Asked Questions Revised August 25, 2021 (FAQ) <ul style="list-style-type: none"> <li>• FAQ #1</li> <li>• The Florida Department of State's Division of Library and Information Services General Records Schedule (General Records Schedule) Item #422</li> <li>• County Agreement Section 4.C. and 24</li> <li>• Florida Statute 119.0701 (2)(b)</li> </ul>	By September 1, 2021 CAPGMS had programmed a significant upgrade, incorporating a timestamp in Notes and Status, including A) the date and, B) the responsible party for all new notes, status changes and document uploads to the Digital File Cabinet.
2	CAPGMS lacked adequate system internal controls which compromised the integrity and availability of the data.	System internal controls should include data integrity and availability of data. Access and permission levels should be limited to requirements to fulfil job duties. <ul style="list-style-type: none"> <li>• Standards for Internal Control in the Federal Government</li> <li>• National Institute of Standards and Technology, a division of U.S. Department of Commerce</li> </ul>	By September 1, 2021 CAPGMS incorporated a "locked" status whereby after the payment has cleared, the system freezes the ability for an Application Intake Processor, Case Manager or Quality Control Manager to modify or overwrite any documents, notes or statuses.
3	Three UW employees who were involved in ERA1 activities applied for, and were approved for, ERA1.	Employees of subrecipient involved with ERA1 should not receive ERA1 grant funding. <ul style="list-style-type: none"> <li>• County Agreement Section 29</li> </ul>	United Way of Marion County took the appropriate action to address the observance as indicated in the auditors' report.

<sup>1</sup> Management Response was copied from the Response to the Emergency Rental Assistance Program (ERA1) draft report dated April 8, 2022 (Exhibit B).

**EMERGENCY RENTAL ASSISTANCE PROGRAM (ERA1)**

**Table 1  
OBSERVATION SUMMARY**

<b>#</b>	<b>Risk Identified</b>	<b>Compliance Criteria</b>	<b>Management Response<sup>1</sup></b>
4	UW comingled ERA1 funds with Coronavirus Relief funds, a grant provided through the Community Services Department.	Subrecipient is required to maintain ERA1 funds in a separate account that is not comingled with other funds. <ul style="list-style-type: none"> <li>• FAQ #42</li> <li>• County Agreement Section 21</li> </ul>	United Way of Marion County took corrective action to as noted above to separate ERA1 funds into a different account and provided the documentation verifying this action.
5	CA did not consistently follow-up with discrepancies or questionable supporting documentation. The County did not specify in policies and procedures when attestation should be relied on over supporting documentation.	Although attestations are encouraged, the County must create policies and procedures to mitigate abuse of grant funding and specify when attestations should be relied on over supporting documentation. <ul style="list-style-type: none"> <li>• FAQ #1</li> </ul>	On September 20, 2021, the Executive Director of Administrative Services confirmed that the County's expectation is to rely solely on the self-attestations, as allowed by the FAQs.
6	UW did not input appropriate data into the Homeless Management Information System (HMIS) to assist other agencies when determining whether there had been a duplication of benefits. CA was not adequately performing a duplication of benefits review.	Grantees, including subrecipients, should confirm that applicants do not receive duplicated benefits. <ul style="list-style-type: none"> <li>• FAQ #15</li> </ul>	From July 2021 forward, date of birth information was entered into HMIS for each applicant receiving assistance. Additionally, United Way staff went back to all previously funded applications and entered the date of birth information from those applications into the HMIS system.
7	CA allowed payments for prospective utilities when the County Agreement prohibited such payments.	The County Agreement, prior to amendment, did not align with the FAQ for allowable prospective utility payments.	This observation has been resolved. The Treasury allows for prospective utility payments. The County chose to rectify the observation by retroactively amending the County Agreement to align with the Treasury and allow prospective utility payments.
8	CA case managers and quality control managers did not accurately determine household income for some applicants.	FAQ #4 established that household income is determined by U.S. Department of Housing and Urban Development's (HUD) definition as stated in 24 CFR 5.609 and adjusted gross income as reported under Internal Revenue Service (IRS) Form 1040.	On June 10, 2021, a training was conducted at the AI office by the Marion CAP Production Lead on navigating applications in CAPGMS. The information about the applications reviewed for this Observation was in CAPGMS at the time of the audit. *IA responded on Page 20.
9	Capital Access did not provide the correct amounts for eligible funding.	The amount of assistance should be based on the documentation and applied in a consistent method for determining the amount that aligns with the Treasury guidelines and the County's expectations.	The system of having a Quality Control Manager review every case before its final disposition is intended to catch such errors. Staffing and staff training was enhanced to consistently produce accurate grant award calculations. For Pay-As-You-Go clients, Use of said limits, has ensured responsible use of the Treasury funds.

## ***EMERGENCY RENTAL ASSISTANCE PROGRAM (ERA1)***

In addition to the findings in this report, we noted that program status reports provided by UW and CA to update the County Administration understated the required direct assistance amount (90% or higher of the ERA1 allocated to Marion County). The Executive Director of Administrative Services also used the program status reports to update the Marion County Board of County Commissioners. IA proactively informed the County Administration of the discrepancy to rectify the records. The County Administration should continue to monitor to ensure the amount of direct assistance disbursed is compliant with Section 501 of Division N of the Consolidated Appropriation Act 2021 (Section 501).

We would like to express our appreciation to the County Administration, UW, and CA for their cooperation and assistance during our review.

**BACKGROUND**

The ERA1, federally funded through the Treasury, intended to assist households that had been directly or indirectly affected by COVID-19, and were unable to pay rent or utilities. On January 10, 2021, the Chairman of the Marion County Board of County Commission signed an agreement with the Treasury for the County to receive funding to provide citizens of Marion County assistance through the ERA1. The County received \$11,038,909.30 from the Treasury, although it was originally anticipated to receive \$10,818,131.11. As required by Section 501 regulating the program, at least 90% (\$9,935,018.37) was to be spent on the direct assistance. The County decided to subcontract administration of the program. Monitoring subrecipient is the responsibility of the County. Ultimately, the County is held accountable for compliance as the grantee.

On April 6, 2021, an agreement was entered into between the County and UW for UW “to hold, manage, administer, and distribute” the federal funding of the ERA1 awarded to the County. In anticipation of the ERA1 agreement with the County, UW had subcontracted with CA on March 1, 2021, for program management services of the ERA1.

The chart below shows the planned allocation of the funding to each party involved:

<b>ALLOCATION OF FUNDING FOR ERA1</b>				
<b>TYPE OF ALLOCATION</b>	<b>PERCENT OF TOTAL AND AMOUNT</b>			
<b>Total Direct Assistance</b>			<b>90%</b>	<b>\$9,935,018.37</b>
Administrative Cost:				
The County	2%	\$220,778.19		
United Way of Marion County and Capital Access	8%	\$883,112.74		
<b>Total Administrative Cost</b>			<b>10%</b>	<b>\$1,103,890.93</b>
<b>Total Funding From Treasury</b>			<b>100%</b>	<b>\$11,038,909.30</b>

UW provided the marketing and outreach function to ensure that citizens of Marion County were aware of and had the information to apply for ERA1. UW also assisted the citizens and landlord and/or utility company (Payee) throughout the registration and application process.

CA designed the program administration process and broke down the application process into two phases: registration and application. Majority of the program administration was documented in a platform called CAPGMS, which was also designed and administered by CA. The registration phase consisted of an initial threshold review to determine eligibility based on rental location, household income, and COVID-19 hardship but was not documented in CAPGMS. If the applicant met the threshold, they received an invitation to proceed to phase two and complete the full application. Phase two was documented in CAPGMS. The application process consisted of collecting supporting documentation, written and verbal attestations, Payee information, and duplication of benefits verification as well as documenting a review process by CA. Payments were

## ***EMERGENCY RENTAL ASSISTANCE PROGRAM (ERA1)***

made directly to the Payee. The option to pay the applicant directly, if the landlord or utility company was uncooperative, was allowable; however, IA was not aware of any such circumstance. If approved, the applicant's name, Payee information, and amount due were sent to UW for payment. UW issued checks for approved applicants.

UW and CA, combined, used four software applications for the activities related to the ERA1:

1. Capital Access Program Grant Management Services (CAPGMS) – A management software program that was used by CA and UW to track, manage, and store documentation, information, and notes related to the application process. IA had read-only access to this software.
2. HubSpot – A customer relationship management system, used by CA, to track communications from applicants, landlords, and utility companies.
3. Homeless Management Information System (HMIS) – A local information system in which different agencies input housing and homeless services provided. CA uses HMIS to ensure that they do not approve an applicant for duplicate funding. UW is responsible for the input of the funding received by each approved applicant from the ERA1. IA had access to this software.
4. QuickBooks – Accounting program, used by UW, to manage ERA1 funds received from the County and paid to an approved applicants' Payee.

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## **OBJECTIVE, SCOPE AND APPROACH**

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The objectives of this audit were to determine compliance with:

- Section 501 and the FAQs; and
- the County Agreement.

The scope included reviewing a random sample of approved and funded applicants, landlords, and utility companies.

On April 21, 2021, the County provided UW with a portion of the ERA1 funds to disburse to approved applicants. The first applicant was funded on April 29, 2021. IA received read-only access to CAPGMS on June 24, 2021, and reviewed a total of 96 approved applications, as of February 28, 2022 there had been 1,996 applications funded. During our review, we had open communication with the County Administration, UW, and CA to update them on our observations. Due to the nature of the observations and the anticipated start of ERA 2, after reviewing 40 funded applicants, we discussed our observations with County Administration then distributed an interim report to the County Administration as well as the Commissioners on October 5, 2021. The County agreed that UW and CA should improve their processes to mitigate the identified risks. In the continuation of applicant reviews, IA agreed, as requested by the County Administrator, not to report on the same issues originally found until sufficient time was given to UW and CA to implement improvements. It was determined that September 1, 2021, would be sufficient time. IA continued to review the remaining 56 funded applications. Of the 56 applications, there were nine applications submitted after September 1, 2021.

In this report, in addition to the observations reported in the interim report, we provided updates to those observations. We also identified two additional observations, number eight and nine.

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## **OPPORTUNITIES FOR IMPROVEMENT**

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### **OBSERVATION 1 – Supporting Documentation and Notes Should be Retained in Accordance with the Regulations**

IA observed that 1) documentation, which related directly to the determination of eligibility during the registration process was not maintained in the CAPGMS software; 2) documents in CAPGMS could be replaced at any time and were not recoverable.

The registration process was a key step in determining an applicant’s initial eligibility based on the information provided by applicants including, but not limited to, income and household size. CAPGMS did not have registration documentation obtained or correspondence exchanged during the initial registration process.

We found one applicant who was originally considered ineligible because the applicant exceeded an income threshold initially then was changed to eligible without adequate documentation or narrative in CAPGMS. Capital Access stated that there is another application called HubSpot which may contain additional communication that would explain the registration process outcome. HubSpot is designed to track communications from applicants, landlords, and utility companies.

IA also observed one occasion in which one of the applicant’s supporting documents was replaced by another document after the applicant was funded. We found that an unspecified user of CAPGMS had replaced an original landlord affidavit with a different affidavit that omitted information on the original one after the applicant was funded. CA stated that they “clean up” files and only keep the most up-to-date or relevant documentation. It is unknown how many documents have been replaced after applications were funded.

UPDATE: At a meeting on March 22, 2022, the CA UWMC CAP Management Lead stated that the applicants have the system permission to add and replace documents during the application process and CA could not recover those documents. CA informs applicants that they are not supposed to upload over documentation but that they should add additional documentation to a specified area.

The CA UWMC CAP Management Lead also stated that the applicants’ files are locked when the contract is signed and funding is approved.

We would like to emphasize the following:

1. UW and CA are required to maintain all records according to FAQ, the Public Records Laws, and the County Agreement and be able to produce them upon request.
2. Florida has robust Public Records Laws. All documentation obtained and correspondence exchanged are subject to Florida Public Records Laws, thus there

should be a clear understanding regarding what types of records exist and in whose custody they are maintained, either the County management, UW, and/or CA.

3. If the existing supporting documents were sufficient as supporting documentation, they should not be replaced after funding applicants.

FAQ #1 states:

“In all cases, grantees must document their policies and procedures for determining a household’s eligibility to include policies and procedures for determining the prioritization of households in compliance with the statute and maintain records of their determinations.”

The General Records Schedule #422 states:

“This record series documents the activities and administration of grant funded programs, including the application process and expenditure of grant funds. The series may include, but is not limited to, grant applications; notifications to applicants of award or denial of grant funds; contracts; agreements; grant status, narrative and financial reports submitted by recipient agencies; and supporting documentation. For grantor agencies, grant cycle completion has not occurred until all reporting requirements are satisfied, and final payments have been received for that grant cycle. For grant recipients, project completion has not occurred until all reporting requirements are satisfied, and final payments have been made or received.”

County Agreement Section 4.C. states:

“Any term or condition herein imposed upon the [United Way] is equally applicable to any and all sub-subrecipients...”

County Agreement Section 24 states:

“If, under this Agreement, [United Way] is providing services and is acting on behalf of COUNTY as provided under §119.011(2)” Florida Statutes, [United Way] shall:

1. Keep and maintain public records required by COUNTY to perform the service...”

Florida Statute 119.0701 (2)(b) states:

“A provision that requires a contractor to comply with public record laws, specifically to:

1. Keep and maintain public records required by the public agency to perform the service.”

A memorandum was issued on August 19, 2021, from the Chief Executive Officer of United Way of Marion County (CEO-UW), the Chief Executive Officer of Capital Access (CEO-CA), and CAPGMS System Designer to the County’s Administrator, Assistant County Administrator, and Executive Director of Administrative Services (Exhibit A) (UW/CA Response Memo). The UW/CA Response Memo stated:

“For [Capital Access] to succeed at the scale and time frame as specified by the U.S. Congress and U.S. Treasury, then the CAP Team needs to be held

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accountable to the U.S. Treasury ERA1 rules and not be over-burdened with the State of Florida and Marion County rules that appear to reflect more rigorous U.S. Department of Housing and Urban (HUD), rather than U.S. Treasury subsidy rules.”  
“It was our priority for documents uploaded by applicants and landlords to be the most accurate and current. Inappropriate and old documents were frequently overwritten with more appropriate documentation. It was not our priority to retain documents that were replaced.”

Regardless of the funding source, the County and its subrecipients are subject to the Public Records Laws. When subcontractors do not comply with Florida’s Public Records Laws and the FAQ, it creates a potential risk and liability for the County.

Please see observation 2 for further discussion.

UPDATE: In an email in April 6, 2022, The Capital Access UWMC CAP Management Lead stated, “... an Applicant registers for the program, they are required to provide their household size and annual income. No documentation is gathered during registration. Based on the information the Applicant provided, CAPGMS compares the stated income, household size, and the current area median income for Marion County, as published annually by HUD. CAPGMS will automatically identify that the Applicant is over income. As part of the process, Case Managers for the program will attempt to reach the Applicant to validate the annual household income, prior to failing the file for being over income.”

**Management Response: See Exhibit B**

**OBSERVATION 2 – Adequate System Internal Controls are Required for Integrity and Availability of the Data**

As discussed in Observation 1, we observed that a document could be replaced after the applicant was funded. We subsequently learned that the following system control weaknesses existed in CAPGMS:

- CAPGMS did not have the capability to “lock” an applicant’s file when the applicant was funded. (Applicant's and landlord's accesses were locked out, but Case Managers and Quality Control personnel still had editable access.)
- There were no separate permission levels. (IA was originally given editable access but as the auditor, we had to refuse such access. CA subsequently provided read-only access for IA.)
- CAPGMS did not have system audit trails to demonstrate who logged in, who uploaded, or who modified files, etc.
- Once a file was uploaded in a particular location where there was an existing file, the existing file was overridden and not recoverable.

Objectives to establish system internal control include integrity and availability of data. For integrity and safeguarding of information against improper modification or destruction, it needs to ensure nonrepudiation and authenticity. Availability means that data, reports, and other relevant information are readily available. (Standards for Internal Control in the Federal Government)

The best practice for system internal control is to apply the principle of least privilege and to limit system privileges to only those needed for a user to complete tasks. (National Institute of Standards and Technology, a division of U.S. Department of Commerce)

There are risks of improperly modifying data (on purpose or by mistake), not being able to identify who took what actions, thus creating a concern for reliability of data, and being out of compliance with the Florida Public Records Law if documents were replaced and not recoverable.

Update: Upon addressing these concerns, the UW/CA Response Memo included an action plan. CA stated that creating separate permission levels “will negatively impact the effectiveness and efficiency of application processing.”

On September 2, 2021, CA demonstrated that CAPGMS was enhanced with audit trails. Each audit trail identified a user and what actions were taken with a time stamp. The CEO-CA stated in a meeting on July 23, 2021, staff would receive training on how to properly document activity to the applicant’s status, as well as the importance of doing so.

Audit trails will deter and detect improper or unnecessary document replacements. There is a residual risk that, should it happen, replaced

document(s) are unrecoverable as an applicant's file remains editable after funding. It is recommended that the County determine whether the residual risk is acceptable or explore mitigation strategies.

**Management Response: See Exhibit B**

**OBSERVATION 3 – Assistance Should Only be Provided to Eligible Applicants**

Three UW employees involved with ERA1 activities applied for and were approved for ERA1 funding. IA discovered that the UW ERA1 Program Manager was funded for rental assistance. When discussed with the CEO-UW, he was aware of two other UW employees that also applied and were approved for funding. He intercepted one of the payments before it was made to the applicant.

County Agreement Section 29 states:

"B. ...SUBRECIPIENT certifies that no employee...who exercises decision making responsibility with respect to the Grant funds and SUBRECIPIENT's Program, is allowed to obtain a financial interest in or benefit from these activities... Specifically:... any person who is an employee... of SUBRECIPIENT..."

CA and UW were not aware of the County Agreement's conditions in this regard.

UW was noncompliant with the County Agreement in this regard.

UPDATE: UW had advised CA of the criteria in the County Agreement. The CEO-UW agreed and took appropriate action.

At a meeting on March 22, 2022, the CEO-UW and the Executive Director of Administrative Services stated that staff received training to inform them they are ineligible for funding through the ERA1 but could be eligible for funding through other programs.

**Management Response: See Exhibit B**

**OBSERVATION 4 – ERA1 Funds Should be Maintained in an Independent Account**

CEO-UW stated that the ERA1 funds were deposited to and disbursed from the same account previously used for Coronavirus Relief funds, a grant provided through the Community Services Department.

FAQ #42 states:

“May a grantee provide ERA1 funds to another entity for the purpose of making payments more rapidly?”

To speed the delivery of assistance, grantees may enter into a written agreement with a nonprofit organization to establish a payment fund for the sole purpose of delivering assistance using ERA1 funds while a household’s application remains in process. A grantee may use such a process if: ...

- The nonprofit organization deposits and maintains the ERA1 funds in a separate account that is not commingled with other funds.”

County Agreement Section 21:

“DEPOSIT AND COMMINGLING OF GRANT FUNDS.

...SUBRECIPIENT shall not commingle the Grant funds, or any portion thereof, with funds from any other source.”

County Agreement definition of Grant, “The grant from the COUNTY to SUBRECIPIENT of a portion of the ERA1 funds.”

CEO-UW stated that the previous Coronavirus Relief funds program had been completed for quite some time; however, the QuickBooks report provided to IA displayed a positive balance and activity up to a day before the first ERA1 deposit.

UW and the County were out of compliance with the Treasury for financial record keeping of the ERA1.

Update: CEO-UW provided adequate documentation to support the separation of ERA1 funds into a designated account for ERA1.

**Management Response: See Exhibit B**

**OBSERVATION 5 – Appropriate Follow-up Should be Conducted and Documented**

CA did not appropriately follow-up regarding discrepancies or questionable supporting documentation. IA noted that there were:

- expired leases or prospective payments for leases that would expire during the funding term;
- additional names in the household not included on the application and/or income determination;
- income that could not be reconciled; and
- a refund due to UW from a landlord that was not received.

FAQ #1 states:

“...In all cases, grantees must document their policies and procedures for determining a household’s eligibility to include policies and procedures for determining the prioritization of households in compliance with the statute and maintain records of their determinations. Grantees must also have controls in place to ensure compliance with their policies and procedures and prevent fraud. Grantees must specify in their policies and procedures under what circumstances they will accept written attestations from the applicant without further documentation to determine any aspect of eligibility or the amount of assistance, and in such cases, grantees must have in place reasonable validation or fraud-prevention procedures to prevent abuse.”

The County did not initially provide policies and procedures, regarding the circumstances in which relying on a written attestation was acceptable which was required by treasury guidelines.

The UW/CA Response Memo stated that:

“Capital Access understands the need to comply with federal regulations and guidance. [ERA1] is highly unusual, compared with other CARES Act and HUD programs, in that U.S. Treasury regulatory guidance:

- Strongly encourages grantees to minimize documentation requirements, and
- Requires applicant attestations when documentation is insufficient or missing.

The CAP Program Design clearly states that “Case Managers make three (3) attempts to obtain the requested documentation regarding income, financial hardship, risk of housing instability, proof of residency, lease, and utility bill(s). After three attempts, we use the documentation we have received, if any, and rely on attestations when necessary.

- A. We acknowledge the need for CAPGMS staff to add salient notes to CAPGMS to explain important situations and changes in the status of an application, and to describe decisions made by Case Managers and Quality Control Managers, as detailed in the program's Job Aids.
- B. As specified in our memo submitted on August 5, we are addressing this issue with targeted staff training to address more detailed recording of key notes that reflect the narrative and key decision points related to documentation and

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verification reviews. CAPGMS Production leads will continue to monitor and support CAPGMS application intake, case management and quality control staff to improve notes that contribute to a more complete audit trail.”

We commend the CEO-CA for acknowledgment that the CA staff should improve the notes provided in the CAPGMS software.

We pulled additional samples after the stated training timeframe in the UW/CA Response Memo and found that one landlord was paid after the expiration date of the lease. The applicant had told CAPGMS the intention was to renew; however, there was not a documented conversation with the landlord attesting to a renewal option or an agreement to reimburse the grant funding on behalf of the applicant.

Update: The Executive Director of Administrative Services stated in an email dated September 20, 2021:

“At our August 20th meeting, Capital Access assured us they will be more diligent at collecting the required documentation and providing better notes. Based on recent FAQ, the county is comfortable moving forward accepting the self-attestation form for any information, as allowed by those guidelines. The expectation is that Capital Access will attempt to collect the required information from the applicant a minimum of three times and each attempt will be documented in the CAPGMS software. If the applicant is unable to provide the information, we will rely on the self-attestation form.”

**Management Response: See Exhibit B**

**OBSERVATION 6 – HMIS Requires Appropriate Data Entry**

The HMIS is a local information system in which different agencies input housing and homeless services provided. When utilized appropriately, HMIS access mitigates the risk of duplicate funding by allowing CA to perform a search to verify if other funding was awarded prior to approval of funding, and for UW to document funding provided to assist other agencies when performing duplicate benefit searches.

IA noted that both CA and UW were not appropriately utilizing HMIS.

CA's documented procedures stated to "ask if the applicant received other benefits, if yes, verify in HMIS." If the applicant answered no, the documented procedures did not prompt the case manager to check HMIS.

UW did not enter or update the appropriate available information into HMIS.

- Out of the 40 applicants we reviewed:
  - UW did not include a birthdate for 23 applicants. The remaining 17 had correct birthdates added previously by other agencies.
  - 40 applicants had incorrect income information.
  - 20 applicants had incorrect household size.

FAQ #15 states:

"...when providing ERA1 assistance, the grantee must review the household's income and sources of assistance to confirm that the ERA1 assistance does not duplicate any other assistance, including federal, state, or local assistance provided for the same costs. Grantees may rely on an attestation from the applicant regarding non-duplication with other government assistance in providing assistance to a household. Grantees with overlapping or contiguous jurisdictions are particularly encouraged to coordinate and participate in joint administrative solutions to meet this requirement."

The HMIS Data and Technical Standards state applicant's date of birth is required to be collected by all projects when using the HMIS software. They also require income and sources for federal reporting.

The HUD Exchange HMIS Data Standards states:

"Income data should be entered in HMIS consistent with guidelines for calculating household income provided by a project funder, if such guidelines exist."

The UW/CA Response Memo stated:

"When United Way of Marion County established the processes with HMIS for the CAP program it was determined that we would check in HMIS for existing assistance before assistance was given, and that assistance given would be entered into HMIS. There was never an expectation that the CAP program would be updating household size, household income or other data elements."

If HMIS was not reviewed for each applicant, there was an increased risk of CA approving

duplicate funding for applicants. When HMIS was not updated with the necessary information, other users of HMIS cannot effectively confirm the identity of the individual and/or household that received funding.

UPDATE: It was observed on the Verification Review Sheet that CA changed their procedure to include HMIS checks for all applicants.

The UW/CA Response Memo stated that:

“On 7/22/21 United Way was contacted by the City's Joint Office on Homelessness about missing date of birth and social security number data elements. These missing data elements were creating difficulty in completing duplicate case searches. While not a part of the original plan, the CAP program began entering date of birth information for all entries from that point forward and has retroactively entered additional dates of birth to assist the HMIS managers with duplicate case searches.”

IA verified nine applications approved after September 1, 2021, there were no exceptions regarding the name and birthdate in HMIS.

**Management Response: See Exhibit B**

**OBSERVATION 7 – Utility Payments Should be compliant with the County Agreement**

A majority of the ERA1 applicants received prospective utility payments.

The County Agreement states that prospective assistance for utilities was not eligible under Section 501.

The nature of the program required the County to enter into an agreement with UW before having a full understanding of the Treasury guidelines. It was the County's intention to align with the Treasury with regard to utility payments. However, the County Agreement did not authorize the County to provide prospective utility payments.

Update: The Treasury allows for prospective utility payments. The County chose to rectify the observation by retroactively amending the County Agreement to align with the Treasury and allow prospective utility payments.

**Management Response: See Exhibit B**

**OBSERVATION 8 – Household Income Should be Calculated Consistently and in Accordance with the FAQs**

CA case managers and quality control managers did not accurately determine household income for some applicants by:

- using incorrect calculations that were not in accordance with the Treasury guidelines;
- not using the preferred method of documentation when it was provided; and
- using W-2 as the total annual income of a person without verifying whether the person had other sources of income.

FAQ #4 states:

“grantees may choose between using the [HUD’s] definition of annual income... and using adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040.”

Supplemental Security Income (SSI) is included in the HUD’s definition of income but not the IRS adjusted gross income for Form 1040. According to the Capital Access Policies and Procedures, the Program Design and Scope of Work, the 2020 IRS Form 1040 is the preferred documentation.

Acceptable methods to calculate annual income include the total household income for 2020 or sufficient confirmation of the household income at the time of application. If income documentation received does not cover an annual timeframe, the provided documentation should be annualized based on the calendar year. The Treasury allows annual income attestation to avoid disruption of funding.

CA should 1) use the preferred method of documentation before using other documentation provided and 2) not allow for households to receive funding, full or prorated, without disclosure of all household income.

From the exceptions we found, there was one application that we could not verify if it would have changed the outcome while the others would have still fallen under the income threshold. The risk of funding being approved or denied erroneously remains if CA does not appropriately apply the acceptable income determination requirement.

The CEO-CA should ensure that the case managers and quality control reviewers are adequately trained and know to determine annual household income consistently and accurately.

**Management Response: See Exhibit B**

**Internal Audit Response:**

The training and instruction provided on June 10, 2021, did not address the concerns of this observation. This observation did not apply to the availability of documentation.

**OBSERVATION 9 – Assistance Should be Provided to Each Applicant Consistently**

Two applicants did not receive full eligible amounts.

One applicant was approved for past due rent and prospective rent payments. The applicant's monthly rent amount was \$650 with the past due amounts of \$150 per month. The applicant stated they had paid partial rent each month. Instead of \$650 per month for prospective rents, CA approved \$150 per month only. The applicant received \$1,500  $((\$650-\$150)*3\text{months}=\$1,500)$  less than the eligible amount.

Another applicant was not approved for the full amount of the eligible utility payments. The applicant participated in Pay-As-You-Go and had an average monthly utility payment of \$500; however, the applicant only received \$200 per month in assistance from ERA1. A note from the CA representative stated that \$200 was the cap for monthly utilities. We noted that this was the only applicant in our sample with a monthly utility amount cap applied while other applicants that participated in Pay-As-You-Go received over the cap amount in utility assistance.

In response to our inquiry, CEO-UW responded that the program design was updated throughout the program and monthly caps were implemented "to ensure no over enrichment to any on[e] applicant over another". The cap was applied to the Pay-As-You-Go applicants only. Applicants that participated in the Pay-As-You-Go had a \$250 cap for August and September and \$200 for the rest of the months; however, the applicants who paid their utilities monthly were not subject to the cap.

The CEO-UW provided IA with the program design dated September 14, 2021, but without IA knowing the implementation date, we could not determine if it was applied consistently after the implementation date. The determination of amount of assistance should be based on the documentation and applied consistently according to the policy.

We raised a concern regarding the lack of County involvement when making a policy change. FAQ states that "[g]rantees must establish policies and procedures to govern the implementation of their ERA programs..." The County should be involved when the ERA program design changes as the program design functions as the policy.

**Management Response: See Exhibit B**

**EXHIBIT A**



United Way  
of Marion County

**GIVE. ADVOCATE. VOLUNTEER. LIVE UNITED.**

**MEMORANDUM**

**To:** Mounir Bouyounes, Marion County Administrator,  
Jeannie Rickman, Assistant County Administrator,  
Amanda Tart, Executive Director Administrative Services

**From:** Scot Quintel, CEO, United Way of Marion County  
Jeremey Newberg, CEO, Capital Access  
Steve O'Brien, Owner and Design Lead, Devia Software (CAPGMS System Designer)

**Copy:** Sachiko Horikawa, Director of internal Audit, Marion County  
Michael McCain, Executive Director Administrative Services

**Date:** August 19, 2021

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**Subject:** **RESPONSE to Marion Audit Report on United Way / Marion County COVID Assistance Program and Capital Access Project and Grants Management System (CAPGMS)**

United Way and Capital Access reviewed the "ERA Meeting 8.10.21.pdf" from the Marion County Internal Audit team covering a review of approximately 3,000 applications received to date for the United Way / Marion County COVID Assistance Program (CAP) requesting Emergency Rental Assistance (ERA).

The attached Memo dated August 5, 2021, affirmatively acknowledged, and provided a plan of action to address issues identified in the web meeting on July 24, 2021, with Capital Access and the Marion County Internal Audit and your email dated July 27, 2021. Many of the issues in the email were repeated in the "ERA Meeting 8.10.21.pdf" presented to Scot Quintel during his meeting with the Marion County Internal Audit team on August 10. Below and attached is a formal response to the audit from the web meeting, email and audit report listed above.

To claim that the CAP fails to meet the standards safe and sound internal controls is an over-reach and premature conclusion for a program that was launched on April 1, 2021, during the COVID crisis. We are amid a once in a century crisis that requires a fast response to prevent the devastating ramifications of homelessness.

United Way and Capital Access have welcomed and applied constructive feedback regarding how to improve the Capital Access Program and Grants Management System (CAPGMS) and staff protocols. We acknowledge that some mistakes were made as we launched. We have and continue to refine our systems to address those deficiencies.

The claim that a system lacks internal controls may be justly applied when there is neglect and malice from the program administrator. However, the CAP Team reflect none of those qualities. We are partners who embrace and apply continuous improvement to our production staff and system.

## EMERGENCY RENTAL ASSISTANCE PROGRAM (ERA1)

Response to Marion County Audit Report United Way / Marion County COVID Assistance  
Capital Access Project and Grants Management System

Page 2  
August 19, 2021

### I. A FAST LAUNCH IN RESPONSE TO A CRISIS

United Way and Capital Access launched CAP on April 1, 2021. In 4.5 months, we generated 3,355 registrations and approved and/or funded 1,266 grants for \$6.4 million. This represents 65.5% of the \$9,736,318 available for ERA 1 grants. This is a remarkable achievement given that 2020 CARES Act rent assistance served 350 households and was not subject to this type of review so early in production.

**Thursday, August 19, 2021**

Detailed Status Description Sort	Count	Percentage	Budget	Obligated	Expended
010-Applicant Registered	522	15.6%	\$0	\$0	\$0
020-Proceed: Threshold Met	360	10.7%	\$0	\$0	\$0
030-Reviewer Assigned	492	14.7%	\$0	\$0	\$0
040-Application Missing Info	31	0.9%	\$0	\$0	\$0
050-Ready for QC Review	128	3.8%	\$0	\$0	\$0
060-QC Grant Created					
070-QC Grant Sent	19	0.6%	\$86,355	\$0	\$0
080-Agreement Signed by Applicant	4	0.1%	\$28,583	\$0	\$0
090-Agreement Signed By Funder	1	0.0%	\$0	\$10,966	\$0
126 Ready For Funding	354	10.6%	\$1,747,267	\$1,749,338	\$238,966
140-Application Funded	888	26.5%	\$4,516,037	\$4,516,037	\$4,516,037
150-QC Application Failed Review	556	16.6%	\$0	\$0	\$0
	<b>3,355</b>	<b>100.0%</b>	<b>\$6,378,242</b>	<b>\$6,276,341</b>	<b>\$4,755,003</b>
Units:			1,266	1,243	

In 2020 Capital Access successfully managed four (4) COVID Relief programs in Florida providing rent, mortgage and small business working capital assistance on the CAPGMS platform totaling \$6.5 million.

In February 2021 Cheryl Martin of Community Services, introduced Scot Quintel, CEO of United Way and Jeremy Newberg, CEO of Capital Access. Capital Access has served as a HUD Technical Assistance provider to Marion County for its CDBG and HOME programs. In March of 2021, United Way and Marion County signed a subrecipient agreement where United Way serves as Program Administrator for CAP. United Way engaged Capital Access to serve as Program Manager of CAP. Capital Access quickly developed the software programming needed for CAPGMS to:

1. Provide a platform for a streamlined application, compliance and verification review, grant agreement and production and financial tracking report generation and
2. Integrate and operationalize regulatory requirements and guidance as specified by U.S. Treasury.

### II. RESPONSE TO AUDIT ITEMS

#### **Observation 1 Internal Control Weaknesses, and Observation 2 Concern over Public Records Integrity:**

- A. We acknowledge our obligation to provide internal controls to protect the integrity of CAP and the privacy of Applicant data. In the August 5 Memo Capital Access specified that the majority of the improvements recommended by the Audit Team will be operational in CAPGMS by September 2021.
- B. For CAP to succeed at the scale and time frame as specified by the U.S. Congress and U.S. Treasury, then the CAP Team needs to be held accountable to U.S. Treasury ERA rules and not be over-burdened with State of Florida and Marion County rules that appear to reflect more rigorous U.S. Department of Housing and Urban Development (HUD), rather than U.S. Treasury subsidy rules.
- C. It was our priority for documents uploaded by applicants and landlords to be the most accurate and current. Inappropriate and older documents were frequently overwritten with more appropriate documentation. It was not our priority to retain documents that were replaced.

We understand and accept this priority. As stated in the August 5, Memo, this function will be operational by September 1, 2021. In our August 5 memo to the Audit Team, we stated that:

1. "By September 1, CAPGMS will have a timestamp and responsible party for who uploaded, modified and/or replaced a document in the Digital File Cabinet. All changes to documents will be recorded in the Notes and Statuses section of CAPGMS. This is an automatic function generated by the system. CAPGMS tracks which document uploads come from the Applicant, Landlord, and CAPGMS Staff."
2. "By September 1, CAPGMS will have a "locked" status whereby after the payment has cleared, the system will freeze the ability for an Application Intake Processor, Case Manager and/or Quality Control Manager to modify and/or overwrite any documents, notes and/or statuses. Only the Production Leads will have the ability to make any modifications after the lock down is engaged."

**Observation 3 Documentation Discrepancies:**

Capital Access understands the need to comply with federal regulations and guidance. ERA is highly unusual, compared with other CARES Act and HUD programs, in that U.S. Treasury regulatory guidance:

- Strongly encourages grantees to minimize documentation requirements, and
- Requires applicant attestations when documentation is insufficient or missing.

The CAP Program Design clearly states that Case Managers make three (3) attempts to obtain the requested documentation regarding income, financial hardship, risk of housing instability, proof of residency, lease, and utility bill(s). After three attempts, we use the documentation we have received, if any, and rely on attestations when necessary.

- A. We acknowledge the need for CAPGMS staff to add salient Notes to CAPGMS to explain important situations and changes in the status of an application, and to describe decisions made by Case Managers and Quality Control Managers, as detailed in the program's Job Aids.
- B. As specified in our memo submitted on August 5, we are addressing this issue with targeted staff training to address more detailed recording of key notes that reflect the narrative and key decision points related to documentation and verification reviews. CAPGMS Production leads will continue to monitor and support CAPGMS application intake, case management and quality control staff to improve notes that contribute to a more complete audit trail.

**III. MOVING FORWARD**

- A. United Way and Capital Access have and will continue to make good faith efforts to implement the majority of recommendations from the Audit Team where feasible.
- B. We will request the County Administrator to provide guidance to the Audit Team to focus on Treasury and not State of Florida or Marion County imposed requirements for standard of compliance.
- C. We respectfully request an end to declarations that the CAP program does not meet the standard for safe and sound internal controls. Let us instead commit to frequent discussion and focus on continuous improvements to the systems and staff protocols.

United Way and Capital Access appreciate the opportunity to manage the Treasury funded ERA Covid Assistance Program on behalf of Marion County. We anticipate completing ERA 1 by end of October 2021.

Thank you.



Response to Marion County Auditor ERA Findings

8/19/2021



pol Page #	Auditor Issue	Capital Access / Devia / United Way Response
<p>System Internal Control Weaknesses</p> <p>Observation 1 System Internal Control Weaknesses</p> <p>The CAPGMS system does not have an audit trail to determine the activity that is performed on a case and by whom the activity was performed. Therefore, Auditors are not able to determine how many documents have been replaced, removed, or deleted.</p>	<p>System Internal Control Weaknesses</p> <p>CAPGMS does not have a capability to "lock" an applicant's file when the applicant is funded. Applicant's and Landlord's accesses are locked out, but Case Managers and Quality Control personnel still have editable access.</p> <p>The circumstances were noted by Auditors that violate or could potentially lead to violation of the State of Florida's Public Records Act.</p> <p>Example 1: A document in CAPGMS, subject to Public Record for a funded applicant's file was removed and cannot be recovered.</p>	<p>1. In March and April 2021, CAPGMS provided County with its Program Design and step by step process for how applications are reviewed, verified and the method for approval and award calculation. This standard was not communicated to Capital Access by County.</p> <p>Capital Access can resolve the two version and combine them into one if the Auditors would provide a copy of the previously uploaded Affidavit.</p> <p>2. COVID is a once in a century global pandemic. For safety purposes, the bulk of interaction is remote, including document uploads via a web portal.</p> <p>In 2020, CAPGMS had the functionality to track who uploaded and/or replaced a document and when. However in end of 2020, we removed this functionality because while working on CARES Act Rent and Mortgage Assistance we found that applicants were sending in verification documents in a wide range of formats such as .pdf, .jpeg, .tif and screen shots from mobile phones. We had to remove the tracking of who and when a document was uploaded to provide the flexibility so that we could get document uploaded by applicants.</p> <p>3. In the Memo sent on August 5, 2021, we responded to this issue with:</p> <p>"By September 1, CAPGMS will have a timestamp and responsible party for who uploaded, modified and/or replaced a document in the Digital File Cabinet. All changes to documents will be recorded in the Notes and Statuses section of CAPGMS. This is an automatic function generated by the system. CAPGMS tracks which document uploads come from the Applicant, Landlord, and CAPGMS Staff."</p> <p>From 8/5 Memo to respond to Auditor Issues:</p> <p>"By September 1, CAPGMS will have a "locked" status whereby after the payment has cleared, the system will freeze the ability for an Application Intake Processor, Case Manager and/or Quality Control Manager to modify and/or overwrite any documents, notes and/or statuses. Only the Production Leads will have the ability to make any modifications after the lock down is engaged."</p> <p>1. The Landlord initially completed the Landlord Affidavit in a written form and this document was uploaded within CAPGMS. When reviewing the digital file cabinet for this Applicant, it was determined and noted that the Landlord also completed and submitted the Affidavit using the Formstack provided link and submitted it through the CAPGMS system. The digital Landlord Affidavit was downloaded and uploaded into the appropriate location within CAPGMS. This action was completed 'after' the Applicant was awarded. The exclusion of the additional name (Brien Lee Hynek) was not noticed based on human error. All other information was the same.</p> <p>2. CAPGMS should contain the most legible and most complete documentation. Landlords and Applicants have made numerous errors in the documentation provided with ongoing requests to revise the existing documentation. As a process improvement, in the event a "new" document is uploaded and/or completed, Case Managers and Quality Control Managers combine the old and revised versions into one document then uploaded with a description of why the document was revised. The notation is placed within the VRS and under Notes &amp; Status in an Applicant's digital file cabinet.</p>

8/19/2021	Audit Issue	Capital Access / Dev't / United Way Response
<p>Observation 2 Concern over Public Records Integrity</p>	<p>Example 2: Little to no documentation is provided regarding the registration process. We noted that applicants who were denied during registration and later approved for funding had no explanation or supporting documentation to show what was clarified or changed.</p> <p>Example 3: The rent check for Daniel Dyer is missing from the case file in CAPGMS. The \$917 utilities check payable to SECO was uploaded. It was dated 6/10/2021. Daniel Dyer signed a grant agreement on May 28, 2021. He was to receive \$9,445 for rent and \$917 for utilities. All check images are to be uploaded into CAPGMS. On June 18, 2021, the applicant was set to "All budget items reconciled. Status: Application Funded." Capital Access does not adequately follow-up regarding discrepancies or questionable supporting documentation and relies on the attestation of the applicant and landlord. Capital Access has stated that they rely on the landlord's word on the affidavit over all other information. Recommendation Have the landlord attest to the number of tenants to ensure household income is correct. Additional Criteria: In addition, not adequately following up on the documenting potential issues could result in a violation of the Department of Treasury's Fraud Prevention Procedures, "Grantees are expected to apply reasonable fraud prevention procedures and to investigate and address potential instances of fraud or the misuse of funds that they become aware of."</p>	<p>The file being indirectly cited is MC-518705987 - Almeida Lella. Based on her tax return information provided during the Registration process, the household income from the 2020 Tax Return; however, in lieu of denying all applicants who provided information based on their 2020 taxes. CAP made attempts to validate if any changes occurred to their household composition and/or income. After attempting multiple times to reach her by phone, the case file was deemed ineligible. On 6/4/21, the Applicant showed up to the UWMC office without an appointment demanding to be seen by Management. UWMC CAP Management Lead Daytra Coles was onsite at the time and sat down with Ms. Almeida and the documentation to review the case file. During the meeting, the Applicant provided her documents and clarity as to her household composition. It was identified that her sister, who has a medical/substance disorder, was living with her. As such, the sister was counted in the household and it was clearly identified on the Verification Review Sheet (VRS) that the sister did not have any income. As a process improvement, all CMs, QC's and Intake Coordinators were trained to notate any anomalies, changes, or any information that speaks to the circumstances of the Applicant and their household that was used to qualify or disqualify an Applicant. Those notations are captured on the VRS and under Notes &amp; Status on the Applicant's Digital File Cabinet.</p>
<p>Observation 3 Documentation Discrepancies</p>	<p>We noted the following issues with supporting documentation; 1. Poor image quality of backup 2. Identification addresses do not match the address for funding. 3. Expired leases or leases would expire during the funding term. One lease that was due to expire during the three months of funding was questioned and the landlord was told by the QC to return the funds if the tenant did not renew the lease. 4. Original landlord affidavit did not match the number of tenants on the application (Example from Affidavit) Neither explanation nor documentation was provided in application regarding the discrepancies.</p>	<p>It is unclear why the scan of the rent assistance check for Daniel Dyer was not uploaded into CAPGMS when the scanned check for utility assistance was uploaded. The check stub proving payment of the rent assistance was attached to his grant agreement in our physical files. That check stub has been subsequently scanned in and uploaded into CAPGMS.  The U.S. Treasury does not require the attestation from the Landlord to identify the number of individuals living within the rental unit at the time of Application. When the Landlord executes the Affidavit, they are affirming that all of the provided information is true and complete to the best of their knowledge and belief.  Part of the process of reviewing the documentation as provided by the Applicant and Landlord, CMs &amp; QCs question and, if possible, decipher any noted discrepancies contained therein. Clarifications are placed on the VRS and if significant also the Notes &amp; Status of the Applicant's digital file cabinet.  Part of the process of reviewing the documentation as provided by the Applicant and Landlord, CMs &amp; QCs question and, if possible, decipher any noted discrepancies contained therein. Clarifications are placed on the VRS and if significant also the Notes &amp; Status of the Applicant's digital file cabinet.  An example of this is on a Lease that appears to have expired but contains month to month provisions. Within Section 3 - Initial Rent Calculation, the CM/QC will note the Lease expiration and/or that the lease is month to month based on the information provided on the Landlord Affidavit. If month-to-month, per the Landlord, during the one-on-one session with the Applicant, the CM will confirm that the Applicant will remain in place for the period of the future rent and note it on the VRS.</p>

EMERGENCY RENTAL ASSISTANCE PROGRAM (ERA1)

pdf Page #	Auditor Issue	Capital Access / Davis / United Way Response
Georgette Verdica: Application stated 1 adult listed in home and 1 income used to calculate household income. Terri Tomms: Marcus was listed on the application but there was no income provided.	Georgette Verdica - please clarify what the discrepancy is. The Application indicated two in the household and the income for the adult in the household.  Terri Tomms - Capital Access agrees that the CM nor QC did not properly note on the VRS or in the Notes & Status of the Applicant's digital file cabinet regarding the income of the other adult member of the household. Process improvements require that income is addressed for each household member and properly noted on the VRS and within Notes & Status.	Georgette Verdica - please clarify what the discrepancy is. The Application indicated two in the household and the income for the adult in the household.  Terri Tomms - Capital Access agrees that the CM nor QC did not properly note on the VRS or in the Notes & Status of the Applicant's digital file cabinet regarding the income of the other adult member of the household. Process improvements require that income is addressed for each household member and properly noted on the VRS and within Notes & Status.
Identification last name does not match the name of the application. (Kendra Lee Smith applied as Kendra Kirkland. Expired 11/22/2019. Out of State license.  Cheyenne Wallace: No income provided for Gary Gandia Jr. No notes regarding employment.	CM did not address or notate the name difference. Upon further review the date of birth for the Applicant is consistent on all documents provided (i.e. Drivers License and social security notice). All CMs & QCs have received training to provide sufficient clarification and note any discrepancies. Clarifications are placed on the VRS and if significant also the Notes & Status of the Applicant's digital file cabinet.  Capital Access agrees that the CM nor QC did not properly note on the VRS or in the Notes & Status of the Applicant's digital file cabinet regarding the income of the other adult member of the household. Process improvements require that income is addressed for each household member and properly noted on the VRS and within Notes & Status.	CM did not address or notate the name difference. Upon further review the date of birth for the Applicant is consistent on all documents provided (i.e. Drivers License and social security notice). All CMs & QCs have received training to provide sufficient clarification and note any discrepancies. Clarifications are placed on the VRS and if significant also the Notes & Status of the Applicant's digital file cabinet.  Capital Access agrees that the CM nor QC did not properly note on the VRS or in the Notes & Status of the Applicant's digital file cabinet regarding the income of the other adult member of the household. Process improvements require that income is addressed for each household member and properly noted on the VRS and within Notes & Status.
HMIS In our first sample of 40 funded applications, we reviewed date of birth, income, and household size. 0 dates of birth were added into case files by United Way. 17 applications already had date of birth added by other agencies and the other 23 were missing. Income was not correct on any ERA funded cases in HMIS Household size was inaccurate on 50% of the cases funded by ERA. This is due to the household size defaulting to 1, which is the case of some households and other agencies adding the household size from previous assistance. United Way employees are entering incomplete benefit information into HMIS. The only information being added is the Applicant name, address, funding amount, funding allocation, and funding date. The most common information that is not being disclosed is the household size, household income, birth dates, and social security numbers. - Alexis Alvarado, - Cheyenne Wallace, - Jose Mercado vs Jose Ricardo	HMIS In our first sample of 40 funded applications, we reviewed date of birth, income, and household size. 0 dates of birth were added into case files by United Way. 17 applications already had date of birth added by other agencies and the other 23 were missing. Income was not correct on any ERA funded cases in HMIS Household size was inaccurate on 50% of the cases funded by ERA. This is due to the household size defaulting to 1, which is the case of some households and other agencies adding the household size from previous assistance. United Way employees are entering incomplete benefit information into HMIS. The only information being added is the Applicant name, address, funding amount, funding allocation, and funding date. The most common information that is not being disclosed is the household size, household income, birth dates, and social security numbers. - Alexis Alvarado, - Cheyenne Wallace, - Jose Mercado vs Jose Ricardo	When United Way of Marion County established the processes with HMIS for the CAP program it was determined that we would check in HMIS for existing assistance before assistance was given, and that assistance given would be entered into HMIS. There was never an expectation that the CAP program would be updating household size, household income or other data elements. On 7/22/21 United Way was contacted by the City's Joint Office on Homelessness about missing date of birth and social security number data elements. These missing data elements were creating difficulty in completing duplicate case searches. While not a part of the original plan, the CAP program began entering date of birth information for all entries from that point forward and has retroactively entered additional dates of birth to assist the HMIS managers with duplicate case searches.
Observation 4 HMIS Inaccuracies	See the statement above. We are working with Miranda and her team with any information we do collect to insure the integrity of the HMIS system as well as tracking the assistance to applicants in the CAP program.	See the statement above. We are working with Miranda and her team with any information we do collect to insure the integrity of the HMIS system as well as tracking the assistance to applicants in the CAP program.
Observation 5 Duplication of Benefits	Potentially Duplicating Benefits	Please clarify what observation or discrepancy. The visual reference shows the evolution of the form document. Each version improves and/or provides an additional level of clarification for the purpose of being compliant with Treasury rules.
Discussion Point Commingle of Grant Funding	It appears that the Emergency Rental Assistance Funds were combined with Coronavirus Relief Funds with a QuickBooks report.	When the CAP program was set up, United Way of Marion County used inactive account numbers in our financial system. Because these numbers were included in our chart of accounts, but not currently in use, we did not see this as combining the record keeping for these funds with any other financial information. After our discussion on 8/10/21, new account numbers have been added to our chart of accounts and all transactions for the CAP program have been moved to those new account numbers.
Observations Addressed	K. Isom termination  Prospective utility amendment - Approved by BCC  Conflict of interest: Isom, Malloy, and Myers - reducing \$8,030 from next payment to United Way.  HMIS Password Sharing: Scot addressed his staff 7/12/2021	These observations were addressed as noted. It is important to clarify that the conflict of interest that was addressed extended to Isom and Myers only. There was no funding disbursed to Malloy and this, no conflict of interest in that instance.

EXHIBIT A (CONTINUED)



CAPITAL ACCESS



Vision • Strategy • Implementation

MEMORANDUM

To: Sachiko Horikawa, Director of Internal Audit, Marion County

From: Jeremey Newberg, CEO, Capital Access  
Steve O'Brien, Owner and Design Lead, Devia Software

Copy: Scot Quintel, CEO, United Way of Marion County

Date: August 5, 2021

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Subject: Notes on United Way / Marion County COVID Assistance Program Audit and Capital Access Project and Grants Management System (CAPGMS)

Thank you for a constructive conversation on July 24, 2021. The following are responses to notes from your email dated July 27, 2021, related to how to improve the security of Capital Access Project and Grants Management System (CAPGMS) which is the platform for management of the United Way / Marion County COVID Assistance Program (CAP) that is managing Emergency Rental Assistance from the U. S. Treasury.

CAPGMS system limitations

1. CAPGMS does not have a capability to "lock" an applicant's file when the applicant is funded. (Applicant's and Landlord's accesses are locked out, but Case Managers and Quality Control personnel still have editable access.)

By September 1, CAPGMS will have a "locked" status whereby after the payment has cleared, the system will freeze the ability for an Application Intake Processor, Case Manager and/or Quality Control Manager to modify and/or overwrite any documents, notes and/or statuses. Only the Production Leads will have the ability to make any modifications after the lock down is engaged.

2. There are no separate permission levels by role such Case Manager and Quality Control personnel (other than the auditor's read-only permissions)

The success of CAPGMS is that Case Managers (CM) and Quality Control Managers (QC) share information and solve problems together. Creating separate restriction among CMs and QCs will negatively impact the effectiveness and efficiency of application processing.

**DRAFT**

## EMERGENCY RENTAL ASSISTANCE PROGRAM (ERA1)

Response to United Way / Marion County COVID Assistance Program Audit  
Capital Access Project and Grants Management System

Page 2  
August 5, 2021

Last week, United Way requested Capital Access to expand its role in two ways which will improve management oversight:

- A. For the remainder of ERA 1, Capital Access has direct management oversight of all Application Coordinators who do in-person application intake. The previous United Way Program Manager has been dismissed. Dayatra Coles, Capital Access Production Lead for CAP and Gio Davila, Deputy Production Lead, are supervising all in-person application intake in addition to oversight of remote case managers and quality control managers.
- B. For ERA2, United Way has directed Capital Access to manage outreach and marketing, application intake, customer service, verification reviews, grant agreement generation, payments, and reporting. The addition of managing payments directly provides a second opportunity for a quality control review by our Finance Staff separate from Quality Control Managers.

CAPITAL Access is developing a new staffing plan to provide more on-site staff for functions listed above.

3. The United Way employees are considered "Case Managers" within CAPGMS and have the same level of access as the Capital Access employees.

Since July 28, Capital Access has taken over daily management and oversight of Application Intake Coordinators employed by United Way. All their work is now supervised by CAPGMS Project Leads, not the previous program manager who was terminated.

All of the data entry work provided by the UW Application Coordinators is reviewed by CAPGMS Production Leads as a quality control measure.

- For ERA 2: Capital Access will determine which of the UW Application Coordinators have the capacity to remain on the CAP job given the re-organization of on-site services that include outreach and marketing, in-person application intake and follow-up customer service.
- For ERA 2, all on-site staff will be employed by Capital Access and serve under direct management of Capital Access Production Leads.

This new on-site staff will be given the full range of training, access to SOPs and related processing resources and Quality Control and management support as all other 80 case managers employed by Capital Access nationwide.

4. CAPGMS does not have the system audit trails to demonstrate who logged in, who uploaded, or who modified files, etc.

By September 1, CAPGMS will have a timestamp and responsible party for who uploaded, modified and/or replaced a document in the Digital File Cabinet. All changes to documents will be recorded in the Notes and Statuses section of CAPGMS. This is an automatic function generated by the system.

CAPGMS tracks which document uploads come from the Applicant, Landlord, and CAPGMS Staff.

5. Once a file is uploaded in a particular location where there was an existing file, the existing file is overridden and not recoverable.

By September 1, we will institute the following protocol:

- A. During the application process, applicants and landlords upload original versions of documents from their respective portals. CAPGMS does not allow an applicant or a landlord to overwrite an old version of a document with a new version from their respective portals. To do so, the applicant or landlord must meet with a CAPGMS CM or QC in-person and the CAPGMS Staff person must upload a new version of such a document.

## EMERGENCY RENTAL ASSISTANCE PROGRAM (ERA1)

Response to United Way / Marion County COVID Assistance Program Audit  
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- B. Whenever a CM or QC must change or upload a new version of a document in the Digital File Cabinet, he/she must enter in "Notes and Status" page the reason for a change when uploading over any existing document.
- C. Any document being overwritten will be saved within CAPGMS, but not visible on the Digital File Cabinet on the Applicant Landing Page.
- D. Upon request Devia Software can retrieve such documents for audit reviews.

This function only applies to activities after September 1, 2021.

- 6. "Notes" should be more detailed. For example, if an applicant fails during the registration process, but becomes eligible per detailed reviews, then there should be more detailed comments about "what specific changes made the ineligible applicant eligible"

Yes, we agree, 100%.

In writing and during our weekly staff meeting, Dayatra Coles and I directed CAPGMS CMs and QCs to make much more detailed notes. Our message is that CMs and QCs must make notes that "Connect the Dots" in term of how information was received and analyzed to inform the approval or rejection decision. This is now part of the Quality Control review prior to approving an application.

- 7. In the electronically fillable landlord attestation form, the applicant's name is the only identified household member. There should be a section for the landlord affidavit to list other tenant's information if any.

We respectfully disagree.

This is not a requirement of the U.S. Treasury ERA regulations and may delay application processing. Treasury instructed program managers to rely on information provided by the Applicants and if no documentation is available, then rely on self-attestation. We do this in the Full Application.

We also have updated fraud warning language in all applicant and landlord facing screens in CAPGMS.

- 8. We requested access to the Hub Spot if available as read-only. What is the status?

Yes, this will be available by September 1.

Please provide names, email addresses of County Staff who need this access to HubSpot.

My staff and I are available to discuss at a date and time that works for you.

Thank you.

**EXHIBIT B**



United Way  
of Marion County

**GIVE. ADVOCATE. VOLUNTEER. LIVE UNITED.**

April 21, 2022

To: Sachiko Horikawa, Director of Internal Audit, Marion County

From: Scot Quintel, President, United Way of Marion County

Copy: Amanda Tart, Executive Director Administrative Services, Marion County  
Jeremy Newberg, Chief Executive Officer, Capital Access, Inc.

Subject: Response to the Emergency Rental Assistance Program (ERA1) draft report dated April 8, 2022

On behalf of United Way of Marion County and Capital Access, Inc., I am submitting the below response to the Emergency Rental Assistance Program (ERA1) draft report dated April 8, 2022. Below I have included a response to each of the observations as well as a summarized response to be included in table 1.

We are proud to have been of service to the thousands of Marion County families that have benefited from the ERA1 program.

**Table 1, Proposed Column 4**

<b>Table 1 – OBSERVATION SUMMARY</b>			
<b>#</b>	<b>Risk Identified</b>	<b>Compliance Criteria</b>	<b>Response Summary</b>
1	Capital Access Projects and Grant Management Services (CAPGMS) did not have all documentation that related to the determination of applicants' grant eligibility or ineligibility including notes to explain application activity.	Subrecipient must maintain records of grant determination and comply with public record laws and U.S. Department of the Treasury Emergency Rental Assistance Program Frequently Asked Questions Revised August 25, 2021 (FAQ) • FAQ #1 • The Florida Department of State's Division of Library and Information Services General Records Schedule (General Records Schedule) Item #422 • County Agreement Section 4.C. and 24 • Florida Statute 119.0701 (2)(b)	By September 1, 2021 CAPGMS had programmed a significant upgrade, incorporating a timestamp in Notes and Status, including A) the date and, B) the responsible party for all new notes, status changes and document uploads to the Digital File Cabinet.
2	CAPGMS lacked a adequate system internal controls which compromised the integrity and availability of the data.	System internal controls should include data integrity and availability of data. Access and permission levels should be limited to requirements to fulfil job duties. • Standards for Internal Control in the Federal Government • National Institute of Standards and Technology, a division of U.S. Department of Commerce	By September 1, 2021 CAPGMS incorporated a "locked" status whereby after the payment has cleared, the system freezes the ability for an Application Intake Processor, Case Manager or Quality Control Manager to modify or overwrite any documents, notes or statuses.

**EMERGENCY RENTAL ASSISTANCE PROGRAM (ERA1)**

3	Three UW employees who were involved in ERA1 activities applied for, and were approved for, ERA1.	Employees of subrecipient involved with ERA1 should not receive ERA1 grant funding. • County Agreement Section 29	United Way of Marion County took the appropriate action to address the observance as indicated in the auditors' report.
4	UW commingled ERA1 funds with Coronavirus Relief funds, a grant provided through the Community Services Department.	Subrecipient is required to maintain ERA1 funds in a separate account that is not commingled with other funds. • FAQ #42 • County Agreement Section 21	United Way of Marion County took corrective action to as noted above to separate ERA1 funds into a different account and provided the documentation verifying this action.
5	CA did not consistently follow-up with discrepancies or questionable supporting documentation. The County did not specify in policies and procedures when attestation should be relied on over supporting documentation.	Although attestations are encouraged, the County must create policies and procedures to mitigate abuse of grant funding and specify when attestations should be relied on over supporting documentation. • FAQ #1	On September 20, 2021, the Executive Director of Administrative Services confirmed that the County's expectation is to rely solely on the self-attestations, as allowed by the FAQs.
6	UW did not input appropriate data into the Homeless Management Information System (HMIS) to assist other agencies when determining whether there had been a duplication of benefits. CA was not adequately performing a duplication of benefits review.	Grantees, including subrecipients, should confirm that applicants do not receive duplicated benefits. • FAQ #15	From July 2021 forward, date of birth information was entered into HMIS for each applicant receiving assistance. Additionally, United Way staff went back to all previously funded applications and entered the date of birth information from those applications into the HMIS system.
7	CA allowed payments for prospective utilities when the County Agreement prohibited such payments.	The County Agreement, prior to amendment, did not align with the FAQ for allowable prospective utility payments.	This observation has been resolved. The Treasury allows for prospective utility payments. The County chose to rectify the observation by retroactively amending the County Agreement to align with the Treasury and allow prospective utility payments.
8	CA case managers and quality control managers did not accurately determine household income for some applicants.	FAQ #4 established that household income is determined by HUD's definition as stated in 24 CFR 5.609 and adjusted gross income as reported under Internal Revenue Service Form 1040.	On June 10, 2021, a training was conducted at the AI office by the Marion CAP Production Lead on navigating applications in CAPGMS. The information about the applications reviewed for this Observation was in CAPGMS at the time of the audit.
9	Capital Access did not provide the correct amounts for eligible funding.	The amount of assistance should be based on the documentation and applied in a consistent method for determining the amount that aligns with the Treasury guidelines and the County's expectations.	The system of having a Quality Control Manager review every case before its final disposition is intended to catch such errors. Staffing and staff training was enhanced to consistently produce accurate grant award calculations. For Pay-As-You-Go clients, Use of said limits, has ensured responsible use of the Treasury funds.

**OBSERVATION 1 - Supporting Documentation and Notes Should be Retained in Accordance with the Regulations**

By September 1, 2021 CAPGMS had programmed a significant upgrade, incorporating a timestamp in Notes and Status, including A) the date and, B) the responsible party for all new notes, status changes

and document uploads to the Digital File Cabinet. All changes to documents are simultaneously recorded in the Notes and Status section of CAPGMS. This is an automatic function generated by the system of record. CAPGMS tracks which document uploads come from the Applicant, Landlord, and CAPGMS staff.

Applicants may upload requested documents to CAPGMS through their applicant portal. These include identification, income documents, unemployment statements, late notices, leases and utility bills. It is common for some documents uploaded by applicants to be:

- Irrelevant
- Incomplete
- Uploaded to the wrong spot
- Illegible

Retaining such documents would be confusing to Case Managers, Quality Control Managers, and anyone else processing or reviewing a file, and would slow the processing of the application. When such documents are uploaded by the applicant, Case Managers work within the program's procedures to attempt to obtain usable documentation, and in the right place in the Digital Filing Cabinet. These may be uploaded by the Applicant, or emailed to the Case Manager to upload for them. Each of these uploads, when it is in a slot that has an unusable document, overwrites the unusable document.

Regarding:

"The General Records Schedule #422:

"This record series documents the activities and administration of grant funded programs, including the application process and expenditure of grant funds. The series may include, but is not limited to, grant applications; notifications to applicants of award or denial of grant funds; contracts; agreements; grant status, narrative and financial reports submitted by recipient agencies; and supporting documentation..."

All of these are, and always have been, retained by CAPGMS. A grant application is not complete until the program has received the verification documents upon which eligibility and award amounts are determined.

### **OBSERVATION 2 – Adequate System Internal Controls are Required for Integrity and Availability of the Data**

By September 1, 2021 CAPGMS incorporated a "locked" status whereby after the payment has cleared, the system freezes the ability for an Application Intake Processor, Case Manager or Quality Control Manager to modify or overwrite any documents, notes or statuses.

Once the payment has been cleared, any change to the file must be initiated by the Finance Director. This is rare, and changes are timestamped in Notes and Status.

The program does "Keep and maintain public records required by the public agency to perform the service."

**OBSERVATION 3 – Assistance Should Only be Provided to Eligible Applicants**

United Way of Marion County took the appropriate action to address the observance as indicated in the auditors' report above. Additionally, it is important to note that the staff identified in this observation did not have the authority to review, evaluate, or approve applications for assistance and played no part in determining if an applicant was assisted or the amount of assistance an applicant could receive.

**OBSERVATION 4 – ERA1 Funds Should be Maintained in an Independent Account**

United Way of Marion County took corrective action as noted above to separate ERA1 funds into a different account and provided the documentation verifying this action.

**OBSERVATION 5 – Appropriate Follow-up Should be Conducted and Documented**

On September 20, 2021, the Executive Director of Administrative Services confirmed that the County's expectation is to rely solely on the self-attestations, as allowed by the FAQs.

**OBSERVATION 6 – HMIS Requires Appropriate Data Entry**

At the beginning of the ERA1 program, when operating procedures were created, the utilization of HMIS was seen as the most effective manner for ensuring there was not a duplication of benefits to applicants applying for assistance. When these operating procedures were created, it was discussed that United Way staff entering assistance records into HMIS would not be updating or including all data fields. Specifically, household income information and household size would not be updated. United Way staff would identify the correct file in HMS, and upload information showing that they had been assisted as part of the CAP program, but other information in their file would not be updated.

In July of 2021, United Way was contacted by the City's Joint office on Homelessness and asked about missing date of birth and social security number information. Through that conversation, the Joint Office on Homelessness asked that these additional data elements be entered into the HMIS system. United Way agreed to add date of birth information, but not the social security numbers due to the fact that social security numbers were not collected as part of the application process, thus that information was not available to be entered.

From July 2021 forward, date of birth information was entered into HMIS for each applicant receiving assistance. Additionally, United Way staff went back to all previously funded applications and entered the date of birth information from those applications into the HMIS system.

There was never any intention of United Way staff, or anyone affiliated with the ERA1 program, entering household income or household size into the HMIS system.

**OBSERVATION 7 – Utility Payments Should be compliant with the County Agreement**

Resolved: Update: The Treasury allows for prospective utility payments. The County chose to rectify the observation by retroactively amending the County Agreement to align with the Treasury and allow prospective utility payments.

**OBSERVATION 8 – Household Income Should be Calculated Consistently and in Accordance with the FAQs**

On June 10, 2021, a training was conducted at the IA office by the Marion CAP Production Lead on navigating applications in CAPGMS. The information about the applications reviewed for this Observation was in CAPGMS at the time of the audit.

The following procedures are in effect for Case Managers verifying Household Income. "Program Preferences" in the Household Income Verification section below, refer to the ease of processing for CMs, that is #1 is easier than #2; #2 is easier than #3, and so on. All methods are permissible under Treasury guidelines.

**CM Meeting/Communication with Applicant**

**Confirm Household Composition:**

In your CM meeting with the Applicant, if you learn that the household size is different from what was submitted in the application:

1. In CAPGMS Notes state the correct number of household members living there now, and if possible the reason for the change.
2. In the VRS Section B. Household Composition, ensure every current member of the household is listed, and their date of birth.
3. If any household member is added to Household Composition and is:
  - a. 18 years or older, and
  - b. Not in high school full time, and
  - c. Has income

Then describe in CAPGMS Notes your attempt(s) to obtain income documentation that covers that person. This is vital to maintain an accurate audit trail.

**Confirm Household Income and Assets from Application:**

1. In your CM meeting with the Applicant, review the income and assets reported in the application.
2. Revise income and assets, if needed.
3. If income/assets revised, add to Notes what was changed and why.

**Household Income Verification:**

## EMERGENCY RENTAL ASSISTANCE PROGRAM (ERA1)

Always begin by following the instructions in VRS "Income-Priority Matrix."

**Program Preferences for Income Documentation, in order:**

*Note: Items 2, 3 and 4 below assume that everyone in the household with income is covered by that method. If that is not the case, consult with your QC for how to proceed.*

1. **No income documentation from applicant, and census data confirms eligibility**
  - a. Ensure that VRS Section D. "Household Income Determined with" is completed and accurate.
  - b. Add appropriate note in CAPGMS.
  
2. **Only 2020 IRS 1040(s)\* provided by applicant**
  - a. Use Line 11 Adjusted Gross Income to enter on the HH Income tab, cell C6.
  - b. If more than one 1040 is provided, add the amounts in Line 11 together and enter into cell C6.
  - c. Ensure that VRS Section D. "Household Income Determined with" is completed and accurate.
  - d. Add appropriate note in CAPGMS.
  
3. **Only current income source document(s) provided by applicant.** On the VRS HH Income tab, in the blue cells under each household member with income:
  - a. For item "a. Unemployment" ask: How much Unemployment per week and how many more weeks remaining.  
Documentation: Unemployment statement or bank statement.
  - b. For item "b. Wages/Salary" ask how much they receive per pay, and the frequency they receive it.  
Documentation: 1 pay stub for each job.
  - c. For items c. through y. ask how much received in the past 30 days for each item, and the frequency they receive it.  
Documentation: 1 statement or bank statement for each source of income.
  - d. Ensure that VRS Section D. "Household Income Determined with" is completed and accurate.
  - e. Add appropriate note in CAPGMS.
  
4. **2020 IRS 1040(s)\* AND current income source document(s) provided by applicant**
  - a. Because it is more recent, we must evaluate the current income documentation to see if it paints a picture that is complete enough for us to use. It cannot be ignored, as an auditor would ask "why didn't you use the more recent data?", especially if that more recent data would change eligibility for assistance.
  - b. Does the current income documentation appear to be complete based on what you know about the case?
    - i. If yes, follow Step 3 above.

- ii. If no, use the 1040(s).
  - c. Ensure that VRS Section D. "Household Income Determined with" is completed and accurate.
  - d. Add your decision process to Notes.
5. **Self-certification** (least preferred method)
- a. No income documents provided after 3 attempts, and
  - b. Census data is inconclusive
  - c. Ensure that VRS Section D. "Household Income Determined with" is completed and accurate.

\* 2021 IRS 1040 is not acceptable per Treasury guidance.

### **OBSERVATION 9 – Assistance Should be Provided to Each Applicant Consistently**

IA did not include the application number for the applicant that received less rent than should have been granted, but it is likely that application was processed very early in the life of the program as Case Managers and Quality Control Managers were being trained. The system of having a Quality Control Manager review every case before its final disposition is intended to catch such errors. Staffing and staff training was enhanced to consistently produce accurate grant award calculations.

The Pay-As-You-Go utilities was initially created for households who are not eligible for starting a traditional utility account due to poor credit and/or the higher-than-normal utility deposit. As stewards of public funds and per the Program Design, it is not the programs intent to overly enrich one Applicant over another; however, some Pay-As-You-Go household have daily usage of an amount greater than \$10/day, for example purposes only ( $\$10 \times 365 / 12 = \$304.17$ ). During a mild month of Florida weather this higher amount is an indication of either irresponsible utility use or the presence of some system not operating efficiently such as window unit AC's, older version of HVAC units, lack of sufficient weatherization, or plumbing issues causing the higher usage, all instances in which an energy audit could prove beneficial and a responsibility of the Applicant/Tenant. Use of said limits, has ensured responsible use of the Treasury funds; however, if the County no longer agrees with this methodology as defined in the approved Program Design, the Administration needs to so inform and provide clear instruction if it is desired to amend the Award and Grant Agreements from the program's beginning.

**REPORT DISTRIBUTION LIST**

<b>Name</b>	<b>Position Title</b>
The Honorable Greg C. Harrell	Clerk of Court and Comptroller
The Honorable Craig Curry	District 1 Commissioner, Vice Chairman
The Honorable Kathy Bryant	District 2 Commissioner
The Honorable Jeff Gold	District 3 Commissioner
The Honorable Carl Zalak, III	District 4 Commissioner, Chairman
The Honorable Michelle Stone	District 5 Commissioner
Mounir Bouyounes	County Administrator
Amanda Tart	Executive Director of Administrative Services
Michael McCain	Executive Director of Internal Services
Scot Quintel	Chief Executive Officer of United Way of Marion County
Jeremey Newberg	Chief Executive Officer of Capital Access
Jennifer Cole	Finance Director