



City of Spokane

Housing and Homeless Services

PROGRAM MONITORING POLICIES AND PROCEDURES

Table of Contents

I. Purpose and Authority	2
II. Monitoring Standards.....	2
III. Monitoring Plan	3
IV. On-Site Monitoring	4
V. Remote Monitoring.....	6
VII. Non-Compliance and De-Obligation of Funds.....	7
VIII. Sub-Recipient Responsibilities.....	7
IX. Appendices – Tools and Templates Appendix A – Monitoring Notification.....	9
Appendix B – On Site Notification Letter Template.....	10
Appendix C – Close Out Letter - Compliant.....	11
Appendix D – Close Out Letter – Non-Compliant.....	12



I. Purpose and Authority

Policy

The City of Spokane, through its Housing and Homeless Services (HHS) Department, is responsible for ensuring that all sub-recipients of federal, state, and local funds comply with applicable regulations, maintain fiscal accountability, and deliver services that align with community goals. Monitoring ensures that public funds are used for eligible activities, safeguards against fraud, waste, and mismanagement, and confirms that sub-recipients achieve performance outcomes and contract goals.

Procedure

All HHS monitoring activities are guided by the following regulations and standards:

- Washington State Department of Commerce CHG Guidelines & ERP Guidelines
- 24 CFR 578 (Continuum of Care), 24 CFR 576 (Emergency Solutions Grant)
- 2 CFR 200 (Uniform Guidance)
- HUD Youth Homelessness Demonstration Program (YHDP) guidelines
- HHOS Grant Program Guidelines
- Spokane Regional Five-Year Plan to Prevent and End Homelessness
- HMIS Data Standards

HHS staff will apply this framework consistently across all funding streams, with adjustments as required by funding source.

II. Monitoring Standards

Policy

HHS will monitor all sub-recipients on a risk-based schedule. Monitoring may include desk reviews, on-site visits, remote monitoring, and technical assistance. Sub-recipients and/or projects designated as 'high risk' will receive enhanced oversight.

Procedure

Risk Assessments are conducted during RFP application review, at contract execution, and annually at renewal. Risk assessments must be completed for each funding source (even if the subrecipient has recently completed a risk assessment for a different funding source). Risk factors include audit or monitoring findings, missed deadlines, reporting errors, poor performance against the Five-Year Performance Management Plan (or any performance expectations outlined in the contract), and limited compliance experience.



Oversight Levels:

Standard Oversight includes monthly invoice review, quarterly program/financial reporting, annual on-site monitoring, and ongoing review of HMIS data.

Enhanced Oversight applies to high-risk sub-recipients and may include more frequent reviews, corrective action plans, and required technical assistance.

Compliance Expectation: Sub-recipients must submit accurate and timely reports, cooperate fully with HHS staff, and maintain internal controls.

III. Monitoring Plan

Policy

HHS requires continuous monitoring of all sub-recipients throughout the contract year. Monitoring is not a one-time event but an ongoing process including communication, desk reviews, fiscal oversight, and scheduled site visits. HHS will apply a standard of reviewing either up to 10 client files or no more than 10% of all client files. Monitoring's must begin, no less than 6 months after the contract start date. Staff shall consider contracts that were executed *after* the start date of the contract to align with this Policy. For example, there are times where a contract start time may be July 1 but due to unforeseen circumstances, the ***actual implementation*** of the services may not occur until September 1.



The Monitoring Plan follows this schedule:

1. **Contract Execution.** Conduct new Risk Assessment and review all documents before execution, schedule and provide *required* TA to new projects or agencies who are at High Risk.
2. **Monthly.** Review cost reimbursement invoices, check in with HMIS Team to ensure MDQR compliance.
3. **Quarterly.** Review program income, match, and spend-down, performance with Five-Year or other performance expectations. Work with HMIS to ensure QPR's compliance.
4. **Annually.** Conduct on-site/desk monitoring
5. **Ongoing.** Communication, TA, HMIS data checks, required trainings, ensure/track attendance at Sub Committees and any other relevant community meetings required by contract, any other additional reviews as determined.

IV. On-Site Monitoring

Policy

On-site monitoring occurs at least once every funding period. Monitoring may occur more often if risks or concerns are identified.

Procedure

1. **Pre-Monitoring.** All pre-monitoring scheduling (5 weeks prior), coordination with Fiscal/HMIS staff, notification letters, participant file/unit selection, and preparation of monitoring worksheets.
 2. **On-Site Visit.** Entrance conference, participant file reviews (if needed), review of unit inspections, compliance checks, and staff/participant interviews.
 3. **Exit Conference with Agency.** Preliminary results, clarification of any issues, and general overview of what's next.
 4. **Post-Monitoring.** Any follow-up requests within 30-days of Exit Conference must be sent to the agency, via email—typically, this would include any missing documentation that would otherwise lead to a Concern or Finding. This allows the agency to submit any clarifying documentation that could clear up confusion and avoid a finding or concern.
- Final Monitoring Letter** must be issued within 60–90 days after on-site monitoring.



- **Monitoring Letter Contents**

- Clear statement of deficiencies and linking back to the controlling regulation and a timeline associated with compliance.

- Finding, Concerns and Recommendations

- **Finding:** A statement of fact based on evidence, data, or observation.

Findings are typically either a significant procedural deficiency or area of project-wide non-compliance. *Example: Rapid Rehousing Project's require HHS or HQS inspection documentation in the client file.*

Agency's procedures and practices do not adhere to this requirement. Here, staff would cite the regulatory language (HUD CFR or CHG) that requires inspections.

Proposed HHS Staff Corrective Action: Agency must show the HHS Department that they have adopted an internal policy and procedure as it relates to the inspection of a unit prior to any subsidy being paid on behalf of the household, where the inspection must be filed (here, client file), and where to access the most updated inspection documentation. Agency must submit this policy and procedure, along with a copy of an inspection template.

- **Concern:** An issue, risk, or potential problem identified that could negatively impact compliance, performance, finances, or operations.

Example: High turnover is found to be the reason for inconsistent data entry in HMIS. This would be a concern which could eventually lead to a Finding due to operational deficiencies.



Proposed HHS Staff Corrective Action: Require agency to conduct an internal audit of their current pay scale, identify any leadership weaknesses and opportunities for training to improve employee retention.

- **Recommendation:** A suggested course of action to address any issues that could lead to a finding or concern; or, sometimes used interchangeably with a Corrective Action.

Example: Policies and Procedures are not in one centralized location and not signed by each employee. This may lead to confusing courses of action done by an employee in their job.

Proposed HHS Staff Recommendation: Management should work on collating the various policies/procedures in one easy to read employee Handbook.

Whether you are issuing a finding, concern or recommendation, incorporating a timeline associated with its completion is required. Staff should also place a reminder on their calendar to ensure follow-up.

V. Remote Monitoring

Policy

Remote monitoring supplements on-site visits and includes desk reviews, and technical assistance. It ensures accountability between site visits. HHS will apply a standard of reviewing either up to 10 client files or no more than 10% of all client files.

Procedure

1. Desk Reviews: Review invoices, HMIS reports, spend-down, HMIS data quality, client files, and timeliness.
2. Monitoring Assessment: Here, you would want to check whether the agency complied with the last on-site monitoring letter. If there were recommendations, concerns or findings, this would be another opportunity to follow-up and see how the agency is coming along.



3. Technical Assistance: If TA was a requirement at the start of the contract or required based on the last Monitoring, this would be the time to determine whether it is still needed or if any tweaks need to be made. All TA must be documented and stored.

Fraud/Waste – report immediately to Program Manager and/or HHS Director.

VII. Non-Compliance and De-Obligation of Funds

Policy

HHS may take corrective action when sub-recipients fail to comply with requirements. Actions escalate from Technical Assistance to corrective action plans, to de-obligation of funds if unresolved.

Procedure

1. Identifying Non-Compliance: Via monitoring, invoices, HMIS data, audits, or inconsistent communication.
2. Corrective Measures: May include revised schedules, reprogramming funds, suspension of disbursement.
3. Escalation:
 - Step 1: Technical Assistance
 - Step 2: Corrective Action Plan (CAP)
 - Step 3: De-obligate funds

VIII. Sub-Recipient Responsibilities

Policy

Sub-Recipients must comply with Performance Management Plan, contract requirements, HUD and CHG regulations (or any local requirements). Communication is key between HHS Staff and agencies.

Procedure



1. Compliance: Follow all provisions as outlined in the contracts between the City of Spokane and the Agency. Maintain compliance with all HUD, state, and local policies and procedures.
2. Communication: Keep regular contact with HHS and notify of any issues or questions regarding contract compliance.
3. Disclosure: Report non-compliance or suspected fraud immediately.
4. Technical Assistance: Seek TA *proactively*.
5. Responsiveness: Provide requested information promptly and within deadlines given.
6. Timeliness: Submit invoices, reports and data on time and inform HHS proactively, if they will be late.
7. Fiscal Accountability: Safeguard public funds, document costs, track match. Identify other sources of flexible funding and donations before seeking reimbursement through federal, state or local funding.
8. Performance: Meet or exceed outcomes listed in the Performance Management Plan.



IX. Appendices – Tools and Templates

Appendix A – Monitoring Notification

Subject: 2025–2026 Program Monitoring – Desk and On-Site Review

Dear [Organization],

We hope you are doing well. I am writing to inform you that the City and County of Spokane will begin the 2025–2026 program monitoring process of your agency’s programs funded through City and County sources. Monitoring will take place in two phases: a desk review, followed by on-site monitoring.

The following contract OPR number(s) from your agency will be monitored during this cycle:

- OPR #####
- OPR #####
- OPR #####
- Contract # (if County Project)

We are beginning with the desk review phase, which involves reviewing key financial and program documentation to ensure compliance with funding requirements. Attached is the “[Current Year] Spokane City + County Monitoring Tool” workbook for your completion. Within the workbook, you will find a tab titled “Document Checklist”. Please prepare and submit the documents listed in the “Document Check List” tab. Additionally, you will find a tab for each of your City/County contracted projects with questions pertaining to each project. Please complete all the tabs in the attached “2025-2026 Spokane City + County Monitoring Tool” and upload the workbook as well as your documents to the OneDrive link provided below by [Date]

OneDrive Folder Link: [insert link]

If any additional information or clarification is needed during our review, we will contact you directly.

Once our desk review is completed, we will proceed with the client file review and on-site monitoring. We anticipate beginning this phase in the first week of January and will send a separate email at that time with the list of client IDs and the proposed visit schedule.

Thank you for your cooperation and timely attention to this request. Please don’t hesitate to reach out if you have any questions.

Sincerely,

[Your Name]

[Title]

[Department] Community, Housing & Human Services Department

[Organization]



Appendix B – On Site Notification Letter Template

[Date(Day, Month, Year)]

Subject: 2026 On-Site Visit Monitoring Notification for [ORGANIZATION NAME]

Dear [ORGANIZATION NAME]:

Thank you for your partnership in preparing for your 2026 on-site monitoring visit. Spokane City HHS and Spokane County HCD departments will conduct your on-site monitoring visit on:

Date: [DAY OF THE WEEK], [Month] [#], [Year]

Time: [##]:00 [AM/PM] to [##]:00 [AM/PM]

Location: [FACILITY NAME] - [STREET] Spokane, WA, [ZIP]

If your team is unable to meet on this date or time or at the location specified above, please let us know as soon as possible so we can coordinate an alternate date, time, and/or location.

During the visit, we appreciate the opportunity to meet with the following individuals:

- [List Relevant Agency Position Types]

Please let us know if you have any questions as we finalize the arrangements. We appreciate your cooperation and look forward to collaborating with your team during the visit.

[Name]

[Title]

[City/County] of Spokane – [Department Name]



Appendix C – Close Out Letter - Compliant

[Date]

Subject: 2026 Annual Monitoring Close Out for [ORGANIZATION NAME]

Dear [ORGANIZATION NAME],

This letter is a follow up to the monitoring assessment conducted by the City & County of Spokane for your organization for project year 2026. We appreciate the time and effort your staff dedicated to ensuring our review was both efficient and effective. Attached, you will find the [City & County of Spokane's Monitoring Report \(Attachment A\)](#). There are no required follow-up actions from this monitoring assessment. This letter confirms the conclusion of this year's annual monitoring for your projects.

The City & County of Spokane aim to support your organization in strengthening its financial and program management capacity to help achieve project objectives. If you require technical assistance at any point during the project, please do not hesitate to reach out.

We appreciate the work your organization does for the community and thank you for your continued partnership. If you have any questions, please do not hesitate to contact us.

Sincerely,

[Name]

[Title]

[City/County] of Spokane – [Department Name]



Appendix D – Close Out Letter – Non Compliant

[Date]

Subject: 2026 Annual Monitoring Close Out & Follow Up for [ORGANIZATION NAME]

Dear [ORGANIZATION NAME],

This letter is a follow up to the monitoring assessment conducted by the City & County of Spokane for your organization for project year 2026. We appreciate the time and effort your staff dedicated to ensuring our review was both efficient and effective.

Attached, you will find the *City & County of Spokane's Monitoring Report (Attachment A)*. There are required follow-up actions from this monitoring assessment. Please review the concerns in the attached report and the enclosed *Corrective Action Plan (Attachment B)*.

The Corrective Action Plan serves as a collaborative blueprint between the City/County and your organization. Its purpose is to provide your organization with adequate time and necessary support to address the identified concerns and findings while ensuring compliance with all applicable regulations and project objectives.

Each concern and/or finding requires a written response describing what steps you are taking or will take to address each issue or provide documentation that a resolution has occurred. Please complete your portion of the Corrective Action Plan, sign and return it by [MM/DD/YYYY].

We value your organization's commitment to meeting the goals and requirements of the project. We are here to provide support and technical assistance for your organization as needed. We appreciate the work your organization does for the community and thank you for your continued dedication. If you have any questions, please do not hesitate to contact us.

Sincerely,

[Name]

[Title]

[City/County] of Spokane – [Department Name]