

# Policy for the Use of Flexible Funds by CHHS Service Providers

## Purpose

Flexible funds are intended to meet client needs and support the achievement of individualized service plan and housing goals. They provide essential goods, payments of expenses, or merchant gift cards and vouchers to help households increase housing stability and meet essential household needs

## Guidelines for Usage

Flexible funds should be client-centered, promote equity and be trauma-informed. Flexible funds should promote dignity, autonomy, and avoid unnecessary procedural burdens. Service providers and CHHS will strive to reduce barriers that often accompany accessing homeless services.

### 1. Flexible Funding Scope

- Flexible funds may be used for goods, payments of expenses, or purchase of merchant gift cards or vouchers that fall outside other *allowable* expense categories as outlined in the [CHG Guidelines](#). As an example, all allowable expenses under the Rents Category, would *not be allowed under Flexible Funding*.
- Essential household needs include personal health and hygiene items, cleaning supplies, transportation passes, and other personal necessities available to all eligible households.
- Flexible funds must be directly tied to housing stability or access, be time-limited and non-recurring, and whenever possible be paid directly to a vendor or third party.

### 2. Housing Status Requirements

- Verification of housing status is required for households receiving Flexible Funding, except for those with a HEN Referral.
- Essential needs distribution does not need to be documented in housing stability plans.

### 3. Support for Emergency Shelter and Pets:

- Households accessing emergency shelter with pets requiring essential veterinary services to enter may receive Flexible Funding for services such as vaccinations (rabies, distemper, parvovirus), flea treatment, and sterilization (spay or neuter).

### 4. Eligibility and Income Requirements:

- All project eligible households are eligible for Flexible Funding.

### 5. Payment Process:

- Flexible Funding payments must be made directly to a third party on behalf of the household and should be noted in the household's housing stability plan (if applicable).

### 6. Community Collaboration and Resource Maximization:

- Service providers must actively engage community organizations, such as Homeless Coalition, to secure donations and supplemental resources, reducing reliance on flexible funds.

## **7. Documentation and Accountability:**

- Service providers must maintain clear records, including itemized receipts, approval documentation, and written justifications for each expense.
- Any questions on allowable expenses should be directed to CHHS program staff prior to approving purchase.

## **8. Use of Gift Cards**

- Gift cards may only be purchased under the following circumstances:
  - To address specific, allowable household needs to increase housing stability.
  - In situations where gift cards are the only reasonable method to purchase household needs to increase housing stability.
- The purchase and use of gift cards must align with allowable costs as specified in the grant award. Gift cards used as incentives, prizes or for other unapproved purposes are strictly prohibited.
- The service provider shall maintain strong internal controls and administrative oversight for the purchase and use of gift cards to ensure compliance with grant requirements, accountability, and protection against fraud and embezzlement.
- Gift card purchases must follow the entity's procurement process, including obtaining prior approval from authorized personnel.
- Gift cards and purchases made with gift cards must be supported by proper documentation, including the purpose, justification, and approval records. Detailed records must be maintained, including the purpose of the gift cards, recipient information, authorization forms, and receipts substantiating the use of funds.

## **9. Budgeting and Spending Limits:**

- Flexible funds are considered monies of last resort. Service providers must first explore, and document attempts to identify other resources, including personal contributions from the client, community donations, and low-cost or no-cost programs, to meet the identified need.
- Service providers must adhere to established spending limits, with expenditures exceeding these limits requiring prior written approval from CHHS.
- Each one of the outlined spending limits may be increased by 20% for more than one household member. The entire household must be documented in HMIS.
  - \$500 for furniture
  - \$150 for household supplies
  - \$350 for move in kits

## **10. Internal Controls and Monitoring:**

- Service providers must have written systems and processes to manage Flexible Funding, ensuring accountability and compliance. All records are subject to regular monitoring by CHHS.
- Duplication of Benefits: each expense must be evaluated for duplication of benefits. No Flex Funds should be used where other funding is available. This pertains to individual benefits such as SNAP/TANF as well as allowable expenses under the grant award (CHG, ESG, etc). Staff must document such verification in client file.

## Suggested Allowable Purchases

### 1. Clothing and Personal Items:

- Clothes and good-quality shoes to promote dignity and confidence.
- Hygiene and personal care items.

### 2. Household Items:

- Standardized kits including:
  - Dishes, cookware, and utensils.
  - Microwaves, small kitchen appliances, and lamps.
  - Bedding (bed frames, mattresses, pillows, and linens).
  - Towels and other essentials to establish a home-like environment.
- Cleaning supplies
- Basic household maintenance tools

### 3. Flexible Household Items:

- Individualized items within a \$150 limit, tailored to the specific needs of the household (to avoid unnecessary purchases).

### 4. Laundry Assistance:

- Laundry cards or funds for accessing laundry facilities.
- Laundry supplies

### 5. Identity Documentation:

- Fees for obtaining identification documents, unless already covered by rapid rehousing programs.

### 6. Additional Essentials:

- Transportation passes
- Pet deposits (required by landlord)
- Moving costs (truck rental, mileage)
- Storage unit expenses
- Work-related needs (uniforms, boots, certifications)
- Phone/internet activation tied to job or housing search
- Legal documentation for lease
- Short-term childcare related to housing or employment
- Vehicle registration/tabs

## Excluded

- Debt payment related to housing or child support orders
- Ongoing subscription services (e.g. monthly phone bills)
- Gift cards that are unrestricted or reloadable
- Entertainment or electronics not tied to housing or employment
- Alcohol, tobacco, or cannabis products

## FAQ/Real-World Scenarios

Scenario	Eligible?	Notes
\$200 Fred Meyer gift card to buy bedding and cookware	Yes	Must restrict to intended use; obtain receipt
\$35 to notarize a custody document required by landlord	Yes	Legal documentation tied to housing
Uber ride to housing interview – no transit nearby	Yes	Need to provide documentation (receipt or screenshot of ride information)
\$85 phone purchase for job interviews	Yes	Allowable as a one-time employment-related cost
\$500 pet deposit required for unit	Yes	Needs landlord verification & documented housing link
\$300 rental arrears	No	Covered under Rent Assistance
\$100 traffic ticket client says prevents them from focusing on housing	Yes	Considered court fee/debt and directly tied to obtaining/retaining housing

# City of Spokane CHHS Exception to Rule Policy for Flexible Funding to Support Housing Stability

## Purpose:

To outline the conditions and procedures under which the City of Spokane's Community, Housing, and Human Services (CHHS) Department may grant exceptions to funding rules (ETR) for individual cases. These exceptions aim to enhance housing stability by addressing unique circumstances while ensuring compliance with federal and state laws.

## Scope:

This policy applies to CHHS staff and partner agencies responsible for administering flexible funding programs to support housing stability.

## Policy:

### Eligibility for Exceptions: CHHS may grant an exception to a rule for individual cases when:

1. The exception does not contradict any specific provision of federal law, state statute, or local policy.
2. The flexible funding recipient's situation is substantially different from the majority of cases.
3. Granting the exception aligns with the interests of overall housing stability, economic efficiency and the applicant's welfare.
4. One of the following conditions is met:
  - a. The exception enhances the applicant's ability to achieve and maintain housing stability.
  - b. The applicant has an impairment or limitation that significantly hinders compliance with standard funding procedures, putting them at risk of homelessness, housing instability or institutionalization.

### Decision-Making Authority:

1. The CHHS Director, or an authorized designee, has the authority to approve or deny exceptions.
2. Final decisions on exceptions shall be made by the CHHS Director or designated authority after thorough review.

### Limitations of the Exception Process:

1. Applicants do not have formal appeal rights regarding ETR decisions.

### Documentation and Review:

1. All ETR requests must be documented, including the applicant's circumstances, rationale for the exception, and decision outcome.
2. CHHS will periodically review exception requests and outcomes to ensure consistency, fairness, and alignment with program goals.

### Specific Considerations for Housing Stability:

CHHS may consider exceptions for:

1. Requested housing-related expenses exceeding spending limit that are critical to maintaining housing stability.
2. Services or items that are cost-effective and deemed necessary for the applicant's unique situation.
3. Requests that demonstrate no feasible alternative or less expensive option meets the applicant's needs as effectively.

## **Procedure for Requesting Exception to Rule (ETR)**

### **Step 1: Initial Inquiry**

1. Service providers should contact City of Spokane CHHS Department to request an exception to funding rules.
2. CHHS staff will provide information on the ETR process, eligibility criteria, and required documentation.

### **Step 2: Submission of ETR Request**

1. Complete the ETR Request Form provided by CHHS, including:
  - a. Applicant's name and contact information.
  - b. Detailed description of the exception being requested.
  - c. Explanation of the unique circumstances that justify the request.
  - d. Supporting evidence or documentation (e.g., medical records, eviction notices, budget breakdowns).
2. Submit the completed form and supporting materials to the CHHS Department Director and assigned contract Program Professional.

### **Step 3: Review and Assessment**

1. CHHS staff will review the request to ensure:
  - a. Compliance with federal law, state statutes, and local policies.
  - b. Alignment with program goals and funding requirements.
  - c. Adequacy of supporting documentation.
2. Additional information or clarification may be requested from the applicant.

### **Step 4: Decision-Making Process**

1. The CHHS Director or authorized designee will evaluate the request based on the criteria outlined in the Exception to Rule Policy.
2. A decision will be made or additional information requested, and the service provider will be notified in writing within 5 business days.

### **Step 5: Communication of Decision**

1. Applicants will receive a formal decision letter detailing:
  - a. Approval or denial of the request.
  - b. Explanation of the decision.
2. If approved, next steps for implementing the exception.

### **Step 6: Documentation and Recordkeeping**

1. CHHS staff will maintain records of all ETR requests, decisions, and communications to ensure transparency and accountability.
2. Periodic reviews will be conducted to assess consistency and effectiveness of the ETR process.