



Special Attention of:

All Secretary's Representatives
All Regional Directors for CPD
All CPD Division Directors
Continuums of Care (CoC)
Recipients and Subrecipients of the
Continuum of Care (CoC) Program

Notice: CPD-18-05
Issued: April 16, 2018
Expires: This Notice is effective until it is amended, superseded, or rescinded
Cross Reference: 24 CFR Part 578 and Notice CPD-18-03 *CoC Program Registration*

Subject: Unified Funding Agency (UFA)

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I. Purpose

24 CFR part 578 (the Rule) contains the requirements for the Continuum of Care (CoC) Program which is authorized by Subtitle C of Title IV of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11301, *et seq.* (the Act). For each Fiscal Year (FY), HUD requires each CoC’s designated Collaborative Applicant to register in advance of applying for funding available under the FY CoC Program Competition. Collaborative Applicants must complete the registration in accordance with the Continuum of Care Program Registration Notice, CPD 18-03, using *e-snaps*, a web-based portal accessible at <https://esnaps.hud.gov/>. As part of registration, Collaborative Applicants for CoCs that wish to be designated a Unified Funding Agency (UFA) must apply during registration.

This Notice provides Collaborative Applicants with the information necessary to apply for UFA designation when registering the CoCs in preparation for the annual FY CoC Program

Competition. HUD strongly recommends referring to the Rule for CoC Program and UFA requirements. Collaborative Applicants requesting UFA designation must complete all the UFA forms as prescribed by HUD in this Notice and attach the CoC's written policies, procedures, and plans that document the responses to the questions contained in the UFA forms. HUD will assess the submitted responses and attached written policies, procedures, and plans to determine if the Collaborative Applicant is currently meeting all UFA requirements. Collaborative Applicants meeting all requirements will be designated a UFA and will be allowed by HUD to apply as such during the year's Fiscal Year (FY) CoC Program Competition.

UFA designation is only effective for 1 year and UFA Costs are non-renewable. Once HUD designates a Collaborative Applicant as UFA, the Collaborative Applicant must reapply for UFA designation each year thereafter. If a Collaborative Applicant is designated as a UFA and fails to reapply in the next FY CoC Program Registration process, HUD will remove the UFA designation for the Collaborative Applicant.

II. Summary

A. Dates

In the first year under this Notice, the FY 2018 CoC Program Registration deadline in *e-snaps* is 5:00 p.m. Eastern time on the date that will be posted to the FY 2018 CoC Program Competition Funding Availability page on the HUD Exchange (<https://www.hudexchange.info/programs/e-snaps/fy-2018-coc-program-nofa-coc-program-competition/>) and announced via the HUD listserv once *e-snaps* is available. In the following fiscal years, FY 2019 and beyond, the CoC Program Registration in *e-snaps* will open the second Tuesday of each January at 1:00 p.m. Eastern time with a registration deadline will be 5:00 p.m. Eastern time on the first Thursday of March each year. Collaborative Applicants requesting a fiscal year UFA designation in FY 2019 or beyond must submit a designation request during this period of the respective fiscal year. Collaborative Applicants will be notified of HUD's decision through the registration process. After the initial submission of the registration forms in *e-snaps* that includes the completion of UFA forms, HUD will review and score the information as outlined in Section III of the Notice. If the UFA designation request is approved, HUD will retain the "UFA" Collaborative Applicant type and enter a comment for the Collaborative Applicant that the UFA designation has been approved. If the UFA designation is denied by HUD, the "UFA" Collaborative Applicant type will be reset by HUD from "UFA" to "CA" indicating the UFA designation request was denied and enter a comment for the Collaborative Applicant that the UFA designation request was denied.

B. For Further Information

HUD staff will be available to provide general clarification on the content of this Notice and the CoC Program requirements:

1. **Local HUD CPD Field Office.** For further guidance on the UFA designation process, the CoC Program Registration, the FY Grant Inventory Worksheet (GIW), and the

requirements imposed under the Act and the Rule, Collaborative Applicants may contact the HUD CPD field office serving your area at <https://www.hudexchange.info/programs/cpd-field-office-directory/>.

2. **Training and Resources.** Collaborative Applicants that need assistance completing the UFA designation process or the registration process in *e-snaps* or understanding the program requirements under the CoC Program may access 24 CFR part 578, training materials, and program resources at <https://www.hudexchange.info/programs/coc/>.
3. **HUD Exchange Ask A Question (AAQ).** Collaborative Applicants that require information and technical support concerning this Notice and the UFA designation process in *e-snaps* may submit an electronic inquiry via the HUD Exchange *e-snaps* AAQ Help Desk at www.hudexchange.info/get-assistance. The AAQ is accessible 24 hours daily; however, responses are usually provided between 8:00 a.m. and 5:00 p.m. eastern time Monday through Friday, except weekends and federal holidays.

III. Criteria.

HUD will assess applications for UFA designation using a 70-point scale as outlined in this section of the Notice.

To receive UFA designation, a Collaborative Applicant must receive a minimum of 25 out of 30 points in the UFA Capacity section, 40 out of 40 points in the UFA Financial Management and Subrecipient Responsibilities section, submit all required documents under Required Documents, and agree to establishing uniform expiration dates as outlined in this Section of the Notice. Citations to the Rule are included in this Notice for easy reference for Collaborative Applicants.

A. UFA Capacity.

HUD will review and score UFA Capacity on the following criteria with a total of 30 points available.

1. Project Performance (11 points). HUD will award up to 11 points to Collaborative Applicants that have established performance measures for CoC-funded projects that:
 - a. demonstrate how the CoC uses performance and outcome data to determine how resources under its purview are allocated and inform how other resources in the community are utilized to end homelessness for all populations (24 CFR 578.7(a)(6));
 - b. demonstrates the CoC implemented a housing and service system that meets the needs of homeless individuals and families; including by using a Housing First approach to remove barriers to housing, remove service participation requirements or preconditions to program participation, and prioritize rapid placement and stabilization in permanent housing (24 CFR 578.7(c)(1));

- c. demonstrate the CoC has established, in consultation with recipients and subrecipients, performance targets appropriate for the population and program types (24 CFR 578.7(a)(6));
- d. describe how the CoC monitors performance, evaluates outcomes, and takes action to address poor performing projects (24 CFR 578.7(a)(6)); and
- e. describe how the CoC evaluates the outcomes for projects funded under the Emergency Solutions Grants (ESG) and CoC Program and reports to HUD (24 CFR 578.7(a)(7)).

HUD will award 2 of the 11 points in this section (III.A.1.) to Collaborative Applicants that attach written standards created and consistently followed by the CoC, in consultation with ESG recipients that include at the minimum the standards required by 24 CFR 578.7(a)(9)(i-vi).

- 2. Demonstrate that the CoC has established and operates a centralized or coordinated assessment system, in consultation with ESG recipients, that covers all parts of the CoC's geographic area (24 CFR 578.7(a)(8)) (1 point);
 - a. demonstrates how the centralized or coordinated assessment system matches services and housing to participant needs, and
 - b. describes how the centralized or coordinated assessment system:
 - (1) was successfully implemented (24 CFR 578.7(a)(8));
 - (2) developed and uses a specific policy to address the needs of homeless individuals, families, unaccompanied youth, and individuals and families fleeing or attempting to flee, domestic violence, and other persons meeting paragraph (4) of the definition of homelessness in obtaining necessary referrals for housing and services (24 CFR 578.7(a)(8)); and
 - (3) addresses the specific needs of those who are fleeing, or attempting to flee domestic violence, dating violence, sexual assault, or stalking, who are seeking shelter or services from non-victim service providers (24 CFR 578.7(a)(8));

To receive the point for this section, the descriptions must provide clear details on the successful method(s) the CoC uses to gather recipient and subrecipient information to determine appropriate performance targets for the population(s) served; how poor performing projects are mentored to improve performance; and the specific evaluation methods used to determine if the outcomes from the ESG Program and CoC Program address a reduction in homelessness in the CoC's geographic area.

- 3. CoC Structure (5 points). HUD will award up to 5 points to Collaborative Applicants that:
 - a. demonstrate the CoC holds meetings of the full membership, including published agendas, at least semi-annually (24 CFR 578.7(a)(1)). HUD will not award

maximum points to Collaborative Applicants under this section (III.A.3.) unless they clearly demonstrate meetings of the full membership of the CoC are held at least semi-annually by attaching meeting agendas for a 12-month period immediately prior to submission of the UFA designation request;

- b. demonstrate the CoC makes an invitation for new members to join publicly available within the geographic area at least annually (24 CFR 578.7(a)(2));
- c. demonstrate the CoC has adopted and is following a written process to select a Board to act on behalf of the CoC, which process is reviewed, updated and approved by the CoC at least once every 5 years (24 CFR 578.7(a)(3)); and
- d. submit documentation that lists all committee, subcommittees, and workgroups that are active in the CoC (24 CFR 578.7(a)(4)).

A governance charter could satisfy the above requirements if it includes paragraphs a. through d. above.

- 4. Governance Charter (24 CFR 578.7(a)(5)) (1 point). HUD will award up to 1 point to Collaborative Applicants that attach a CoC's governance charter that was developed in consultation with the Collaborative Applicant and HMIS Lead, clearly demonstrating the parties involved follow the governance charter and this document is updated at least annually. To receive this point, the governance charter must be attached to the UFA designation application and include the following:
 - a. date the governance charter was last updated;
 - b. the policy and procedures for compliance with subpart B of 24 CFR part 578 and with the most current version of the HMIS Data Standards posted on the HUD Exchange website; and
 - c. a code of conduct and recusal process for the board, its chair(s), and any person acting on behalf of the board.

HUD will review the CoC governance charter to determine whether it incorporates all elements required in 24 CFR 578.7(a)(5)). Governance charters that do not meet the criteria established in the 24 CFR part 578 will receive zero points.

- 5. HMIS Structure (4 points). HUD will award up to 4 points to Collaborative Applicants that demonstrate:
 - a. a single HMIS has been designated by the CoC (24 CFR 578.7(b)(1));
 - b. the process used to ensure consistent participation of recipients and subrecipients in the designated HMIS (24 CFR 578.7(b)(4));
 - c. how aggregate data from domestic violence service providers is handled;
 - d. the CoC has designated the HMIS Lead (24 CFR 578.7(b)(2));

- e. the HMIS Lead has the following CoC-approved plans in place: privacy, security, and data quality (24 CFR 578.7(b)(3)); and
 - f. the CoC ensures that the HMIS is administered in compliance with most current version of the HMIS Data Standards (24 CFR 578.7(b)(5)).
6. CoC Coordination (6 points). HUD will award up to 6 points to Collaborative Applicants that:
- a. demonstrate a Point-in-Time count (24 CFR 578.7(c)(2)) is conducted at least as frequently as required:
 - (1) at least annually for sheltered homeless individuals and families, and
 - (2) at least biennially for unsheltered homeless individuals and families;
 - b. demonstrates a gaps analysis of needs and services is conducted annually by the CoC (24 CFR 578.7(c)(3));
 - c. include a plan that coordinates efforts to implement a housing and service system within its geographic area that meets the needs of homeless individuals, families, unaccompanied youth, including persons fleeing domestic violence situations, and other persons meeting the criteria of paragraph (4) of the definition of homelessness; and attaches the plan to the UFA designation application that, at a minimum, clearly outlines the methods for outreach, engagement, and assessment as well as shelter, housing, supportive services, and prevention strategies (24 CFR 578.7(c)(1));
 - d. describe how the CoC actively participates in Consolidated Plan(s) of jurisdiction(s) within the geographic area of the CoC including describing the specific activities that it performs during the development or update of the jurisdiction(s) Consolidated Plan and the information required to complete the Consolidated Plans(s) the CoC provides to the jurisdiction(s) within the CoC's geographic area (24 CFR 578.7(c)(4));
 - e. describe how the CoC consults with ESG Program recipients (not subrecipients) within the CoC's geographic area on the plan for allocation of ESG funds that includes reporting on and evaluating the performance of ESG recipients and subrecipients. Attach the plan to the UFA designation application and indicate if the both the CoC and ESG recipients have approved the plan (24 CFR 578.7(c)(5)); and
 - f. demonstrate that the CoC has developed the emergency transfer plan for the CoC that meets the requirements under 24 CFR 578.99(j)(8). (24 CFR 578.7(d))
7. Monitoring Subrecipients (24 CFR 578.11(b)(3)) (2 points). HUD will award up to 2 points to Collaborative Applicants that attach the CoC's comprehensive written policies and procedures for monitoring subrecipients (Monitoring Guide for Subrecipients) that include:

- a. frequency of monitoring;
- b. examples of forms used;
- c. samples of letters used to notify subrecipient(s) of concerns and findings and includes guidance on how to resolve concerns and findings; and
- d. action taken by the Collaborative Applicant if a subrecipient refuses to abide by the corrective actions issued to address deficiencies during monitoring visits and any other CoC-approved requirements.

B. UFA Financial Management and Subrecipient Responsibilities.

HUD will award up to 40 points using the criteria below. To receive the maximum 40 points for these two sections, Collaborative Applicants must demonstrate the following through the written responses in the UFA designation application and attach adequate financial management practices:

1. UFA Financial Management (24 CFR 578.11(b)(2)) (20 points). HUD will award up to 20 points to Collaborative Applicants that demonstrate financial management capacity by providing detailed information on its financial management system, internal procedures, and federally required audit information as detailed below. For each of the three criteria below, HUD will award the maximum points indicated if the responses fully satisfy the criteria and no points will be awarded if the response only partially or does not satisfy the criteria:
 - a. Federally Required Audit (10 points). The Collaborative Applicant must demonstrate that it has a financial management system that meets the standards set forth in 2 CFR 200.302. To receive points for this section (III.B.1.a.), the Collaborative Applicant must ensure all three of the following are fully addressed:
 - (1) provide a description that clearly details how the Collaborative Applicant is successful at meeting each of the requirements of 2 CFR 200.302;
 - (2) provide the most recent audit conducted in accordance with 2 CFR part 200, subpart F which must indicate that the Collaborative Applicant has no material weaknesses, deficiencies, or concerns that HUD considers to be relevant to the financial management of the CoC Program; and
 - (3) if the federally required audit(s) identified weaknesses or deficiencies, the Collaborative Applicant must provide documentation that addresses how those weaknesses have been removed or are being addressed.
 - b. The Collaborative Applicant must submit a copy of its written financial management policies and procedures that include an organizational chart that establishes lines of responsibility that clearly demonstrates accountability (e.g., the same person in the organization who submits an invoice is also not the same person who issues the check for an invoice) (5 points).

- c. Collaborative Applicants must submit written policies and procedures that detail how CoC Program funds will be distributed to subrecipients within 45 days of the subrecipient providing source documentation of eligible costs and that a process is in place to ensure CoC Program funds are drawn from LOCCS at least once per quarter. The written policies and procedures must be attached to the UFA designation application (24 CFR 578.85(c)) (5 points).
2. Subrecipient Responsibilities (24 CFR 578.11(b)(3)) (20 points). HUD will award 20 points to Collaborative Applicants that meet the criteria described below. For each of the four criteria below, HUD will award the points indicated if the responses fully satisfy the criteria and no points will be awarded if the response only partially or does not satisfy the criteria. Collaborative Applicants must:
 - a. affirmatively indicate they have obtained documentation evidencing approval (e.g., letter from each potential subrecipient signed by the Authorized Official) from all potential subrecipients to which CoC Program funds will be allocated, documenting that each organization will allow the Collaborative Applicant, if designated as a UFA, to become the recipient for CoC Program funds (5 points);
 - b. provide a copy of written policies and procedures currently in place to bring noncompliant subrecipients into compliance (5 points);
 - c. provide a copy of written policies and procedures to ensure “high risk” subrecipients receive appropriate oversight and monitoring (5 points); and
 - d. provide a copy of written policies and procedures to review that prohibits conflict of interest, either between the UFA and subrecipient or between the subrecipient and its contractor(s) (5 points).

C. Required Documents.

The following is a list of attachments that corresponds to the UFA designation questions that must be submitted to HUD to support the Collaborative Applicant’s responses to the UFA application questions.

1. The following list of attachments should satisfy 24 CFR part 578 and fully support responses to criteria outlined in Section III.A.1.-7. of this Notice:
 - a. CoC Meeting Agendas and Minutes;
 - b. CoC Governance Charter;
 - c. Written Standards for Prioritizing Assistance in CoC Program funded projects;
 - d. Description of the CoC’s Centralized or Coordinated Assessment System;
 - e. CoC Housing and Services System or Coordination Plan; and
 - f. Monitoring Guide for Subrecipients.
2. Other Required Attachments:
 - a. Federally Required Audit;

- b. Financial Policy and Procedures;
- c. LOCCS and Drawdown Procedures;
- d. Policies and Procedures for Managing Non-Compliant Subrecipients;
- e. Procedures for High-Risk Subrecipient Management; and
- f. Policies and Procedures for Subrecipient Conflict of Interest.

D. UFA Grant Agreement.

HUD may require Collaborative Applicants that are approved and designated as UFAs to work with HUD to establish uniform expiration dates for all conditionally awarded renewal projects after the FY CoC Program Competition conditional awards are announced.

IV. Information and Assistance.

HUD Exchange Website.

The HUD Exchange website has numerous resources available to help Collaborative Applicants successfully complete the annual UFA designation and the CoC Program Registration processes, prepare for application submission, and understand CoC Program requirements. All *Federal Register* publications, user guides, and other resources related to the CoC Program Registration process, CoC Program Competition, and the CoC Program can be obtained from the HUD Exchange website. Collaborative Applicants and persons who will complete the registration process should reference the materials located on the HUD Exchange website to ensure accuracy and completeness of the information provided.