



U.S. Department  
of Veterans Affairs

Office of Business Oversight

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# Homeless Veteran Grant Review

Supportive Services for Veteran Families

National Community Health Partners  
Tucson, Arizona

Awards: 14-AZ-157  
14-AZ-157-CA

Issue Date: August 8, 2022

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# Executive Brief

National Community Health Partners  
Tucson, Arizona

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## What Did We Do and What Did We Find

The Office of Business Oversight (OBO) completed a Supportive Services for Veteran Families (SSVF) Review of the National Community Health Partners in Tucson, Arizona.

OBO performed a review to assess the grantee's compliance with Title 38, Code of Federal Regulations (CFR) 62, SSVF Program and other applicable Federal requirements and regulations during the programmatic years ending in 2020, 2021, as well as Coronavirus Aid, Relief, and Economic Security Act (CARES) funding and any extensions granted to exhaust funds for the corresponding years.

Based on our review, we found the National Community Health Partners is compliant with applicable laws, rules, and regulations for the programmatic years we reviewed. National Community Health Partners is meeting the goal of the SSVF Program by promoting housing stability among low-income Veteran families who reside in or are transitioning to permanent housing.

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# Homeless Veteran Program Review

National Community Health Partners  
Tucson, Arizona

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## Introduction

### Objective

The Department of Veterans Affairs (VA) Office of Business Oversight (OBO) supports VA and the Veteran Health Administration (VHA) Homeless Programs Office by providing reviews and performing special projects designed to evaluate and improve Department Grant Management Operations.

The Supportive Services for Veteran Families (SSVF) Program Office executed a Service Level Agreement with OBO to perform reviews to determine whether grantees are complying with applicable laws, rules, and regulations. The purpose of the review was to evaluate management and oversight of the grantee's operations, identify areas requiring improvement and provide specific recommendations as needed.

This report has no findings, criteria and recommendations for National Community Health Partners management and staff as the program is compliant with applicable Federal/VA guidelines.



# Appendix A: Background

National Community Health Partners  
Tucson, Arizona

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## Background

National Community Health Partners (NCHP) serves Southern Arizona, covering multiple counties through different offices by assisting Veterans and other individuals who are homeless, at risk, and low income. NCHP provides SSVF services through awarded grants from the Department of Veterans Affairs. NCHP has developed a strong national presence providing education and services to minority and underserved populations in 46 states and three U.S. territories.





# Appendix B: Scope and Methodology

National Community Health Partners  
Tucson, Arizona

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## Scope and Methodology

### Scope of Review

OBO conducted a two-part review of National Community Health Partners. The first part was completed remotely and focused on testing costs, on a sample basis, for allowability, allocability, and reasonableness. The second part was conducted on site May 2 – 3, 2022 and included the assessment of selected case management files to assess compliance with eligibility and TFA requirements. Our objective was not to audit the entire accounting system or internal control procedures but to focus on the following program areas:

- Eligibility
- Recertification
- Case Management
- Benefit Assistance
- Temporary Financial Assistance
- General Ledger Expenditures
- Payroll
- Fiscal Administration
- Federal Financial Reporting

The VA SSVF Program Office awarded the grantee, National Community Health Partners, a 501(c)(3) corporation located in Tucson, Arizona, federal funds to provide services to eligible low-income Veteran households during the programmatic year under review.

FY 2020	CARES 1.0	CARES 2.0	CARES 3.0	FY 2021
\$1,194,742	\$1,176,835	\$1,257,316	\$754,390	\$1,573,684

### Methodology

The grantee provided a list of all participants served during the programmatic year under review. A judgmental sample of 30 case files, five percent, of program participants was selected from a population of 597 for an in-depth review.

This sample was used for all service delivery testing, which includes Eligibility, Recertification, Case Management, Benefit Assistance, and TFA. The objective for this testing was to determine if the documentation supported that the grantee's service delivery was performed in accordance with the SSVF Program Guide.

All expenditures charged to a Federal grant award must be reasonable, allowable, allocable, and accurate as they pertain to the grant program. Each component is tested during our review for both general and payroll expenses during the programmatic year under review.

Invoices and other supporting documentation were reviewed to determine if the cost was reasonable, allowable, and allocable. This included reviewing the date the transaction took place, calculations for cost allocation charges, and comparing the amount in the support documentation to the general ledger for agreement.

TFA was reviewed and the accuracy of recording such transactions in the general ledger was accounted for only as it was being tested. The outcomes are reported elsewhere in this report.

### **Eligibility**

Eligibility determination performed by the grantee includes verifying the individual is a Veteran, calculating income in compliance with program guidelines, and verifying that the household falls into one of three permanent housing classifications.

Therefore, eligibility testing typically involves reviewing case files for DD-214 forms, income calculation forms, and permanent housing categorization forms. Documentation to support these primary forms are also reviewed.

### **Recertification**

Grantees must certify the eligibility and classification of each participant at least once every three months (90 days). This requirement applies to all participants receiving SSVF supportive services lasting longer than three months, regardless of whether the participant is receiving TFA.

As recertification testing is an extension of eligibility determination testing, we applied the same criteria, compliance threshold, and methodology for this review.

### **Case Management**

Grantees must provide ongoing case management services to effectively assist participants in achieving housing stability. Case management services may include consulting with the participants to conduct needs assessments, working with participants to create individualized housing stability plans that include participant specific goals, monitoring participants from the time of intake until they exit the program, and ensuring that participants obtain needed supportive services.

We did not evaluate case management for Housing and Urban Development (HUD) Veterans Affairs Supporting Housing (VASH) participants, as case management is provided by the HUD VASH Program and need not be replicated for SSVF Program participants.

For individuals with no noted HUD VASH participation, we assessed whether the file contained evidence of:

- a needs assessment,
- a record of case manager and participant interactions, and

- case plans or some other form of record for the participant to address their homelessness prevention needs.

For individuals identified as HUD VASH participants, we reviewed the TFA to ensure they met the limited use of SSVF funds.

#### **Benefit Assistance**

Grantees must assist participants in obtaining any benefits from VA for which the participants are eligible. Such benefits include but are not limited to vocational and rehabilitation counseling, employment and training service, educational assistance, and health care services.

Grantees must assist participants to obtain and coordinate the provision of other (non-VA) public benefits. These benefits include, at a minimum, health care services, daily living services, personal financial planning, transportation service, income support service, fiduciary and representative payee service, legal services, childcare, and housing counseling.

#### **Temporary Financial Assistance**

Grantees may choose to provide TFA to participants. The grantee stated in their grant application and was verified during the review, that the following TFA services are provided:

- Rental Assistance
- Utility-Fee Assistance
- Security Deposit and Utility Deposit Assistance
- Moving Costs Assistance
- General Housing Stability, Emergency Supplies, and Emergency Housing Assistance
- Transportation Assistance
- Child Care Assistance

For participants who received TFA, test procedures included reviewing supporting documentation to ensure the type of assistance provided was allowable and that the payment amount agreed to the amount due per the terms of the billing instrument. Test procedures also included reviewing compliance with the SSVF Program time and/or amount limits for the type of assistance provided. In addition, disbursements documented in the participant files were traced to the general ledger to verify the timing and amount of payments were properly recorded and to ensure that payments were made directly to the vendor on behalf of the participant.

#### **General Ledger Expenditures**

A judgmental sample of 40 expenditures for National Community Health Partners was obtained from the population of general ledger expenses that were expended during the period of review. A total of \$42,184.27 in general and administrative expenditures, or four percent of the total \$1,090,082.98 general and administrative expenditures, was reviewed through this section of testing.

### **Payroll**

The list of employees that charge direct and indirect services to the grant was obtained from the grantee. The time and effort pay sheet for each employee in the sample, the corresponding payroll register, and other supporting documentation were reviewed to determine if payroll expenditures were properly supported and allocated to the SSVF Program. We tested 32 payroll transactions from three pay periods totaling \$52,261.42 or two percent of the \$2,167,703.20 reported as payroll expenditures.

### **Policies and Procedures**

We reviewed the grantee's Policies and Procedures to ensure: (1) Policies and procedures delineate the responsibilities and expectations of staff and operational activities associated with administering, managing, and conducting operations associated with SSVF activities; (2) Policies and Procedures contain specific elements as required by the SSVF Program Guide (2020); (3) Policies and procedures include key control elements; and (4) If significant operational changes occur, that subsequent changes to policies and procedures have been affected.

### **Subcontractor Management**

If applicable, we reviewed the grantee's Subcontractor Monitoring and Oversight Program to ensure: (1) each subcontracted relationship has an Agreement or Memorandum of Understanding (MOU) in place prior to any services being provided; (2) each Agreement/MOU includes a description of the type of activities the subcontractor will perform, a statement about amending the agreement, the period of performance identified, and that all parties signed. Additionally, the grantee must outline either in the Agreement/MOU, or in a separate policy and procedure, a description of how the subcontractor will be managed and a description of the monitoring practices (i.e., how often, in what format).

### **Internal Control Questionnaires (ICQ)**

We selected a percentage of the grantee's staff to respond to position-specific ICQs (Staff Level, Supervisory, Program Management, Finance or Budget) to: (1) obtain preliminary information and assess the overall control environment surrounding the operational aspect of the SSVF program; (2) obtain/identify indications of potential fraud, waste or abuse of SSVF funds; and (3) identify areas that may require additional review or consideration by the review team

## **Fiscal Administration**

### **General Administration**

While reviewing for adequate supporting documentation and verifying that all program expenditures reviewed were allowable, we assessed the financial management system's ability to produce the financial information we requested in a timely manner as an indication of appropriate record retention. We also reviewed segregation of duties and other controls and their ability to prevent, detect, and deter errors that would result in non-compliance with regulations.

### **Administrative Costs**

Grantees can expend no more than 10 percent of the total award on administrative costs. Administrative costs include all direct and indirect costs associated with the management of the program including supplies, phone and internet, photocopies, and the administrative costs of subcontractors.

We reviewed the administrative costs charged to the grant as a relative percentage of the total amount drawn down.

### **Provision and Coordination of Supportive Services**

Outreach, Case Management, Assistance in Obtaining VA Benefits, Assistance in Obtaining and Coordinating Other Public Benefits, and TFA are activities in this category. Grantees are required to spend a minimum of 90 percent of grant funds on these activities.

We reviewed the costs charged for Provision and Coordination of Supportive Services as a relative percentage of the total amount drawn down.

### **Temporary Financial Assistance Costs**

Grantees may utilize a maximum of 50 percent of supportive services grant funds to provide supportive services of TFA paid directly to a third party on behalf of a participant for childcare, transportation, rental assistance, security deposits, moving costs, and emergency supplies.

We reviewed the TFA costs charged to the grant as a relative percentage of the total amount drawn down.

### **Drawdown Restrictions**

Grantees must drawdown supportive services grant funds in accordance with the restrictions specified in the Notice of Funding Availability. The restrictions state the grantee's cumulative requests (drawdowns) for supportive services may not exceed the following thresholds:

1. First quarter – 35 percent of grant award
2. Second quarter – 60 percent of grant award
3. Third quarter – 80 percent of grant award
4. Fourth quarter – 100 percent of grant award

We reviewed the grantee's drawdown history and organized drawdowns by quarter to assess the grantee's compliance with quarterly drawdown restrictions.

### **Federal Financial Report**

Under 38 CFR 62.71, grantees are required to comply with VA reporting procedures. For SSVF, grantees are required to complete the Federal Financial Report (FFR) Standard Form-425. Grantees must complete this report within the Payment Management System. Grantees must submit all required final reports no later than 45 days after the end of the grant term.

### **Single Audit Requirements**

OMB 2, CFR 200, Subpart F, requires a non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal

awards to have a Single Audit conducted. The grantee did expend more than \$750,000 in Federal funds during the scope of our review.

**Questioned Cost Analysis and Recoupment Determination**

OBO classifies questioned costs associated with each finding as either “Recoupable” or “Non-Recoupable” based on the nature of the finding:

- “Recoupable Costs” are costs associated with unallowable spending, policy violations or misinterpretations, or Fraud, Waste, or Abuse (FWA) activities.
- “Non-Recoupable Costs” are costs associated with minor policy violations or misinterpretations that did not violate FWA guidelines.

Auditors will review all questioned costs and make a repayment determination based on the above definition. Additionally, a review will be conducted to determine if policy deviations are a practice of non-compliance or an isolated instance.



# Appendix C: Audit Sampling Methodology

National Community Health Partners  
Tucson, Arizona

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## Audit Sampling Methodology

Our audit universe represents the Grantee's participation in the SSVF Program during the period from April 1, 2020, through December 31, 2021.

The Grantee provided a list of all participants served during FY 2020 and FY 2021 (including the period covering CARES 1.0, 2.0, and 3.0). A judgmental sample of 30 case files, five percent, of program participants was selected from a population of 597 for an in-depth review.

The Grantee also provided general ledgers for FY 2020 and FY 2021 (including CARES 1.0) per our request. Expenditures were segregated into payroll, general and administrative, and TFA. A judgmental sample of 32 payroll transactions made to employees who were found as providing SSVF support was selected from three pay periods.



# Appendix D: OBO Contact and Acknowledgements

National Community Health Partners  
Tucson, Arizona

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## OBO Contact and Acknowledgments

### *OBO Contact*

For questions regarding the enclosed report or our review, please contact Allen Ackles at [Allen.Ackles@va.gov](mailto:Allen.Ackles@va.gov).

### *Acknowledgements*

Charles Fiquett, Director, OBO, Oversight Support Center  
Jeffrey Brean, Associate Director, OBO, Oversight Support Center  
Allison Lester, Lead Auditor, OBO, Contractor Support Team