



City of Seattle  
Human Services Department

COPY

August 12, 2013

Michelle Marchand  
Organizer  
Seattle Housing and Resource Effort  
PO Box 2548  
Seattle, WA 98111

Dear Ms. Marchand:

I would like to thank you for your cooperation during the Seattle Human Services Department's (HSD) recent fiscal review of Seattle Housing and Resource Effort (SHARE). The purpose of the comprehensive fiscal review, conducted by HSD Fiscal Audit Specialist Efren Agmata, is for HSD to gain understanding of the fiscal health of your agency and get a level of assurance that contract funds are being expended in a manner consistent with our contract agreement, relevant to federal regulations, and Office of Management and Budget Circulars. It is our hope that this level of HSD monitoring culminates in positive conclusions regarding our contract recipients' handling of the involved funds.

The HSD fiscal review was conducted on June 25, 2013. The entrance interview was held with you, Mr. Nathan Martin, Administrator, Mr. Jarvis Capucion, Board Member, and Mr. Lantz Rowland, Board Treasurer. During the visit, documentation were that allowed Mr. Agmata to review a number of areas, including organization administration, reporting requirements, financial systems, documentation, allowability, allocability and compliance with the funding sources and contract agreements. The result of the review is summarized on the table below:

AREAS EXAMINED	SATISFACTORY YES / NO / NA
<b>Organization/Administration</b>	
A. Organizational Structure	Yes
B. Board of Directors/ Governance	Yes
C. Organizational Policies and Procedures	Yes
<b>Reporting Requirements</b>	
A. Contract Reporting	Yes

Catherine L. Lester, Director  
Human Services Department  
700 Fifth Avenue, Suite 5800  
PO Box 34215  
Seattle, WA 98124-4215

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B. Insurance	Yes
<b>Financial Systems</b>	
A. Organizational Activity	Yes
B. Accounting Systems	Yes
C. Budgetary Controls	Yes
D. Cost Allocation/Indirect Cost Plan	Yes
E. Cash Management	Yes
F. Bank Reconciliations	Yes
G. Payroll Disbursements	Yes
H. Disbursement Process	Yes
I. Petty Cash	Yes
J. Travel	Yes
K. Consultant/Subcontracting	Yes
L. Purchasing and Procurement	Yes
M. Fixed Assets (Property and Equipment)	Yes
<b>Information &amp; Communications</b>	
A. Accounting Methods	Yes
B. Financial Statements and Reports	Yes
C. Monitoring the Controls	Yes
<b>Compliance Requirements</b>	
A. Activities Allowed or Un-allowed	Yes
B. Allowable Costs/Cost Principles	Yes
C. Matching	Yes
D. Reporting	Yes
E. Program Income	Yes

In 2012, SHARE received General Funds for the following program.

CONTRACT NUMBER	PROGRAM	CONTRACT PERIOD	CONTRACT AMOUNT
DA11-1392	Shelter Program	01/01/11-04/15/13	\$951,037.61

#### **SUMMARY OF FINDINGS:**

##### Contract Agreement Review:

The HSD-funded contract was paid using the unit cost reimbursement payment model. The results of the contract examined are as follows:

HSD PAYMENT (as of April 2013)	CONTRACT BALANCE	PROGRAM SPECIALIST	CONCERNS NOTED
\$951,037.61	\$0	Mary Flowers	No

Review of Lease Agreement of Shelter Site Facilities:

SHARE has lease agreements for their 14 shelter site facilities. However, the majority of these lease agreements were not current, though Ms. Marchand indicated that SHARE has verbal agreements with all of the shelter site facilities.

Review of Financial Statements Report:

HSD has on file SHARE's December 31, 2011, financial statements report, as prepared by Steven A. Issacson, CPA, which was conducted in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants (AICPA). We have completed our review of your 2011 audit report, noting there were no reportable conditions or instances of noncompliance required to be reported.

SHARE has yet to complete the December 31, 2012 audit, however the Balance Sheet and Profit and Loss report for the fiscal year was provided for review.

**RECOMMENDATIONS AND CORRECTIVE ACTIONS:**

Recommendations:

- Though SHARE has verbal agreements with all of their shelter site facilities, a review of all of their lease agreements is recommended to ensure they are current and updated.

Corrective Actions:

- No corrective action at this time.

HSD appreciates the assistance and cooperation provided by you, your staff, and Board members during the fiscal review process. If you have any questions or need further clarification, please contact Efren Agmata at 206-684-0649 or [efren.agmata@seattle.gov](mailto:efren.agmata@seattle.gov).

Sincerely,



Catherine Lester, Interim Director  
Human Services Department

cc: Nathan Martin, Jarvis Capucion, and Lantz Rowland, SHARE  
Adrienne Easter, Program Manager, Community Support and Assistance (CSA)  
Mary Flowers and Lindsey Zimmerman, Program Specialists, CSA

### III. SPECIAL CONDITIONS

#### Section 300.

The Agency will comply with the following Special Conditions:

A. Budget: Should the Agency not expend funds allocated under this Agreement in accordance with any Project Expenditure Rate that may have been established as part of the Contract Budget, the City may recapture and reprogram any such under-expenditures unilaterally and without the need for further amendment of this Agreement. Changes between major budget categories of the Contract Budget of less than ten percent (10%) of the lesser major budget category need not be incorporated by written amendment; however, the City must be informed immediately in writing of each such change. Changes to the City's Agreement numbering system, fund source or coding may be made unilaterally by the City and without the need for amendment of this Agreement. The Agency shall be notified in writing of any changes in the Agreement number, fund source or doing assigned by the City; provided, however, that the total compensation allocated by the City through this Agreement does not change. Any other changes to the terms and conditions of this Agreement shall not be effective until agreed to in writing by the authorized representative of the parties hereto.

B. Safe Harbors Homeless Management Information System (HMIS): is a countywide data management tool designed to facilitate data collection in order to improve human service delivery throughout King County. Participation in the Safe Harbors Homeless Management Information System (HMIS) is a requirement per this agreement and specific information is outlined on Attachment 2. Data entered into Safe Harbors HMIS will help our community improve services to homeless people by providing accurate information on the extent and nature of homelessness in our community and by accounting for our success in helping people move out of homelessness. Participation is also critical to help Seattle and King County successfully compete for grants for federal funding, such as the U.S. Department of Housing & Urban Development's homeless assistance funds.

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C. Conditional Funding: The Agency was selected to receive funding for the Shelter Program with conditions through the Human Services Department's Communities Supporting Safe & Stable Housing Letter of Intent process. The following items were insufficiently addressed in the Agency's proposal and must be completed to the satisfaction of the Human Services Department by September 30, 2013. The Agency must submit a draft plan to the City by September 6, 2013 that includes the following:

- A plan to connect participants with financial empowerment services.
- A plan demonstrating specifically how the agency will meet the cultural and linguistic needs of participants, the specific resources to be utilized, how partnerships with different cultural communities are/will be created, and the strategies utilized to ensure that cultural and linguistic competence is infused throughout your agency's policies, procedures and practices.
- Description of formal and informal partnerships and how they benefit participants.
- Description of how agency will coordinate with other systems of care.
- Description of how participants' rights are protected.