

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
July 25, 2017
“Communications Received and Filed” Item

To: Board of Supervisors
From: Department of Finance
Subject: DHA Fiscal Monitoring Report Of SAEHC, D.B.A. Next Move, For The Period
Of July 1, 2013 To June 30, 2015
Supervisory District(s): All
Contact: Joyce Renison, Assistant Auditor-Controller, 874-7248

RECOMMENDATION

Receive and file the attached agreed upon procedures report, *DHA Fiscal Monitoring Report Of SAEHC, D.B.A. Next Move, For The Period Of July 1, 2013 To June 30, 2015*

Respectively submitted,

Ben Lamera
Director of Finance

Attachment

ATT 1 - DHA Fiscal Monitoring Report Of SAEHC, D.B.A. Next Move, For The Period Of July 1, 2013 To June 30, 2015

Department of Finance

Ben Lamera,
Director



Agenda Date: July 25, 2017

ATT 1

Auditor-Controller Division

Joyce Renison,
Assistant Auditor-Controller

County of Sacramento

June 14, 2017

Ann Edwards, Director
Department of Human Assistance
1825 Bell Street, Suite 200
Sacramento, CA 95825

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Dear Ms. Edwards:

We have performed the procedures enumerated below, which were requested and were agreed to by you to evaluate the Sacramento Area Emergency Housing Center D.B.A. Next Move's (Next Move) fiscal compliance as outlined in the contractual agreements (Agreements) listed below, for the period from July 1, 2013, through June 30, 2015:

- Emergency Shelter and Support Services (a.k.a. Emergency Shelter Program), Agreement Number DHA-CW-59-12 for the period from July 1, 2013 to June 30, 2014
- Emergency Shelter Program, Agreement Number DHA-CW-59-15 for the period from July 1, 2014 to June 30, 2015
- Winter Shelter Program, Agreement Number DHA-SAEHC-11-14 for the period from November 25, 2013 to March 31, 2014
- Winter Shelter Program, Agreement Number DHA-SAEHC-11-15 for the period from November 24, 2014 to March 31, 2015

This agreed-upon procedures engagement was conducted to assist the Department of Human Assistance (DHA) to assess Next Move's financial condition and comply with Section 200.331 (d) of the Title 2 Code of Federal Regulations (2 CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

DHA's management is responsible for monitoring Next Move's fiscal compliance of the Agreements in accordance with the Section 200.331 (d) "*Monitor the activities of the subrecipient [Next Move] as necessary to ensure that the subaward [Agreements] is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward [Agreements]....*"

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of DHA's management. Consequently, we make no representation regarding the sufficiency of the procedures described below and on page 3 either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to the Agreements referred on the previous page and is not intended to pertain to any other Agreements of DHA.

The procedures we performed for the contract agreements and our findings were as follows below and on the next page:

- 1) Financial Statements – We reviewed Next Move's audit reports for six months ended December 31, 2014, the year ended December 31, 2015, and interim financial statements for the 3 months ended March 31, 2016 to identify any concerns or issues that require your attention.

Finding: We did not note any exceptions that required attention as a result of our procedures.

- 2) Internal Control – We reviewed Next Move's internal control policies and procedures including purchasing, vendor payments, payroll, claim submission, cost allocation, general ledger, and financial report preparation. We also reviewed Next Move's written procedures for shelter clients' admission and release, program eligibility verification, and services provided.

Finding: We noted several concerns. See Attachment I, *Findings and Recommendations* and Schedule I, *Schedule of Questioned and Disallowed Costs*.

- 3) Claim Submission – We obtained and reviewed Next Move's monthly invoice claims for: November 2013, February 2014, December 2014, and January 2015. A total of 50 families and associated transactions were sampled from the months selected for testing and traced to supporting documentation. We reviewed 10 transactions related to the Housing Support Program (HSP) funding for December 2014 and January 2015 only. We also selected 30 transactions from the Winter Shelter Program and traced to supporting documentation. We identified any non-compliance from these transactions.

Finding: We noted that a portion of transactions selected from monthly invoice claim testing did not meet the compliance requirements per the contract agreements. See Attachment I, *Findings and Recommendations*, and Schedule I, *Schedule of Questioned and Disallowed Costs*.

Ann Edwards, Director

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- 4) Funding Sources – We made inquiries to Next Move’s management to identify any funding sources other than DHA. We reviewed Next Move’s general ledger and invoice claims for November 2013, February 2014, December 2014, and January 2015 to identify any inappropriate or duplicated charges.

Finding: We did not note any exceptions that required attention as a result of our procedures.

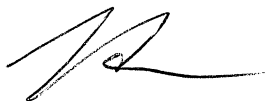
We were not engaged to, and did not perform an audit or examination, the objectives of which would be the expression of opinions on Next Move’s financial statements or schedules or compliance with the aforementioned programs. Accordingly, we do not express such opinions. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

DHA’s management responses to the findings identified during our engagement are described in Attachment I, *Findings and Recommendations*. We did not perform procedures to validate DHA’s management responses to the findings and, accordingly, we do not express an opinion on the responses to the findings.

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, Sacramento County Executive, DHA’s management, Federal awarding agencies, and pass-through entities. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Sincerely,

BEN LAMERA
DIRECTOR OF FINANCE



By: Hong Lun (Andy) Yu, C.P.A.
Audit Manager

Enclosures

Attachment I: Findings and Recommendations
Schedule I: Schedule of Questioned and Disallowed Costs

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1. Financial Statements Review Findings

No concerns were noted.

2. Internal Control Review Findings

a. Record Retention

Sacramento Area Emergency Housing Center, D.B.A. Next Move (Next Move) provides emergency shelter and winter shelter services to the residents of the County of Sacramento (County). Based on the contractual agreements (Agreements) between the Department of Human Assistance (DHA) and Next Move, DHA reimburses Next Move on a per family basis in fiscal year 2013-14 or per night basis in fiscal year 2014-15, for providing 24-hour shelter and related shelter services for homeless residents that meet the eligibility criteria. Next Move performs client (family) screenings to ensure the shelter applicants are eligible to be admitted to its shelter and participate in its programs. Next Move admission procedures include initial phone screenings that are followed by a face-to-face interview (intake assessment), both conducted by shelter staff. When a family is admitted to Next Move, shelter staff verifies the family's California Work Opportunity and Responsibility to Kids (CalWORKs) eligibility with DHA and receives written authorization from the family to submit their information to the Homeless Management Information System (HMIS). The phone screening, intake assessment, CalWORKs verification and HMIS authorization forms are all retained in the family's admission packet.

Proper internal controls indicate that family admissions into Next Move should be accurately documented and retained. Proper record retention prevents inefficient and inaccurate preparation of Next Move claim invoices, claim errors, and noncompliance with laws, regulations and contract agreement requirements.

During our review, we noted that 2 out of 50 family files tested were missing personal identifying information (PII) (driver's license, state identification card, medical card, benefits card, utility bill, etc.) confirming their physical presence and participation at Next Move. Without proper PII documented, we could not confirm whether or not the two families were present at Next Move. Therefore, we consider all 54 nights claimed for these families during the fiscal year 2014-15, totaling \$5,955 (54 X \$110.28), as questioned costs. The \$5,955 in questioned costs is also included in Finding Number 3b of this attachment and in Schedule I, *Schedule of Questioned and Disallowed Costs*.

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We also noted that 5 out of 50 family files reviewed did not have CalWORKs verification documented. While we were able to later confirm these families were eligible for CalWORKs funding with DHA, Next Move should have CalWORKs verification properly documented.

Without adequate document retention, Next Move's staff could make claim invoice and submission errors, and/or not comply with laws, regulations and contract requirements, or accept ineligible clients.

Recommendation

We recommend Next Move regularly review its family files to ensure all appropriate documents are properly retained. We also recommend Next Move contact DHA to resolve the \$5,955 in questioned costs as a result of this finding.

DHA Management's Response

In 2015, to ensure best practice and alignment with the Coordinated Entry System (CES) within the Continuum of Care (CoC), Next Move implemented the following changes:

- Revised intake packet/process to include a "Required Documents Checklist." The checklist and documents are reviewed/assembled initially by intake staff. A second review is covered by case management staff, and any missing documents are then added to the Individual Service Plan (ISP) for follow-up and completion.
- Program staff conduct a monthly file review to ensure all PII has been collected and is in the file.

Also in late 2015, Next Move began implementation of a position dedicated to contract compliance and quality assurance across Next Move programs. Regular reviews by the Compliance Program Manager serve as an internal audit to ensure that all required documentation is complete and in each client file as required; exceptions are noted and resolved with Shelter Program Management staff.

DHA is in the process of developing standardized language to ensure it can require and enforce procedures specific to the family shelter system via contracts. Included in this is a regular schedule of monitoring visits to ensure these procedures are implemented and followed. Given DHA did not monitor Next Move, DHA will not seek reimbursement for the questioned costs in the amount of \$5,955.

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b. Client Length of Stay Monitoring

Per the Agreements, DHA reimburses Next Move for families' stay at the shelter from either CalWORKs funding or from the County's general fund on a per family basis in fiscal year 2013-14 or per night basis in fiscal year 2014-15. Families that are funded by either CalWORKs or the County's general fund are both paid the same rate per family and per night. However, families can only be claimed for CalWORKs funding at emergency shelters up to 4 months for their lifetime. The families' previous numbers of nights stayed at other shelters under CalWORKs funding are included in their 4 month lifetime use of CalWORKs funding for their current stay at Next Move.

The fiscal year 2013-14 Agreement states:

"[Next Move] will be able to seek reimbursement from DHA for client's shelter stay, for up to four months total, not to exceed \$10,500 per lifetime."

The fiscal year 2014-15 Agreement states:

"The [maximum] length of stay for CALWORKs families is four months."

When a family funded from CalWORKs has exceeded the limit of allowable CalWORKs nights stayed at Next Move or from previous stays at surrounding shelters, they can no longer receive CalWORKs funding, however, the family can be switched to the County's general funding if it is available.

Proper internal controls indicate that a family's length of stay under CalWORKs funding at Next Move and surrounding shelters should be properly documented and closely monitored. Proper monitoring of all clients' length of stay under CalWORKs funding will prevent inefficient and inaccurate preparation of its claim invoices, claim errors, and noncompliance with laws, regulations and contract agreement requirements.

During our review, we noted that Next Move did not have any written control procedures for monitoring family lengths of stay at its own or surrounding shelters under CalWORKs funding. As such, Next Move did not monitor its families' lengths of stay funded under CalWORKs at its shelter or surrounding shelters.

We also noted that although Next Move is able to review families' shelter histories in the HMIS database, it is unable to determine the type of funding the families received during their prior shelter stays.

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During our review, we noted that 6 out of 50 families exceeded their allowable length of stay under CalWORKs funding, and Next Move has made claim invoice and submission errors noted in Finding Number 3b of this attachment and did not comply with the Agreements.

Recommendation

We recommend Next Move establish and implement written control procedures for monitoring a client's length of stay under CalWORKs funding. The control procedures should include management review of the length of stay monitoring and should also include procedures for determining each family's CalWORKs funding status from prior shelter stays.

DHA Management's Response

The Electronic Claim Form (ECF) used by Next Move to submit monthly invoices was modified to include the names of families claimed to either the CalWORKs or General Fund (GF) contract budget, as well as their family to-date length of stay and the number of eligible nights remaining. This modified ECF became effective October 1, 2016. This modified ECF has given Next Move and DHA the ability to immediately determine the length of stay to date of any given family as well as to claim the family to the appropriate budget.

Due to restricted access held by Next Move and DHA to HMIS, neither party is able to determine previous shelter stays by any given family and what budget the family was claimed to in the shelter contract. However, with the completion of this contract in fiscal year 2017-18 and the proposed removal of restrictive CalWORKs dollars in the redesigned emergency family shelter system, the need determine prior shelter stays will be obsolete in future contract years.

c. HMIS Reconciliation

Per the Agreements, Next Move is required to maintain its families' data in the HMIS database. The families' shelter entrance dates, shelter exit dates, and the program(s) the families participate in are entered into HMIS and the data is used to assist Next Move in submitting invoice claims and assist DHA in determining CalWORKs eligibility.

During our review, we noted 5 out of 50 families tested had discrepancies between the entrance and exit dates entered into HMIS and listed in the documentation in the families' files. As a result, it appeared that Next Move incorrectly reported the number of nights these five families stayed at the shelter. Of these families, one of the discrepancies noted resulted in disallowed costs that is included in Finding Number 3b of this attachment.

Proper internal controls indicate the data presented in HMIS should reconcile to the data retained in Next Move's families' files. As a result of the differences between the files and

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HMIS data, Next Move's staff has made claim invoice and submission errors and did not comply with the Agreements.

Recommendation

We recommend Next Move to reconcile the data in HMIS to its own file records and research and resolve any differences in a timely manner. We also recommend Next Move implement the recommendation related to proper record retention noted in Finding Number 2a.

DHA Management's Response

Since late 2015, Next Move's intake process changed to include real-time data entry into HMIS with the client present. This helps to ensure the data that is entered on the HMIS Entry/Exit paper form is complete and consistent with system data. Additionally, the Shelter Program Manager generates and reviews Annual Performance Reviews (APRs) each month, identifies anomalies, and reconciles discrepancies by cross-reference review of client files.

DHA is in the process of developing standardized language to ensure it can require and enforce procedures specific to the family shelter system via contracts. Included in this is a regular schedule of monitoring visits to ensure these procedures are implemented and followed.

Concerning the families that were claimed after exit from the shelter, DHA will work with Next Move to develop a repayment schedule to recover the fiscal year 2014-15 \$441 in disallowed costs and \$2,882 in projected disallowed costs (see Finding Number 3b) that is mutually agreeable and has minimal impact to the overall fiscal health of Next Move.

3. Claim Submission Review Finding

a. Claim Invoice Reconciliations (Winter Shelter Program)

Next Move operates a winter shelter from November to March each year to provide up to 25 beds for homeless residents of the County during the colder winter months. DHA allows Next Move to claim operating expenses during the winter months outlined in the Agreement and reimburses Next Move for those operating costs. The winter shelter Agreement is funded through the County's general fund.

The contract agreement states:

"The Maximum Total Payment Amount under this Agreement is \$75,000... [for] Housing Expenses."

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And:

“No staffing will be paid for by this Agreement... No supportive services will be paid for by this Agreement.”

During our review of Next Move’s winter shelter invoice claims, we noted that the claims submitted for reimbursement did not agree to Next Move’s general ledger. Next Move claimed a fixed amount each month until the maximum budget of \$75,000 was reached for the fiscal years 2013-14 and 2014-15 rather than actual expenses incurred.

After reviewing Next Move’s general ledger for its winter shelter program, it appeared that during the fiscal year 2013-14, Next Move incurred \$8,313 in expenses eligible to be reimbursed by DHA. During the fiscal year 2014-15, it appeared that Next Move incurred \$30,076 in expenses eligible to be reimbursed by DHA. We considered the amounts claimed beyond the eligible amounts of \$66,687 (\$75,000 - \$8,313) and \$44,924 (\$75,000 - \$30,076) to be disallowed costs for the fiscal years 2013-14 and 2014-15, respectively.

Proper internal controls indicate that Next Move should reconcile its general ledger to its claims and supporting documentation submitted to DHA. Any differences should be researched and resolved prior to requesting reimbursement. By not performing proper reconciliations between its invoice claims, supporting documentation, and general ledger, Next Move’s staff could not detect claim invoice and submission errors and non-compliance with the Agreements.

Recommendation

Next Move should submit invoice claims based on actual eligible expenses incurred as allowed in the Agreements instead of claiming fixed dollar amounts. Next Move should also reconcile its claim invoices to its general ledger and supporting documentation prior to submitting them to DHA. Any differences between Next Move’s claim invoices, supporting documentation, and general ledger should be researched and resolved in a timely manner prior to requesting reimbursement from DHA. We further recommend Next Move contact DHA to resolve the disallowed costs of \$66,687 and \$44,924 for the fiscal years 2013-14 and 2014-15, respectively.

DHA Management’s Response

In reviewing the fiscal year 2013-14 and fiscal year 2014-15 Winter Shelter contracts, DHA has determined the exclusion of staffing as an allowable and reimbursable cost was residual of an older Winter Shelter program model that operated out of area motels; in this model, staffing was not necessary. As the program shifted to an actual shelter in fiscal year 2013-14, the contract language was not updated to allow necessary staffing to be included as an

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allowable and reimbursable cost. It is impossible to operate an onsite shelter program without staffing. Given this oversight, DHA will not seek reimbursement for the disallowed costs in the amounts of \$66,687 and \$44,924, for a total of \$111,611 for the periods of July 1, 2013 to June 30, 2015.

b. CalWORKs Length of Stay and Eligible Claimable Nights (Emergency Shelter)

As described in Finding Numbers 2b and 2c of this attachment, Next Move claimed reimbursement from DHA for families at the shelter based on fixed rates. Families may receive CalWORKs funding for up to 4 months (120 days) per lifetime as defined in the Agreements. As such, we considered families claimed under CalWORKs funding beyond the 4 month limit in the fiscal year 2013-14 and 120 night limit in the fiscal year 2014-15 to be disallowed costs.

Per the 2013-14 Agreement:

“[Next Move] shall be paid a pre-determined rate of \$3,500 per month per CalWORKs eligible family...”

Per the 2014-15 Agreement:

“[Next Move] shall be reimbursed at a pre-determined rate of \$110.28 per family per night...”

For the fiscal year 2013-14, we tested 25 out of 53 families reported in Next Move’s supporting documentation from the November 2013 and February 2014 invoice claims. During our review, we noted 3 out of 25 families, 12.00% (3/25) of the sample, stayed in surrounding shelters prior to Next Move. As stated in Finding Number 2b, Next Move could not determine whether or not these families were funded under CalWORKs. As such, we consider all costs related to these three families, totaling \$10,500 (3 X \$3,500), as questioned costs.

Based on the result of the above testing, 12.00% (3/25) of the samples claimed resulted in questioned costs. The total amount claimed for the fiscal year 2013-14 was \$732,854 (See Schedule I, *Schedule of Questioned and Disallowed Costs*). Accordingly, we consider \$77,442, 12.00% of remaining claims not in our sample in the amount of \$645,354 (\$732,854 – 25 X \$3,500), as projected questioned costs.

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The results of our testing and projections for the fiscal year 2013-14 are summarized below:

<u>Claim Month</u>	<u>Number of Nights</u>		<u>Questioned</u>		<u>Disallowed</u>	
	<u>Total Reported</u>	<u>Samples Reviewed</u>	<u>Number of Nights</u>	<u>Costs</u>	<u>Number of Nights</u>	<u>Costs</u>
November 2013	25	13	3	\$ 10,500		\$
February 2014	28	12				
Total	53	25	3	\$ 10,500		\$
				Projected Questioned Costs		Projected Disallowed Costs
				<u>\$ 77,442</u>		<u>\$</u>

For the fiscal year 2014-15, we tested 862 out of 1,209 nights reported in Next Move's supporting documentation from the December 2014 and January 2015 invoice claims, derived from 25 family samples selected.

As described in Finding Number 2a, we questioned 54 out of 862 nights, 6.26% (54/862) of the sample, reviewed due to no PII documented in the associated family files, totaling \$5,955 (54 X \$110.28) in questioned costs.

During our review, we noted four families, totaling 69 out 862 nights, 8.00% (69/862) of the sample, stayed in surrounding shelters prior to Next Move. As stated in Finding Number 2b, Next Move could not determine whether or not these families were funded under CalWORKs. As such, we consider all costs related to these three families, totaling \$7,609 (69 X \$110.28), as questioned costs.

We also noted that another family, totaling 4 out of 862 nights, 0.46% (4/862) of the sample, were claimed for reimbursement by Next Move after their confirmed exit dates, as described in Finding Number 2c. As such, we considered all 4 nights claimed, totaling \$441 (4 X \$110.28), after the confirmed exit date, as disallowed costs.

Based on the result of the above testing, 14.27% [(54 + 69)/862] of the sample claimed resulted in questioned costs and .46% (4/862) of the sample claimed resulted in disallowed costs. The total amount claimed by Next Move for emergency shelter services, Housing Support Program (HSP) funding in the amount of \$25,000 excluded, for the fiscal year 2014-15, was \$721,562 (See Schedule I, *Schedule of Questioned and Disallowed Costs*). Accordingly, we consider \$89,402, 14.27% of remaining claims not in our sample in the

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amount of \$626,500 (\$721,562 – 862 X \$110.28), as projected questioned costs. We also considered \$2,882, .46% of remaining claims not in our sample in the amount of \$626,500 (\$721,562 – 862 X \$110.28), as projected disallowed costs.

The results of our testing and projections for the fiscal year 2014-15 are summarized below:

<u>Claim Month</u>	<u>Number of Nights</u>		<u>Questioned</u>		<u>Disallowed</u>	
	<u>Total Reported</u>	<u>Samples Reviewed</u>	<u>Number of Nights</u>	<u>Costs</u>	<u>Number of Nights</u>	<u>Costs</u>
December 2014	625	371	87	\$ 9,594		\$
January 2015	584	491	36	3,970	4	441
Total	1,209	862	123 ⁽¹⁾	\$ 13,564 ⁽²⁾	4	\$ 441
				Projected Questioned Costs		Projected Disallowed Costs
				\$ 89,402		\$ 2,882

(1) Includes 54 nights questioned due to missing PII described in this finding and Finding Number 2a of this attachment.

(2) Includes \$5,955 in questioned costs due to missing PII described in this finding and Finding Number 2a of this attachment.

Recommendation

We recommend Next Move implement the recommendations noted in Finding Numbers 2b, 2c, and 2d of this attachment in a timely manner. We also recommend Next Move ensure that it submits claims to DHA for eligible families and nights. We further recommend Next Move contact DHA to develop a resolution to resolve the questioned, disallowed, and projected costs noted in this finding.

DHA Management's Response

See responses to Finding Numbers 2a, 2b and 2c. DHA will not seek reimbursement for the questioned costs in the amounts of \$10,500 and \$7,609 (\$13,564 - \$5,955) for a total of \$18,109 and projected questioned costs in the amounts of \$77,442 and \$89,402 for a total of \$166,844 for the periods of July 1, 2013 to June 30, 2015.

4. Funding Sources Review

No concerns were noted.

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 Schedule of Questioned and Disallowed Costs
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Budget Items	Budgeted Amount ⁽ⁱ⁾	Actual Claim Amount ⁽ⁱⁱ⁾	Questioned Costs	Disallowed Costs
<u>Emergency Shelter Services Funding</u>				
General Funding ⁽ⁱⁱⁱ⁾				
CalWORKs Funding	\$ 732,854	732,854	10,500	
Subtotal Emergency Shelter Services Funding	732,854	732,854	10,500	
<u>Winter Shelter Services Funding</u>	75,000	75,000		66,687
<u>Housing Support Program Funding</u> ^(iv)				
Total Budget Items	\$ 807,854	807,854	10,500	66,687
Projection ^(v)			77,442	
Total Costs			\$ 87,942	66,687

⁽ⁱ⁾ Budgeted Amount column represents amount of the annual contract budget set by the contractual agreement between Department of Human Assistance (DHA) and Sacramento Area Emergency Housing Center D.B.A Next Move (Next Move).

⁽ⁱⁱ⁾ Actual Claim Amount column represents the actual amount claimed by Next Move and paid by DHA for the fiscal year 2013-14.

⁽ⁱⁱⁱ⁾ General Funding was not provided to Next Move in the 2013-14 contractual agreement.

^(iv) Housing Support Program (HSP) funding was not provided to Next Move in the 2013-14 contractual agreement.

^(v) We projected \$77,442, 12% of remaining claims not in our sample in the amount of \$645,354 (\$732,854 – 25 X \$3,500), as projected questioned costs for the emergency shelter. See Attachment I, *Findings and Recommendations*, for the consideration of projected questioned costs. There were no projected disallowed costs for the fiscal year 2013-14 for the emergency and winter shelters. All claim invoices submitted to DHA for the winter shelter were reviewed, and as such, all disallowed costs noted in this attachment represent the total disallowed costs noted for the entire fiscal year 2013-14.

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Budget Items	Budgeted Amount ⁽ⁱ⁾	Actual Claim Amount ⁽ⁱⁱ⁾	Questioned Costs	Disallowed Costs
<u>Emergency Shelter Services Funding</u>				
General Funding	\$ 139,945	139,945		
CalWORKs Funding	581,617	581,617	13,564	441
Subtotal Emergency Shelter Services Funding	721,562	721,562	13,564	441
<u>Winter Shelter Services Funding</u>	75,000	75,000		44,924
<u>Housing Support Program Funding</u>	25,000	25,000		
Total Budget Items	\$ 821,562	821,562	13,564	45,365
Projection ⁽ⁱⁱⁱ⁾			89,402	2,882
Total Costs			\$ 102,966	48,247

⁽ⁱ⁾ Budgeted Amount column represents amount of the annual contract budget set by the contractual agreement between Department of Human Assistance (DHA) and Sacramento Area Emergency Housing Center (Next Move).

⁽ⁱⁱ⁾ Actual Claim Amount column represents the actual amount claimed by Next Move and paid by DHA for the fiscal year 2014-15.

⁽ⁱⁱⁱ⁾ We projected \$89,402, 14.27% of remaining claims not in our sample in the amount of \$626,500 (\$721,562 – 862 X \$110.28), as projected questioned costs for the emergency shelter. We projected \$2,882, 0.46% of remaining claims not in our sample in the amount of \$626,500 (\$721,562 – 862 X \$110.28), as projected disallowed costs. All claim invoices submitted to DHA for the winter shelter were reviewed, and as such, all disallowed costs noted in this attachment related to the winter shelter, totaling \$44,924, represent the total disallowed costs for the entire fiscal year 2014-15. Therefore, no additional disallowed costs for the winter shelter were projected. See Attachment I, *Findings and Recommendations*, for the consideration of projected questioned and disallowed costs.