
Harris County Auditor's Office



Memorandum

To: Lina Hidalgo, County Judge
Rodney Ellis, Commissioner Precinct 1
Adrian Garcia, Commissioner Precinct 2

Steve Radack, Commissioner Precinct 3
R. Jack Cagle, Commissioner Precinct 4
Vince Ryan, County Attorney

From: Mike Post, Harris County Auditor *MP*
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CC: Joe Madden, County Judge's Office
Brandon Dudley, Precinct 1
Mike Lykes, Precinct 2
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Cheryl Guenther, Precinct 4
Robert Soard, County Attorney's Office
Leslie Wilks Garcia, First Asst. County Auditor
Josh Stuckey, Interim Executive Director - CSD

RE: Harris County COVID-19 Relief Fund Program

Date: September 30, 2020

The Internal Audit Division is providing the results of our audit of Harris County's COVID-19 Relief Fund Program (Program). The purpose of the engagement was to evaluate the effectiveness of controls supporting the following objectives:

1. Proper oversight and monitoring of Greater Houston Community Foundation (Contractor).
2. Contractor and Community Based Organizations (CBOs) compliance with terms of the Program's contract.
3. Proper distribution of Program funds to eligible participants. However, our scope did not include testing recipients' eligibility or compliance with the Program's prioritization of fund distribution.
4. Obtain feedback from the CBOs about the Program's process and opportunities to improve it.

Overview

The Harris County COVID-19 Relief Fund Program was approved in Commissioners Court on May 19, 2020. An agreement was made and entered into by and between Harris County (the “County”), acting by and through the Community Service Department (CSD), and the Contractor. The County determined that the COVID-19 disaster created a public emergency that required immediate action to address the threat to public health and safety. As such, the County determined the need to make economic development, short-term, non-cash, in-kind emergency disaster relief available to aid vulnerable residents of Harris County, Texas who could not meet their basic needs because of financial losses related to the COVID-19 pandemic. In addition, the Program was intended to benefit the economy by reducing the number of people who lack shelter, food, and other basic needs to help the local economy, tax base, and public health in the County.

The total sum of \$30,000,000 allocated for the Program was withdrawn from the County’s Public Improvement Contingency Fund and was not associated with the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Funds. The Contractor was tasked with distributing the \$30,000,000 in the most efficient and effective way to residents most in need, including residents who have not or will not receive federal or state assistance from unemployment insurance or Federal Economic Impact Payments. The Contractor was awarded a 5% administrative fee based on the funds they disbursed. The Program funds were disseminated through 44 CBOs, who were vetted by the Contractor based on requirements set forth in the Contract. The participating CBOs were allowed to receive up to a 10% administrative fee based on the funds they disbursed.

Funds were disbursed in two phases. In both phases, recipients received either \$1,200 or \$1,500 based on their family’s size. In the first phase, the Contractor partnered with CBOs that were already actively supporting the community and had relationships with individuals and families with emergency needs. The CBOs worked with those individuals and families to complete applications, verify eligibility, and provide financial assistance. The first round of funds to the CBOs was disbursed on June 12, 2020, for approximately \$15 million.

In the second phase, the Contractor invited eligible low-income County residents to complete an application through a multilingual call center and/or website. Applications for relief aid were not selected on a first-come-first-serve basis. To reach those most vulnerable in the community, applications from vulnerable census tracts were prioritized to receive assistance, with those in the most vulnerable areas receiving up to a 50% increased chance of being randomly selected. Eligible individuals were matched with CBOs to understand their needs, verify eligibility, and provide assistance. The second round of funds to the CBOs was disbursed on July 1, 2020 for approximately \$15 million.

As of September 30, 2020, the Program awarded \$13,956,518 to 10,914 recipients in Phase 1 and \$12,723,000 to 10,016 recipients in Phase 2. CBOs are continuing to work with remaining households enrolled earlier in the application process to deliver assistance. See the **Appendix A** for a complete breakdown of participating CBOs with award amounts, including their paid administrative fees.

Observations

Objective #1: Proper oversight and monitoring of the Contractor.

- The Contract did not assign an oversight or monitoring role to any Harris County department.
- At the completion of audit fieldwork, the Contractor had received \$1,460,433 in administrative fees. This accounts for 97% of the allowed administrative fee per the Contract.

Objective #2: Contractor and Community Based Organizations compliance with terms of the Program's contract.

- The Contractor maintained the required general liability insurance that provided a per occurrence limit of no less than five million dollars (\$5,000,000).
- The Contractor submitted reports in the required time period for Phase 1 & 2. The report contained the required information including the amount of funds provided, the name of CBOs, geographic area and number of estimated applicants.
- At the completion of audit fieldwork, the Contractor had approximately \$30,000 in remaining funds to redistribute based on need. The Contractor's final report is required to be submitted 120 days after final distribution.
- The Contractor verified criteria for participating CBOs through independent verification and self-certification by the CBOs.
- CBOs were required to sign written agreements to participate in the Program. These agreements contained required language per the Program contract.
- The Contractor paid the CBOs a 10% administrative fee in advance of their distribution of Program funds to the recipients.
- No CBO was paid more than the allowable 10% administrative fee.

Objective #3: Proper distribution of Program funds to eligible participants.

- The Contractor provided the CBOs with eligibility and prioritization criteria to help CBOs satisfy Program requirements. Eligibility and prioritization criteria were included in signed CBO agreements and discussed during ongoing technical assistance meetings.

Objective #4: Survey Participating CBOs about Program participation.

- The Auditors surveyed all 44 participating CBOs to gain a better understanding of the distribution process for Program funds. Of the 44 CBOs participating in the program, 36 responded. See **Appendix B** for survey questions and answers.

Conclusion

Contract monitoring and oversight is a process of ensuring that a vendor adequately performs a contracted service. When the County contracts out the performance of a service to a vendor, the County remains responsible for ensuring the work is performed satisfactorily and government funds are used appropriately. Future County contracts should be more specific as to what department will be responsible for monitoring and oversight of Contractor's performance.

Appendix A

CBOs distribution of Program funds to recipients as of October 2, 2020.

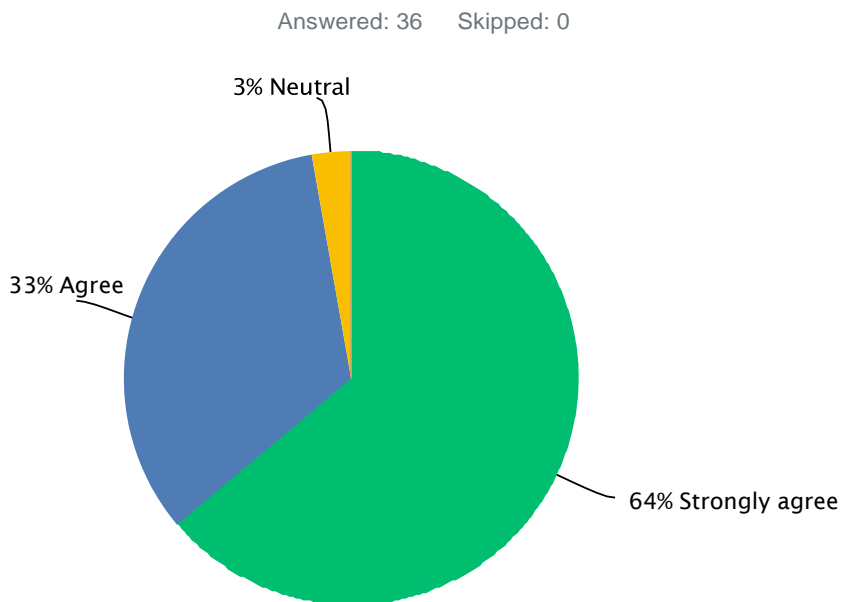
Community Based Organization Name	Phase 1 Award	Phase 2 Award	Total Admin Fee
Avenue CDC	\$917,431	\$880,200	\$161,666
BakerRipley	\$1,272,727	\$1,829,073	\$310,180
Betterment Project & Al-Noor Society of Greater Houston	\$95,605	\$105,300	\$20,090
Catholic Charities of the Archdiocese of Galveston-Houston	\$139,050	\$151,445	\$29,050
Change Happens	\$114,477	\$122,850	\$23,725
Chinese Community Center, Inc.	\$227,273	\$250,004	\$47,702
Communities In Schools of Houston	\$682,500	\$0	\$68,250
Community Family Centers	\$113,636	\$111,126	\$22,477
Cypress Community Assistance Ministries	\$37,533	\$37,800	\$7,533
Daya, Inc.	\$75,600	\$0	\$7,560
East Harris County Empowerment Council	\$472,500	\$650,550	\$112,185
Easter Seals of Greater Houston, Inc.	\$681,818	\$1,083,800	\$176,562
Epiphany Community Health Outreach Services (ECHOS)	\$60,750	\$103,950	\$16,470
Fey Justicia Worker Center	\$349,527	\$557,400	\$90,693
Fifth Ward Community Redevelopment Corporation	\$454,545	\$400,895	\$85,545
Free Indeed Community Works CDC	\$211,695	\$211,364	\$42,306
Harris County Domestic Violence Coordinating Council	\$681,818	\$0	\$68,182
Houston Area Urban League	\$332,727	\$226,800	\$55,953
Houston Area Women's Center	\$121,500	\$0	\$12,150
Humble Area Assistance Ministries	\$168,341	\$207,900	\$37,624
Interfaith Caring Ministries	\$64,800	\$59,441	\$12,424
Islamic Society of Greater Houston Incorporated	\$608,700	\$576,200	\$118,490
Jewish Family Service	\$471,698	\$506,093	\$96,359
Katy Christian Ministries	\$54,000	\$80,400	\$13,500
Memorial Assistance Ministries	\$888,847	\$1,348,189	\$223,705
Montrose Center	\$168,300	\$50,400	\$21,870
My Brother's Keeper Outreach Center	\$681,818	\$754,650	\$143,647
Neighbors in Action	\$27,450	\$87,750	\$11,521
North East Partners In Power, Inc.	\$533,455	\$128,986	\$66,244
North Pasadena Community Outreach	\$45,455	\$105,300	\$15,075
Northwest Assistance Ministries	\$863,636	\$384,972	\$124,861
Project Row Houses	\$151,200	\$0	\$15,120
Society of St. Vincent de Paul-Houston	\$517,010	\$545,290	\$106,230
Southeast Area Ministries	\$40,590	\$56,959	\$9,041

Community Based Organization Name	Phase 1 Award	Phase 2 Award	Total Admin Fee
Tahirih Justice Center	\$45,455	\$0	\$4,545
The Alliance	\$160,536	\$305,564	\$44,204
The Center for Pursuit	\$68,400	\$0	\$6,840
The HAY Center	\$129,642	\$2,700	\$12,198
The Landing	\$72,627	\$0	\$7,263
The Salvation Army of Greater Houston	\$113,636	\$122,850	\$23,649
The Women's Home	\$51,300	\$41,850	\$9,315
Volunteers of America, Texas	\$357,750	\$639,764	\$99,751
Wesley Community Center	\$230,530	\$421,200	\$65,173
West Houston Assistance Ministries	\$269,727	\$251,100	\$52,083
Totals	\$13,827,615	\$13,400,115	\$2,699,011

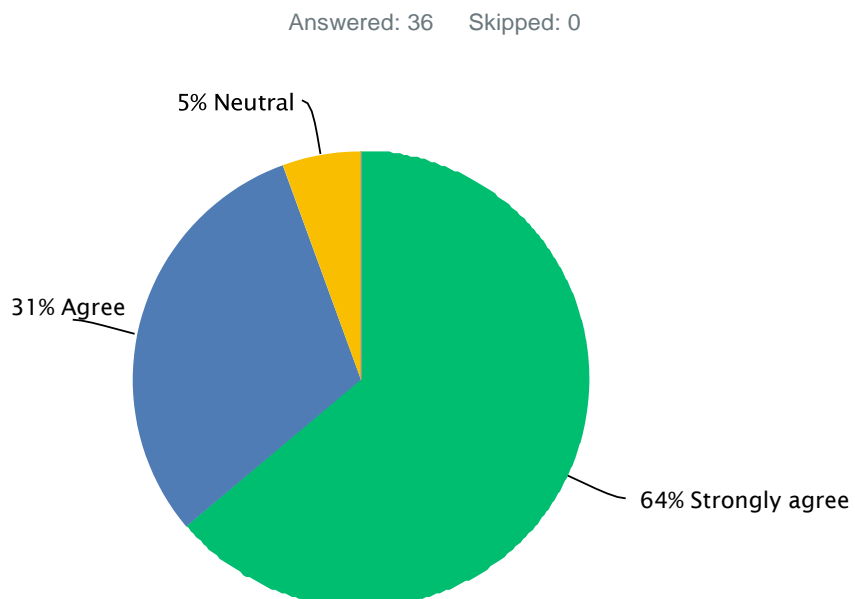
Appendix B

Note: The following survey results were obtained from the CBOs who participated in our digital survey. Results and responses have not been modified and are the direct responses from the CBOs.

Greater Houston Community Foundation provided adequate guidance on eligibility criteria used to select applicants to receive funds.

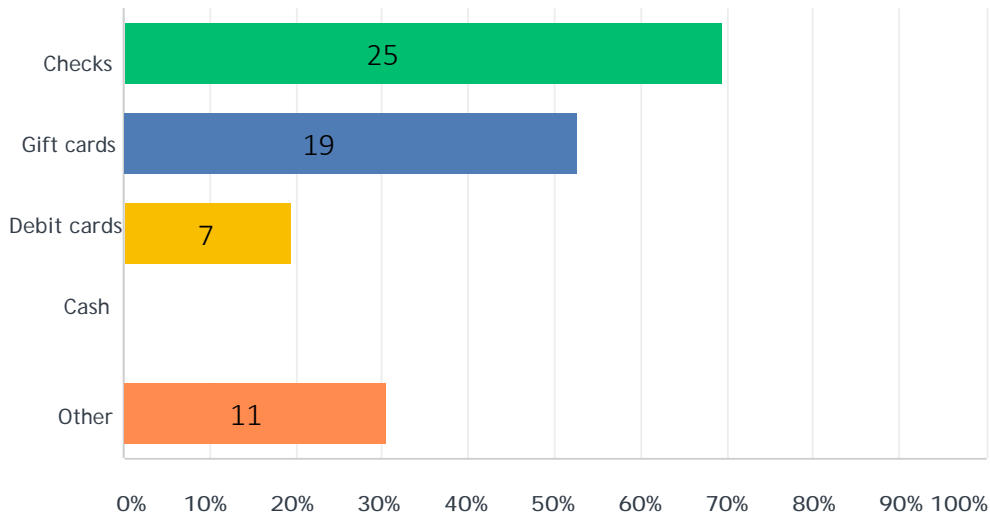


Greater Houston Community Foundation provided adequate guidance on criteria to be used for prioritizing eligible applicants.



Which of the following forms of payment did your agency use to distribute program funds? Check all that apply.

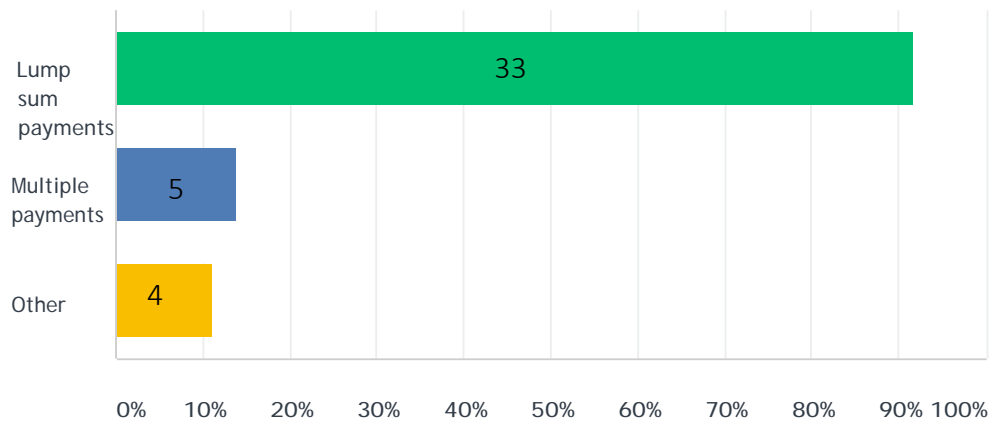
Answered: 36 Skipped: 0



Eleven CBOs responded that they use other types of payment, such as electronic fund transfers and cashier’s checks.

Which of the following methods did your agency use to distribute funds? Check all that apply.

Answered: 36 Skipped: 0



Four CBOs responded that they use other methods of distribution, such as direct payments to landlords and utility.

Please provide any additional information that you would like to share with Harris County executive management.

Answered: 36 Skipped: 0

#	RESPONSES
1	We were grateful for the opportunity to provide much needed assistance to so many of the hard-working, vulnerable members of our community. As the pandemic goes on and families are getting more behind on rent, additional resources will be needed to ensure a strong recovery.
2	Phase 1 was easier and quicker to complete. Phase 2 participants info was not always available in portal
3	Community Works CDC is honored to partner with GHCF and Harris County grateful for resources provided to the highly under-resourced Northeast community we serve.
4	The county needs to disclose all eligibility requirements at application and not change them
5	There is such a great need for this kind of assistance. By utilizing small community based organization like ours people who normally slip through the cracks were assisted and were unbelievably grateful. Thank you for choosing to distribute through this manner.
6	I attribute the success, organization, and capacity to respond to quickly to this project was because of the leadership of the Greater Houston Community Foundation. They were rock solid on the process, reporting, training/guidance, and timely resolution of any issues.
7	CIS is still seeing overwhelming demand for emergency financial assistance from our students and families -- we would love to be considered for future opportunities.
8	Coordinate meetings that serve as trainings and better prepare the provider community at large in how to best work these type of grant funded opportunities jointly with Harris County.
9	We appreciate how quickly Harris County released this funding during the pandemic. The support provided by GHCF was great.
10	This helped many residents in the community. The overall logistics with GHCF and HHC was good. It helped to implement the project and distribute the fund smoothly.
11	Thanks for all your hard work and open consistent communication!
12	We are grateful for Harris County's generous commitment to support families who have been hardest hit by the pandemic and may not have been able to access other relief assistance. We applaud the county's ingenuity in offering flexible financial assistance and giving beneficiaries the opportunity to determine and address their most pressing needs with the assistance they received.
13	The most vulnerable populations often has the most limited documentation due to being paid in cash and without the use of banking tools. This should be considered when establishing

	documentation requirements.
14	We appreciate the opportunity to provide emergency financial support for our residents through this initiative.
15	Our agency has over 1400 clients still in need of service. With Northeast Houston having the lowest income per household in the State of Texas our passion is to continue providing and meeting the needs in community... Pastor Robert Dixon II
16	Fabulous program, thank you so much for including CAM!
17	Thank you for giving us this opportunity to provide relief to individuals who did not know what to do next. It made a difference.
18	Please ensure that ALL applicant data is secured, protected and will not be used for any other purpose than which it was provided. Community members (especially immigrants) are extremely worried that their data will be used and or shared without their consent.
19	Thank you for giving us the opportunity to serve the most vulnerable in our community!
20	This was a wonderful grant opportunity. I am impressed with the quick response plan implemented to help people in need.
21	none
22	Thanks for the opportunity!
23	Thank you very much for these funds which allowed us to help so many families with amounts that truly made a difference in their crises.
24	These funds were greatly needed by every person that we assisted. It truly was an honor and very humbling to be a part of such a worthy program.
25	We are grateful for the opportunity to serve our community through this program.
26	Thank you for the support and continuous communication to make the process easier. We look forward to working with you in the future.
27	The time frame to distribute the funds was extremely taxing on our organization. The public sourced clients had no connection to our organization therefore we spent lots of time chasing documents or just no response for the client at all. A lot of the clients were looking for correspondence from Harris County although they had been told they were assigned to us. Our agency sourced clients had more connection to us and had a face to face interaction with NAM, therefore, were more responsive in getting documents submitted to substantiate their position.
28	We appreciate the opportunity to participate and assist our community through this funding.
29	N/A
30	It was great to be able to prioritize internal clients that met eligibility criteria during Phase 1.
31	Thank you for this opportunity.
32	I really appreciate the fact that the most vulnerable population was selected to get access to this

	funding. I feel that you all very thoughtful about the forgotten groups.
33	Salesforce was very easy and user friendly for us
34	It was a pleasure to work with Greater Houston Community foundation.
35	We did notice that the public intake process was very different then agency sourced. We believe it should be consistent and done the same way with both.
36	N/A

If Harris County decides to distribute funds through a similar program in the future, what suggestions do you have on how to improve the process?

Answered: 36 Skipped: 0

#	RESPONSES
1	While a universal intake system can provide the efficiency needed to disburse large amounts of funding in a short time span, and potentially support a more equitable distribution strategy, the data from this project clearly demonstrated that allowing community-based organizations - who are trusted and have relationships in the local community – to source clients (Phase I), resulted in the funding reaching a greater number of highly vulnerable people in our community. If the priority of the fund is for it to reach the most vulnerable, this would be important to consider in future strategies. If a universal intake system is utilized, it would be more effective if all documentation was collected up front and only qualified applicants were referred to the CBOs to process. This may require additional support for community members with digital literacy and access barriers. (Since this was not done, in Phase II of this project CBOs spending valuable staffing resources calling/texting/email people who did not respond or who were not eligible or did not follow through with the process). Since we are facing unprecedented challenges, we have been forced to innovate new responses. Throughout the COVID pandemic, it has been invaluable to meet with other C-Suite leaders to share ideas, discuss challenges and explore solutions, together. In this program, grantees participated in webinars where they were able to hear about program eligibility and processes, etc. but they were not convened to innovate solutions.
2	Ensure access to the application is available longer so those most in need can apply
3	Given the COVID-19 dynamics, I believe the process ran well. No suggestions.
4	Less meetings, better instruction over timeline and eligibility up-front. Step by step timeline. Things changed after we got the grant which made it more difficult and time consuming to implement. That may have been the county not giving info up front though
5	There were a lot of families who were just above the 60% AMI and were needing help but could not get, therefore, lower threshold to make funds accessible to families. Utilize smaller community based organization for all funds distributions. Many of our clients were precluded

	from receiving housing funding because of language, transportation, technology and status barriers.
6	The process was outstanding. Clear expectations and objectives, training and guidance, deliverables clearly established, ongoing feedback, reporting processes, and very courteous and respectful personnel. I have no recommendations or suggestions on how to improve the process.
7	The grant making process was not a complete package in the beginning, and a sample client application would have been helpful in capturing the components needed for reporting. A sample data spreadsheet would have also been helpful. Because CIS did not have access to Harvey Home Connect from the beginning, we continually had to adapt. The other nonprofits that provided Phase I only were exempt from using HHC. Our program also provided Phase 1 only, however, we were required to use Harvey Home Connect, without being given access until July with only two weeks left before our campus staff' summer break. Note: Because we were required to use HHC, we have been exempted from also providing the workbook.
8	Any and all collective data on best practices that can be shared with all providers would certainly benefit the provider community in learning how different organizations prepared, strategized and implemented practices that yielded successful outcomes
9	The process worked well. If possible, giving more a little time to distribute funding would be helpful and providing more M&G would be a relief for the organizations involved.
10	1. Improve public intake process and communication with clients on agency assigned. 2. The HHC Portal was helpful. 3. In language materials if possible
11	The public intake was very challenging, partnering with somewhere like 211 or a better public intake process.
12	If Harris County decides to distribute fund through a similar program in the future (i.e. with the Greater Houston Community Foundation and Harvey Home Connect as partners), we would make the following suggestions to improve the process: · Provide more time for planning, preparation and training before launching the program, especially for organizations that may need to hire additional staff to help manage caseloads. · Do less mass meetings (the weekly TA and meetings were a little overwhelming), and perhaps offer one or two major training sessions that address the program's requirements and administrative processes. Also, provide individual agency assistance as it best fits organizations respectively. · Provide a simple/short manual with instructions and expectations. · Streamline program communication so that notifications are only coming from one agency and addressed to the same main contact each time.
13	Provide all agencies distributing funding with basic operating procedures for consistency across agencies.
14	It would be helpful to have an application form that residents could complete electronically with specific self-certification forms/questions they can complete when they don't have sufficient documentation to prove their income.

15	Hopefully, a longer period for distribution...
16	All in all they did a good job in prequalifying clients before matching them to our organization but the clients did not understand what they needed to bring with them for their appointment. More direction in that area would have been useful, it took longer for them to receive assistance since they were not prepared to produce the qualifying information.
17	For us this went smoothly.
18	Planning: Convene community-based organizations in the planning process so that the BEST decisions benefitting ALL stakeholders are considered and made. Time: More time to allow applicants to apply for assistance through the public intake process. (Ex: For this program the intake process was 2 days whereas the intake process for the Small Business Program was 10 days.) More time to distribute funds to households. Equity: To ensure that all vulnerable communities have appropriate allocation of resources based on social vulnerability and need. The data that was published demonstrates that certain areas/communities were helped more than others. Application Process: Have the applicants submit the necessary documentation upon registering for assistance. The public intake process should have permitted applicants to upload their documents during the intake process. This was a huge problem for agencies and applicants alike. Lessons Learned: Allow organizations to collaborate and share best practices on their experience with this fund. It would be helpful to know what worked well and what did not for each of the 44 organizations. Transparency: Releasing the name and contract amount for each vendor, consultant and organization of the Fund that has not already been made available to the public. Communication: Ensuring that the news and other media are well informed about the Fund.
19	It would be easier to have more agency sourced clients, as we already have relationships with those families, which means there will be less fraud. Our agency sourced clients are mostly undocumented, and many of them would have not applied for public intake because they would have been afraid. Also, agency sourced clients are much more responsive than public intake clients.
20	I know it was a crisis program and we were "building the plane as we fly it." The initial onboarding was choppy and fragmented. However, the team was very approachable and willing to work out the kinks. That is much appreciated.
21	increased communication around recipients and process
22	more lineament qualifications adjustable to the audience that we serve
23	Please consider giving more time to nonprofits to disburse the funds. Allow more client recipients to be sourced through the nonprofits themselves vs by referrals through the hotline, if possible.
24	Allow more time to disburse the funding.
25	The portal was very helpful... to see who has accessed things is very helpful.

26	The process since the beginning was very smooth and with all the information to distribute the funds. The communication was really good and fast. We were very happy with the process in general.
27	Funds not payable to clients as we are now seeing repeat clients for rental assistance. Clients will always have competing issues or emergencies but feel that if we paid directly to the vendor for electricity, mortgage or apartment would have been a more preferable option for NAM. Having to input documentation into two databases, Harvey Connect and our internal database was challenging. We know how important data is so having to check and double-check is time-consuming and the temp staff we hired to help with this project jobs have ended leaving this daunting task to other employees. Possible using one database with the capability to export data.
28	GHCF and HC did a great job. Our suggestion will be to: 1.-continue having the weekly meetings 2.-and especially individual virtual visits with Agencies. 3.-Training for the database system is always helpful.
29	Need a longer planning timeline up front for prep and process buildout. The Public Intake process was inefficient and it was difficult to get ahold of clients. The agency sourced was a much smoother process.
30	There were a large number of 'matched' clients that fell off the roster. It was laborious to continue to receive new batched of matched clients.
31	Less documentation, although the flexibility was appreciated.
32	I feel the process was done under an extreme time constraints and executed well. The two things I would recommend would be adding the full name in lieu of the unique identifier. We still had to collect their ID and other confidential info. It was really hard to internally audit charts and add information to our agency databases. The other thing I would recommend is that a deeper dive in done on the public intake. Clients felt we were being intrusive when they had to provide hard documents after they gave information to the intake person. If there is a way to streamline this part of the process it would be really helpful.
33	They did a great job. Maybe a checklist and how to outside of meetings.
34	It was great to have a portal that all agencies could enter into. Cut down on duplication of recipients. Clients that called and applied directly to us were more motivated to turn in paperwork.
35	The connective portal worked well. We need more time to vet clients. And clients who were public intake often did not respond. If they had more time maybe we would have heard from them.
36	Either more time or more operating support to cover staff overtimes