



Sonoma County Community Development Commission

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To: Organizations with Homeless Services Projects Funded in Fiscal Year 2020-2021
From: Chuck Mottern, Homeless Services Funding Coordinator
CC: Felicity Gasser, Equity & Compliance Team Manager
Stephanie Hershberger, Quality & Compliance Specialist
Date: August 12, 2020
Re: Project Monitoring Strategy for Fiscal Year 2020-2021

The Sonoma County Community Development Commission (SCCDC) will monitor all projects throughout Fiscal Year 2020-2021. Due to remote working necessitated by COVID-19, the SCCDC will use a Desktop Monitoring strategy for identification of Issues, Recommendations, Concerns, and Findings.

The SCCDC uses standard terms to indicate the scope and nature of an area staff has determined that a subrecipient needs to address.

- A *Recommendation* is a matter that will improve the policies, practices, or procedures for a sub-recipient. A subrecipient should act on a Recommendation if it plans to apply for funds in the future.
- A *Concern* is a matter that, if not adequately addressed, may become a Finding.
- A *Finding* is a violation of law or terms of the Funding Agreement.

In Fiscal Year 2020-2021, the SCCDC will also include the term "*Issue*" among the above list.

- An *Issue* is a matter, which, based on desktop monitoring, appears to be ineligible but requires more clarification and/or information from the subrecipient before a determination is possible. If the matter cannot be resolved or corrected within the given timeframe, the SCCDC will elevate an *Issue* to a Concern or Finding.

The identification of Issues, Recommendations, Concerns, and Findings will be based on, but not limited to, the information submitted in Quarterly Reports, HMIS Data, Reimbursement Requests, and adherence to ESG regulations. To review participant files, the SCCDC will ask subrecipients to submit participant documents via encrypted email, password-protected USB drive, or other secure methods. This Memo will provide further guidance on this process.

Additionally, the SCCDC will track average monthly spending against the total award amount at the end of each Quarter. Average spending should indicate that the award will be zeroed out by or before the Funding Agreement end date. During desktop monitoring, if a matter appears to



warrant a Recommendation, Concern, or Finding, the SCCDC will send a Monitoring Letter to the subrecipient. If during desktop monitoring, the SCCDC observes indications that raise compliance questions relating to terms of the Funding Agreement, ESG regulations, and other guidance the SCCDC has provided, this may warrant an Issue.

If an Issue appears warranted, the SCCDC will send an email to the subrecipient noting the need for additional information or clarification. When the SCCDC raises an Issue, the iterative process that follows will determine if further action is required. The SCCDC will explain observations and request a response within a two-week timeframe. If the subrecipient's answer does not explain or correct the Issue, a Monitoring Letter will follow, elevating the Issue to a Concern or a Finding. Subrecipient response to the Monitoring Letter should be in PDF format with an Executive level signature. Once resolved to the satisfaction of the SCCDC, a Final Monitoring Letter will state the Concern or Finding as closed. This process will support the capacity of all subrecipients to adhere to the requirements of the Funding Agreement in their program structure and ensure compliance with the expectations of Funders.

ESG Standards, guidance memos, forms, and other important information are at:

<http://sonomacounty.ca.gov/CDC/Homeless-Services/Providers/>

Procedure for the Submission of Participant documents

Participant File reviews may include the entire participant file or specific documents required under ESG regulations and the SCCDC ESG Program Guide (i.e., initial evaluation, rent reasonableness, eligibility documentation, etc.). To ensure participant privacy and confidentiality, the SCCDC will guide how organizations will submit participant file documentation to the SCCDC.

Per 24 CFR 576.500(x)(i), all records containing personally identifying information (as defined in HUD's standards for participation, data collection, and reporting in a local HMIS) of any individual or family who applies for and/or receives ESG assistance will be kept secure and confidential. Upon request by the SCCDC, subrecipients will provide participant documentation via encrypted email or password-protected USB flash drive to maintain participant confidentiality.

Procedure

1. To choose participant files to review, the SCCDC will select participants enrolled in the corresponding HMIS project.
 - a. Specific guidance for file review will be given individually to subrecipients who do not use HMIS based on the nature of their Scope of Work and population served.
2. Subrecipients will receive an email with the documents to be submitted, the date the specified materials are due, and a password protected excel spreadsheet with a list of

HMIS participant numbers for whom the documents are requested. Subrecipients will respond to the SCCDC file request with how they will be submitting the required documentation within 48 hours of the SCCDC email.

3. Methods for the submission of documentation may include:
 - a. Encrypted email, or
 - b. Password protected USB flash drive, or
 - c. Other approved forms of secure transmission to be agreed upon by the SCCDC

Instructions to open an encrypted document from the SCCDC

Subrecipients can find instructions on how to respond and open an encrypted email from the SCCDC by following the directions in the link below:

<http://sonomacounty.ca.gov/ISD/How-To-Instructions/Opening-an-Encrypted-E-mail/>

Guidelines for submission of documents via encrypted email

Subrecipients will notify the SCCDC they will be using encrypted email to send participant documentation to the SCCDC within 48 hours of the SCCDC email request for participant documentation. The ability to encrypt an email may not be available via all email servers. Subrecipients should find out if email encryption is possible before Monitoring to expedite the submission of the participant files/documentation to the SCCDC.

Subrecipients should send any instructions to the SCCDC for opening the encrypted document, if applicable.

If the SCCDC is not able to open an encrypted email, the subrecipient will be requested to submit the participant file/documentation via USB flash drive.

Guidelines for submission of documents via password-protected USB

If the subrecipient is submitting documentation via USB, they must notify the SCCDC within 48 hours of the SCCDC email request for participant documentation. SCCDC staff will coordinate with the subrecipient for a drop-off time and location of the USB. Subrecipients must drop off the USB before the deadline set by the SCCDC for the required participant documentation.

Instructions for password protecting a USB:

1. USB drives will be encrypted using BitLocker on Windows for all PC devices. Doing so will encrypt the flash drive and require a password to unlock the contents on the flash drive.
2. When creating a password, follow strong password requirements. Do NOT use the same password from other systems.
3. The subrecipient should have a designated staff member who will hold the recovery key in case it is ever required.
 - a) Do NOT store the password at the same location as the USB drive
 - i. (e.g., a post-it note with the password attached to the encrypted USB drive).
4. After a copy of the covered data has been placed on the USB drive:

- a) Verify that the USB drive and password work by following instructions to read the encrypted covered data.
 - b) If applicable, securely delete unencrypted covered data following secure deletion guidelines.
5. USB drives should have the following Identifying Information:
 - a) Title (Project Name)
 - b) Data owner (Subrecipient name)
 - c) Encryption date
 6. When unattended, storage of the USB drive should be in a secured and locked location (e.g., cabinets, lockboxes, etc.) where access is limited to users on a need-to-know basis.
 7. After SCCDC staff receives the USB drive, subrecipients will email the password to SCCDC staff.

Upon completion of the file review, SCCDC staff will coordinate with the subrecipient to return the USB drive to the subrecipient.

Please contact Chuck Mottern at chuck.mottern@sonoma-county.org if you have any questions about this process.