

**STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**OFFICE OF HUMAN SERVICES**  
**BUREAU OF HOMELESS AND HOUSING SERVICES**

Nicholas A. Toumpas  
 Commissioner

Mary Ann Cooney  
 Associate Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857  
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February 6, 2015

Her Excellency, Governor Margaret Wood Hassan  
 and the Honorable Council  
 State House  
 Concord, New Hampshire 03301

*Sole Source*  
*Retroactive*

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Bureau of Homeless and Housing Services, to amend an existing **sole source** agreement with Tri-County Community Action Program Inc. (Vendor number 177195), 30 Exchange Street, Berlin, NH 03570, by increasing the price limitation by \$79,829 from \$655,413 to \$735,242, for the provision of housing services to homeless individuals, effective **retroactive** to July 1, 2014 upon Governor and Executive Council approval, through June 30, 2015. The original contract was approved by the Governor and Executive Council on October 2, 2013 (Item #37). The source of funding for the increased amount is 100% Federal Funds.

Funds are available in the following accounts in State Fiscal Years 2014 and 2015 with the ability to adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified, without further approval from the Governor and Executive Council.

**05-95-42-423010-7925 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:HUMAN SERVICES, HOMELESS AND HOUSING, HOMELESS HOUSING ACCESS FUND**

SFY	Appropriation	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2014	05-95-42-423010-7925	102-500731	Contracts for Program Services	\$8,325	\$0.00	\$8,325
2015	05-95-42-423010-7925	102-500731	Contracts for Program Services	\$8,325	\$0.00	\$8,325
			<b>Total</b>	<b>\$16,650</b>	<b>\$0.00</b>	<b>\$16,650</b>

**05-95-42-423010-7926 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:HUMAN SERVICES, PATH GRANT**

SFY	Appropriation	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2014	05-95-42-423010-7926	102-500731	Contracts for Program Services	\$79,829	\$0.00	\$79,829
2015	05-95-42-423010-7926	102-500731	Contracts for Program Services	\$0.00	\$79,829	\$79,829
			<b>Total</b>	<b>\$79,829</b>	<b>\$79,829</b>	<b>\$159,658</b>

**05-95-42-423010-7928 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:HUMAN SERVICES, HOMELESS & HOUSING, EMERGENCY SHELTERS**

SFY	Appropriation	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2014	05-95-42-423010-7928	102-500731	Contracts for Program Services	\$214,373	\$0.00	\$214,373
2015	05-95-42-423010-7928	102-500731	Contracts for Program Services	\$214,373	\$0.00	\$214,373
			<b>Total</b>	<b>\$428,746</b>	<b>\$0.00</b>	<b>\$428,746</b>

**05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM**

SFY	Appropriation	Class/Object	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
2014	05-95-42-423010-7927	102-500731	Contracts for Program Services	\$130,188	\$0.00	\$130,188
			<b>Total</b>	<b>\$130,188</b>	<b>\$0.00</b>	<b>\$130,188</b>

<b>Grand Total</b>	<b>\$735,242</b>
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**EXPLANATION**

This **retroactive, sole source** amendment is being requested to increase the price limitation by an amount greater than 10 percent of the original price limitation by adding State Fiscal Year 2015 federal funding for the Projects for Assistance in Transition from Homelessness program. The original contract did not include any federal funds for State Fiscal Year 2015 because the status of those funds was uncertain at the time, though the Department reserved the option to add funds later through the amendment process.

The purpose of this request is to add funding for the provision of Projects for Assistance in Transition from Homelessness services for State Fiscal Year 2015. Unexpected personnel changes at the Bureau of Homeless and Housing Services, including the medical retirement of the program lead, caused a delay in the amendment process to ensure the necessary funding. This amendment also provides updated language in Exhibit C-1 to reflect the vendor's current insurance coverage as well as updates to the standard contract language in Exhibit C and Exhibit G. In addition to the Projects for Assistance in Transition from Homelessness program, the original contract included three (3) other homeless and housing related programs as outlined below.

**State Grant-In-Aid**

The Vendor will utilize State of New Hampshire Emergency Shelter Program Grant-In-Aid in combination with matching funds pursuant to these Agreements for Essential Services, such as assistance in finding permanent housing, employment counseling, substance abuse counseling, assistance in accessing other community services, and staff salaries and benefits; and Prevention/Intervention Services, such as payment of utilities arrearage, back rent with eviction notice, or mortgage arrearage with foreclosure notice. Such activities help negate instances where households are threatened by immediate homelessness.

### Homeless Housing and Access Fund

The Vendor shall also utilize Homeless Housing and Access Revolving Loan Funds to provide loans for the first month of rent and/or security deposit for homeless individuals and families. To be eligible, applicants shall have no permanent address and shall be residing temporarily in a shelter for the homeless, a hotel, a motel, the home of another household designed for occupancy by only one household, or entirely without shelter. Repayment terms of the loans are determined by the contracted agencies. The Homeless Housing and Access Revolving Loan Fund continues to expand the capacity of the Housing Security Guarantee Program by providing one month's rent in addition to the security deposit. This program assists homeless individuals and families in securing affordable housing that they have previously not been able to secure due to lack of resources.

A Request for Proposal for the State Grant-in-Aid funds was issued at the annual NH Homeless Provider and Homeless Education Liaison Conference on October 24, 2012. The Request for Proposal was also posted on the Department of Health and Human Services' website. Criteria for selection included: proposal includes all elements and is assembled as required; program design and need for project; performance measures and identified outcomes; coordination with community organizations and resources; involvement with Continuum of Care/Local Service Delivery Area; soundness of approach; cost proposal, budget and leveraging of resources; accurate and timely utilization of Homeless Management Information System; staff experience and credentials; compliance with rules, statutes and life safety codes; increase in bed capacity; and increase in prevention/intervention or essential services. Each applying organization was required to submit a separate proposal for each program, which allowed for budgets and program models to be evaluated independently. Fifty (50) separate proposals that could be funded through State Grant-In-Aid, from 35 organizations, were evaluated and scored.

The Bureau assures contract compliance and provider performance through the following:

- 1) Annual compliance reviews are performed that include the collection of data relating to compliance with administrative rules and contractual agreements.
- 2) Statistical reports are submitted on a semi-annual basis from all funded providers, including various demographic information and income and expense reports including match dollars.
- 3) All providers funded for shelter, permanent housing, or outreach services will be required to maintain timely and accurate data entry on the New Hampshire Homeless Management Information System, unless they are required by law to use an alternate data collection. The NH Homeless Management Information System will be the primary reporting tool for outcomes and activities of shelter and housing programs funded through these contracts.

### Homeless Outreach Intervention Prevention

This agreement also provides funds from the U.S. Department of Housing and Urban Development Supportive Housing Demonstration for Homeless Outreach Intervention Prevention (HOIP). HOIP is a collaborative project between Community Action Agencies and the State of NH, Bureau of Homeless and Housing Services. It is designed to provide aggressive street outreach and intervention services to the unsheltered homeless throughout the state. The Bureau has administered this program for 18 years. The U.S. Department of Housing and Urban Development requires a Continuum of Care process for communities seeking these funds. A Continuum is a coordinated planning approach to setting priorities for the housing and service needs of homeless people within a specific area. The Continuum includes broad participation of community stakeholders. Through this process, New Hampshire submits an annual application in response to the U.S. Department of Housing and Urban Development's Notice of Funding Availability. Once the Notice is announced, the Bureau notifies all participants in the Continuum to submit project applications. The U.S. Department of Housing and Urban Development scores the application and awards funding based on their criteria.

The Bureau receives notification from the U.S. Department of Housing and Urban Development several months later regarding the awards.

In 1994, with input from providers throughout the country, the U.S. Department of Housing and Urban Development developed the Continuum of Care concept to support communities in their efforts to address the problems of housing and homelessness in a coordinated, comprehensive, and strategic fashion.

The Continuum of Care serves three main purposes:

- 1) A strategic planning process for addressing homelessness in the community.
- 2) A process to engage broad-based, community-wide involvement in addressing homelessness on a year-round basis.
- 3) An opportunity to submit an application to the U.S. Department of Housing and Urban Development for resources targeting housing and support services for homeless individuals and families.

Although law does not mandate the Continuum of Care, the process must be followed to access funding.

The Vendors will utilize the Supportive Housing Grant funds and matching funds for essential services and operations of the Homeless Outreach Intervention Program, such as assistance in obtaining emergency shelter, staff wages and benefits, client emergency assistance, and transportation. It is anticipated that the contract will serve approximately 200 individuals statewide.

The Bureau assures contract compliance and provider performance through the following: 1) annual compliance reviews are performed, including the collection of data relating to compliance and contractual agreements; and 2) statistical reports are submitted on a monthly basis from all Homeless Outreach Intervention Prevention providers, including various demographic information and monthly billing invoices, including expense reports and program match dollars.

#### Projects for Assistance in Transition from Homelessness

This agreement also provides funds from the Substance Abuse and Mental Health Administration for Projects for Assistance in Transition from Homelessness. The Vendor, a nonprofit organization, shall utilize Projects for Assistance in Transition from Homelessness funds to provide services to individuals with serious mental illness or who have both serious mental illness and substance use disorders and are homeless or at imminent risk of being homeless. The primary emphasis of New Hampshire's Projects for Assistance in Transition from Homelessness is the outreach and engagement into services and housing of Projects for Assistance in Transition from Homelessness eligible individuals. Services provided through this program will include: outreach, screening and diagnostic treatment, community mental health services, training and case management. Projects for Assistance in Transition from Homelessness case management services include: assistance in obtaining and coordinating services for eligible homeless individuals, assistance to eligible individuals in obtaining income support services, including housing assistance, food stamps, and supplementary security income benefits, and referrals for such other services as may be appropriate such as referrals for primary health care, mental health treatment, and substance abuse treatment. It is anticipated that the vendor will serve approximately 300 individuals.

A Request for Proposal for PATH (Project for Assistance in Transition from Homelessness) funding was issued at the annual NH Homeless Provider and Homeless Education Liaison Conference on October 24, 2012. The Request for Proposal was also posted on the Department of Health and Human Services' website. As a result of this RFP, seven (7) proposals were received, evaluated and scored. All proposals met or exceeded the minimum score required for funding.

Should the Governor and Executive Council not approve this Request, shelter and homeless prevention resources for people who are homeless may not be available in their community, and there will be an increase in demand statewide placed upon local welfare authorities. People who are without housing and resources will resort to seeking local shelter in places that are not fit for habitation, or will attempt to travel to shelters in other communities. This will increase the likelihood that homeless people will be in danger of injury or death, and will be cut off from basic supports for health, education and treatment. Numerous jobs would also be lost since the shelter and/or resource agencies would have to close their doors or drastically reduce staff.

Area served: Coos, Carroll and Grafton Counties.

Source of funds:

State Grant in Aid - 100% General Funds.

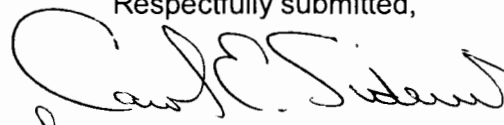
Homeless Housing and Access Fund -100% General Funds.

Homeless Outreach Intervention Program - 100% Federal Funds.

Projects for Assistance in Transition from Homelessness - 100% Federal Funds from the Substance Abuse and Mental Health Services Administration, Catalog of Federal Domestic Assistance Number (CFDA) #93.150, Federal Award Identification Number (FAIN) #SM016030-14.

In the event that the federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,

  
for Mary Ann Cooney  
Associate Commissioner

Approved by:   
for Nicholas A. Toumpas  
Commissioner



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**State of New Hampshire  
Department of Health and Human Services  
Amendment # 1 to the State Grant in Aid, Homeless Housing and Access Fund,  
Homeless Outreach Intervention Prevention and Projects for Assistance in  
Transition from Homelessness Contract**

This 1st Amendment to the State Grant in Aid, Homeless Housing and Access Fund, Homeless Outreach Intervention Prevention and Projects for Assistance in Transition from Homelessness contract (hereinafter referred to as "Amendment # 1") dated this 26th day of January, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Tri-County Community Action Program, Inc. (hereinafter referred to as "the Contractor"), a nonprofit corporation with a place of business located at 30 Exchange Street, Berlin, NH 03570.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on October 2, 2013 (Item #37), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

WHEREAS, the State and the Contractor have agreed to make changes to the scope of work, payment schedules and terms and conditions of the contract; and

WHEREAS, pursuant to form P-37 General Provisions, Paragraph 18, the State may at its sole discretion, amend the Contract by written agreement of the parties upon Governor and Executive Council Approval; and

WHEREAS the parties agree to extend the end date of the contract, increase the price limitation and change the payment terms; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree as follows:

To amend as follows:

1. Form P-37, General Provisions, Block 1.8, to read:  
\$735,242.00
2. Delete Exhibit B, Method and Conditions Precedent to Payment, State Grant in Aid, Homeless Housing and Access Fund, Homeless Outreach Intervention Prevention, and replace with Exhibit B, Amendment # 1, Method and Conditions Precedent to Payment, State Grant in Aid, Homeless Housing and Access Fund, Homeless Outreach Intervention Prevention and Projects for Assistance in Transition from Homelessness.



**State Grant in Aid, Homeless Housing and Access Fund, Homeless Outreach  
Intervention Prevention and Projects for Assistance in Transition from Homelessness  
Amendment # 1**

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3. Delete Exhibit C, Special Provisions, and replace with Revised Exhibit C, Special Provisions.
4. Delete Exhibit C-1, Additional Special Provisions, and replace with Exhibit C-1 – Revisions to General Provisions, Amendment #1.
5. Delete Exhibit G, Certification Regarding The Americans with Disabilities Act Compliance, and replace with Exhibit G, Certification of Compliance with Requirements Pertaining to Federal Nondiscrimination, Equal Treatment of Faith-Based Organizations and Whistleblower Protections.



**State Grant in Aid, Homeless Housing and Access Fund, Homeless Outreach  
Intervention Prevention and Projects for Assistance in Transition from Homelessness  
Amendment # 1**

This amendment shall be effective upon the date of Governor and Executive Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire  
Department of Health and Human Services

4/10/15  
Date

Mary Ann Cooney  
Mary Ann Cooney  
Associate Commissioner

Tri-County Community Action Program, Inc.

1/28/15  
Date

Michael Coughlin  
Name: Michael Coughlin  
Title: Chief Executive Officer

Acknowledgement:  
State of New Hampshire, County of Coos on 1-28-2015,  
before the undersigned officer, personally appeared the person identified above, or  
satisfactorily proven to be the person whose name is signed above, and acknowledged  
that s/he executed this document in the capacity indicated above.  
Signature of Notary Public or Justice of the Peace

Suzanne C French  
Name and Title of Notary or Justice of the Peace

**SUZANNE C. FRENCH  
Notary Public - New Hampshire  
My Commission Expires June 19, 2018**



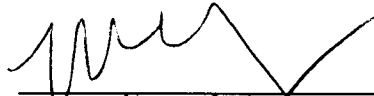


**State Grant in Aid, Homeless Housing and Access Fund, Homeless Outreach  
Intervention Prevention and Projects for Assistance in Transition from Homelessness  
Amendment # 1**

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

2/23/15  
Date

  
Name: Megan A. Yegor  
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Council of the State of New Hampshire at the Meeting on: \_\_\_\_\_ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name:  
Title:



Exhibit B

**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**State Grant In Aid Program and Projects for Assistance in Transition from Homelessness**

The following financial conditions apply to the scope of services as detailed in Exhibit A – State Grant In Aid Program and Projects for Assistance in Transition from Homelessness.

NH General Funds:

SFY14 not to exceed \$222,698.00  
SFY15 not to exceed \$222,698.00

Federal Funds:

CFDA #: 93.150  
Federal Agency: Substance Abuse and Mental Health Services Administration  
Program Title: Projects for Assistance in Transition from Homelessness  
SFY14 not to exceed \$79,829.00  
SFY15 not to exceed \$79,829.00

1. PROGRESS REPORTS:

Semi-annual and annual financial and statistical progress reports which identify the status of the Services performed, the outlook for completion of the remaining services prior to the Completion Date and the changes, if any, which need to be made to the services, shall be submitted by the 15th of the month following the end of each six month period on forms supplied by the State.

2. PROJECT COSTS; PAYMENT OF PROJECT COSTS; REVIEW BY THE STATE

- 2.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Services, as determined by the State to be eligible and allowable for payment.
- 2.2. Payment of Project Costs: Subject to the general provisions of this Agreement and in consideration of the satisfactory completion of the Services to be performed under this Agreement, the State agrees to purchase from the Contractor, in the amount not to exceed and for the specific time period specified above.
- 2.3. The Contractor shall submit documentation of expenditures of Project Costs at the conclusion of each monthly period or any other such schedule as may be required. In no event shall the funds provided exceed the amounts specified above.
- 2.4. Review by the State, Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the semiannual reports, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review, the State shall disallow any items of expense which are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not been made, it shall refuse to pay such costs.

3. LINE ITEM TRANSFERS:

No more than 10% of funds in each budget line can be transferred between line items as appears on the budget page without the prior written authorization from the State. Any expenditures which exceed the approved budgets shall be solely the financial responsibility of the Contractor. However, such excess expenditures may be covered by the transfer of other funds where such transfer is permissible by this Agreement. In any event, the Contractor shall be required to continue providing the Services specified in this Agreement. The Contractor shall make no adjustments so as to incur additional expenses in State funded programs in subsequent years without prior written authorization from the State.

New Hampshire Department of Health and Human Services  
 State Grant In Aid, Homeless Housing and Access Fund, Homeless Outreach Intervention  
 Prevention and Projects for Assistance in Transition from Homelessness Contract  
 Amendment #1



Exhibit B

EXPENSE BUDGET DETAIL for SFY14 and SFY15:

EXPENSE ITEM	SFY	Federal Funds	State GIA Funds	General Funds	Vendor Match
<b>Prevention/Intervention (Prevention Program)</b>	2014	0.00	\$51,219.00	0.00	\$51,219.00
<i>Rent with eviction notice, mortgage with foreclosure notice, utilities with disconnect notice, and other activities to prevent homelessness</i>					
<b>Prevention/Intervention (Prevention Program)</b>	2015	0.00	\$51,219.00	0.00	\$51,219.00
<i>Rent with eviction notice, mortgage with foreclosure notice, utilities with disconnect notice, and other activities to prevent homelessness</i>					
<b>Essential Services (Prevention Program)</b>	2014	0.00	\$16,859.50	0.00	\$16,859.50
<i>Assistance in finding permanent housing, employment counseling, substance abuse counseling, assistance in accessing other community services and staff salaries and benefits</i>					
<b>Essential Services (Prevention Program)</b>	2015	0.00	\$16,859.50	0.00	\$16,859.50
<i>Assistance in finding permanent housing, employment counseling, substance abuse counseling, assistance in accessing other community services and staff salaries and benefits</i>					
<b>Essential Services (Tyler Blain House)</b>	2014	0.00	\$146,294.50	0.00	\$146,294.50
<i>Shelter operational costs such as rent, utilities, insurance, supplies and taxes</i>					
<b>Essential Services (Tyler Blain House)</b>	2015	0.00	\$146,294.50	0.00	\$146,294.50
<i>Shelter operational costs such as rent, utilities, insurance, supplies and taxes</i>					
<b>Projects for Assistance in Transition from Homelessness (PATH)</b>	2014	\$79,829.00	0.00	0.00	\$79,829.00
<b>Projects for Assistance in Transition from Homelessness (PATH)</b>	2015	\$79,829.00	0.00	0.00	\$79,829.00
<b>Homeless Housing and Access Revolving Loan Fund (HHARLF)</b>	2014	0.00	0.00	\$8,325.00	Not Applicable
<b>Homeless Housing and Access Revolving Loan Fund (HHARLF)</b>	2015	0.00	0.00	\$8,325.00	Not Applicable
<b>Homeless Outreach and Prevention Program (HOIP)</b>	2014	\$130,188.00	0.00	0.00	Not Applicable
<b>TOTALS</b>		<b>\$289,846.00</b>	<b>\$428,746.00</b>	<b>\$16,650.00</b>	<b>\$588,404.00</b>
<b>TOTAL Federal + Match</b>		<b>\$449,504.00</b>			
<b>TOTAL GIA + Match</b>			<b>\$857,492.00</b>		

MC

4/28/15



**Exhibit B**

**Homeless Outreach and Prevention Program**

The following financial conditions apply to the scope of services as detailed in Exhibit A – Homeless Outreach and Prevention Program.

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: Not applicable  
Federal Funds:  
CFDA #: 14.235  
Federal Agency: U.S. Department of Housing & Urban Development  
Program Title: Supportive Housing Program  
Total Amount Supportive Housing Program;  
SFY14: not to exceed \$130,188.00

1. Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing and administration utilizing funds provided through the U.S. Department of Housing and Urban Development (HUD) Supportive Housing Program, in an amount not to exceed and for the time period specified above.

**2. REPORTS.**

As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

- 2.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with the regulations that implement OMB Circular A-133. Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State.
- 2.2. Where the Contractor is not subject to the requirements of OMB Circular A-133, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.
- 2.3. Progress Reports: Semiannual and annual financial and statistical progress reports which identify the status of the Services performed, the outlook for completion of the remaining services prior to the Completion Date and the changes, if any, which need to be made to the services, shall be submitted by the 15th of the month following the end of each six month period on forms supplied by the State.

**3. PROJECT COSTS: PAYMENT SCHEDULE; REVIEW BY THE STATE.**

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.
- 3.2. Payment of Project Costs: Subject to the general provisions of this Agreement and in consideration of the satisfactory completion of the Services to be performed under this Agreement, the State agrees to purchase from the Contractor, in the amount not to exceed the Price Limitation set forth in block 1.8. of the General Provisions of the Agreement. The State agrees to provide funds for homeless services in payments in accordance with such other schedules as may be required by the U.S. Department of Housing and Urban Development under the provisions of 24 CFR Part 576, Emergency Shelter Grants Program; Stewart B. McKinney Homeless Assistance Act and all applicable regulations. The Contractor shall submit documentation of expenditures of Federal funds at the conclusion of each



**Exhibit B**

bimonthly period or any other such schedule as may be required. In no event shall the funds provided exceed the Price Limitation set forth in block 1.8. of the General Provisions. Upon release of additional Federal funding to the State, Contractor may invoice for balance of contracted amount as specified in block 1.8 based on documentation of expenditures.

- 3.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Quarterly Reports, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing and administration or reimbursement for expenditures for operations, supportive services, leasing and administration, provided by the Contractor for the project period and operating years of the Supportive Housing Program as approved by HUD and in accordance with the Supportive Housing Program Regulations, published at 24 CFR Part 583.

**4. USE OF GRANT FUNDS.**

- 4.1. The State agrees to provide payment for actual costs, up to the Total Program Amount as defined in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
- 4.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.
- 4.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.
- 4.4. Conformance to 24 CFR Part 84: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 24 CFR Part 84.

**5. CONTRACTOR FINANCIAL MANAGEMENT SYSTEM.**

- 5.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
- 5.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.



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**SPECIAL PROVISIONS**

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
  - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
  - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;



- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
  - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
  - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
  
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
  
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
  - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
  
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
  
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
  
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or





more employees, it will maintain a current EEO on file and submit an EEO Certification Form to the OCR, certifying that its EEO is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEO Certification Form to the OCR certifying it is not required to submit or maintain an EEO. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEO requirement, but are required to submit a certification form to the OCR to claim the exemption. EEO Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

## DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

**COSTS:** Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

**DEPARTMENT:** NH Department of Health and Human Services.

**FINANCIAL MANAGEMENT GUIDELINES:** Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

**PROPOSAL:** If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

**UNIT:** For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

**FEDERAL/STATE LAW:** Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

**CONTRACTOR MANUAL:** Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

**SUPPLANTING OTHER FEDERAL FUNDS:** The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.



**REVISIONS TO GENERAL PROVISIONS**

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
  4. **CONDITIONAL NATURE OF AGREEMENT.**  
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
  
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language;
  - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
  - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
  - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
  - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
  - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
  
3. Subparagraph 14.1.1 of the General Provisions of this contract, is deleted and the following subparagraph is added:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence with additional general liability umbrella insurance coverage of not less than \$2,000,000 per occurrence; and



**CERTIFICATION OF COMPLIANCE WITH REQUIREMENTS PERTAINING TO  
FEDERAL NONDISCRIMINATION, EQUAL TREATMENT OF FAITH-BASED ORGANIZATIONS AND  
WHISTLEBLOWER PROTECTIONS**

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

- the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. Section 3789d) which prohibits recipients of federal funding under this statute from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act requires certain recipients to produce an Equal Employment Opportunity Plan;
- the Juvenile Justice Delinquency Prevention Act of 2002 (42 U.S.C. Section 5672(b)) which adopts by reference, the civil rights obligations of the Safe Streets Act. Recipients of federal funding under this statute are prohibited from discriminating, either in employment practices or in the delivery of services or benefits, on the basis of race, color, religion, national origin, and sex. The Act includes Equal Employment Opportunity Plan requirements;
- the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin in any program or activity);
- the Rehabilitation Act of 1973 (29 U.S.C. Section 794), which prohibits recipients of Federal financial assistance from discriminating on the basis of disability, in regard to employment and the delivery of services or benefits, in any program or activity;
- the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12131-34), which prohibits discrimination and ensures equal opportunity for persons with disabilities in employment, State and local government services, public accommodations, commercial facilities, and transportation;
- the Education Amendments of 1972 (20 U.S.C. Sections 1681, 1683, 1685-86), which prohibits discrimination on the basis of sex in federally assisted education programs;
- the Age Discrimination Act of 1975 (42 U.S.C. Sections 6106-07), which prohibits discrimination on the basis of age in programs or activities receiving Federal financial assistance. It does not include employment discrimination;
- 28 C.F.R. pt. 31 (U.S. Department of Justice Regulations – OJJDP Grant Programs); 28 C.F.R. pt. 42 (U.S. Department of Justice Regulations – Nondiscrimination; Equal Employment Opportunity; Policies and Procedures); Executive Order No. 13279 (equal protection of the laws for faith-based and community organizations); Executive Order No. 13559, which provide fundamental principles and policy-making criteria for partnerships with faith-based and neighborhood organizations;
- 28 C.F.R. pt. 38 (U.S. Department of Justice Regulations – Equal Treatment for Faith-Based Organizations); and Whistleblower protections 41 U.S.C. §4712 and The National Defense Authorization Act (NDAA) for Fiscal Year 2013 (Pub. L. 112-239, enacted January 2, 2013) the Pilot Program for Enhancement of Contract Employee Whistleblower Protections, which protects employees against reprisal for certain whistle blowing activities in connection with federal grants and contracts.

The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment.

In the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, or sex

New Hampshire Department of Health and Human Services  
Exhibit G



against a recipient of funds, the recipient will forward a copy of the finding to the Office for Civil Rights, to the applicable contracting agency or division within the Department of Health and Human Services, and to the Department of Health and Human Services Office of the Ombudsman.

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to comply with the provisions indicated above.

Contractor Name:  
Tri-County Community Action Program, Inc.

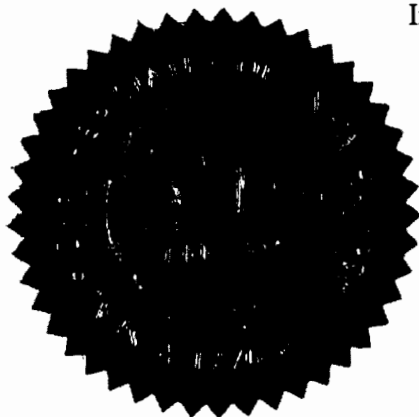
1/28/15  
Date

Michael Coughlin  
Name: Michael Coughlin  
Title: Chief Executive Officer

*State of New Hampshire*  
*Department of State*

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. (TRI-COUNTY CAP) is a New Hampshire nonprofit corporation formed May 18, 1965. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 3<sup>rd</sup> day of April A.D. 2014

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

# CERTIFICATE OF VOTE

I, Sandy Alonzo, do hereby certify that:

(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Tri-County Community Action Program, Inc.  
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of  
the Agency duly held on 9-23-2014  
(Date)


**RESOLVED:** That the Chief Executive Officer  
(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to  
execute any and all documents, agreements and other instruments, and any amendments, revisions,  
or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of  
the 28th day of January, 2015.  
(Date Contract Signed)

4. Michael Coughlin is the duly elected Chief Executive Officer  
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

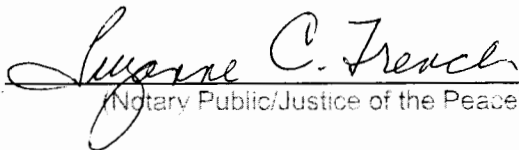
  
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Coos

The forgoing instrument was acknowledged before me this 28th day of January, 2015,

By Sandy Alonzo, Board Chair.  
(Name of Elected Officer of the Agency)

  
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 10/19/18

SUZANNE C. FRENCH  
Notary Public - New Hampshire  
My Commission Expires June 19, 2018



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
7/23/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER FIAI/Cross Insurance 1100 Elm Street  Manchester NH 03101	CONTACT NAME: Karen Shaughnessy	
	PHONE (A/C, No, Ext): (603) 669-3218 FAX (A/C, No): (603) 645-4331 E-MAIL ADDRESS: kshaughnessy@crossagency.com	
INSURED Tri-County Community Action Program, Inc 30 Exchange Street  Berlin NH 03570	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Arch Ins Co	11150
	INSURER B: Maine Employers Mutual Ins Co.	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES CERTIFICATE NUMBER: CL1471714530 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		NCPCKG0328200	7/22/2014	7/1/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	NCAUT0328200	7/22/2014	7/1/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Underinsured motonst \$ 1,000,000
	UMBRELLA LIAB OCCUR <input checked="" type="checkbox"/> EXCESS LIAB CLAIMS-MADE DED RETENTION \$					
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A 3102801186	7/1/2014	7/1/2015	WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
Refer to policy for exclusionary endorsements and special provisions.

## CERTIFICATE HOLDER

NH Dept of Health & Human Services  
Bureau of Elderly & Adult Services  
129 Pleasant Street  
Concord, NH 03301-3857

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE  
  
Laura Perrin/KS5 *Laura Perrin*



Tri-County Community Action Program, Inc.  
Helping people, changing lives... in the North Country of New Hampshire

## Mission

• Home • Up •

Tri-County CAP is a group of people and projects dedicated to improving the lives and well-being of New Hampshire's people and communities.

We provide opportunities and support for people to learn and grow in self-sufficiency, and to get involved in helping their neighbors and improving the conditions in their communities.

Tri-County Community Action Programs...  
Helping people, changing lives.

[Home](#)

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***TRI-COUNTY COMMUNITY  
ACTION PROGRAM, INC.***

***SINGLE AUDIT REPORTS***

***FOR THE YEAR ENDED  
JUNE 30, 2013***

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REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Todd C. Fahey, Esq.  
Court-Appointed Special Trustee and  
The Board of Directors of  
Tri-County Community Action Program, Inc.  
Berlin, New Hampshire 03570

We have audited, in accordance with the auditing standards generally accepted in the United States of American and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Tri-County Community Action Program, Inc. which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 31, 2014.

***Internal Control over Financial Reporting***

In planning and performing our audit, we considered Tri-County Community Action Program, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tri-County Community Action Program, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. FS-2012-01, FS-2012-02, FS-2012-03, FS-2012-04, FS-2012-05, FS-2012-06, FS-2012-07, FS-2012-08, FS-2012-09 and FS-2012-10.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Tri-County Community Action Program, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items SA-2013-01, SA-2013-02, SA-2013-03, SA-2013-04, SA-2013-05, SA-2013-06, FS-2013-09 and FS-2013-10.

***Tri-County Community Action Program, Inc.'s Response to Findings***

Tri-County Community Action Program, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Tri-County Community Action Program, Inc.'s response and, accordingly, we express no opinion on it.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

*Mason + Rich, P.A.*

MASON + RICH, PROFESSIONAL ASSOCIATION  
Certified Public Accountants

March 31, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY OMB CIRCULAR A-133**

Todd C. Fahey, Esq.  
Court-Appointed Special Trustee and  
The Board of Directors of  
Tri-County Community Action Program, Inc.  
Berlin, New Hampshire 03570

***Report on Compliance for Each Major Federal Program***

We have audited Tri-County Community Action Program, Inc.'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Tri-County Community Action Program, Inc.'s major federal programs for the year ended December 31, 2013. Tri-County Community Action Program, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with laws, regulations, contracts and grants applicable to its major federal programs.

***Auditor Responsibility***

Our responsibility is to express an opinion on compliance for each of Tri-County Community Action Program, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tri-County Community Action Program, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Tri-County Community Action Program, Inc.'s compliance.

***Basis for Qualified Opinion on Low Income Home Energy Assistance***

As described in the accompanying schedule of findings and questioned costs, Tri-County Community Action Program, Inc.'s did not comply with requirements regarding CFDA 93.568 Low-Income Home Energy Assistance Program, as described in finding number FS-2013-10 for Cash Management. Compliance with such requirements is necessary, in our opinion, for Tri-County Community Action Program, Inc.'s to comply with the requirements applicable to that program.

***Qualified Opinion on Low Income Home Energy Assistance***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Tri-County Community Action Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 93.568 Low-Income Home Energy Assistance Program for the year ended June 30, 2013.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, Tri-County Community Action Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items FS-2013-09, SA-2013-01, SA-2013-02, SA-2013-03, SA-2013-04, SA-2013-05 and SA-2013-06. Our opinion on each major federal program is not modified with respect to these matters.

Tri-County Community Action Program, Inc.'s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Tri-County Community Action Program, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***Internal Control over Compliance***

Management of Tri-County Community Action Program, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tri-County Community Action Program, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program, Inc.'s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over*

*compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item FS-2012-01, FS-2013-04, FS-2013-07, FS-2013-09, FS-2013-10, and SA-2013-02 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item SA-2013-01, SA-2013-03, SA-2013-04, SA-2013-05 and SA-2013-06 to be significant deficiencies.

Tri-County Community Action Program, Inc.'s responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Tri-County Community Action Program, Inc.'s responses and, accordingly, we express no opinion on the responses.

***Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133***

We have audited the financial statements of Tri-County Community Action Program, Inc. as of and for the year ended June 30, 2013 and have issued our report thereon dated March 31, 2014, which contained a modified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the Court Appointed Special Trustee, the Board of Directors, management, others within the company, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Mason + Rich, P.A.*

MASON + RICH, PROFESSIONAL ASSOCIATION  
Certified Public Accountants

March 31, 2014



**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2013**

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**A. SUMMARY OF AUDIT RESULTS**

1. The independent auditors report expresses a qualified opinion on the financial statements of Tri-County Community Action Program, Inc.
2. Control deficiencies were disclosed during the audit of the financial statements which are reported in this schedule in Part B.
3. An instance of noncompliance, material to the financial statements of Tri-County Community Action Program, Inc. is reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. Control deficiencies were disclosed during the audit of internal control over major federal award programs which are reported in this schedule in Part C.
5. The auditor's report on compliance for the major federal award programs for Tri-County Community Action Program, Inc. expresses a qualified opinion on CFDA #93.568 Low Income Home Energy Assistance and an unqualified opinion on all other major programs.
6. Audit findings that would be required to be reported in accordance with section 510 (a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as major programs included:
  - Low Income Home Energy Assistance – CFDA # 93.568
  - Energy Efficiency and Conservation Block Grant Program – CFDA # 81.128
  - Head Start – CFDA # 93.600
  - Aging Cluster:
    - Special Programs for the Aging – Title III, Part B – CFDA #93.044
    - Special Programs for the Aging – Title III, Part C – CFDA #93.045
    - Nutrition Services Incentive Program – CFDA #93.053
8. The threshold for distinguishing Types A and B Programs was \$335,419
9. Tri-County Community Action Program, Inc. did not qualify as a low-risk auditee.

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2013**

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***B. FINDINGS - FINANCIAL STATEMENTS AUDIT***

**FS-2013-01**

Partial Repeat of FS-2012-05

**Condition:** Although some improvements have been made since the prior year audit, the financial reporting system continues to be inadequate in its ability to identify, capture, and record information. Procedures to prevent, or detect and correct material misstatements in the financial statements are not effective. Customary accounting procedures were not fully implemented and those procedures which did exist were not consistently done in a timely manner.

Audit fieldwork was scheduled to begin on September 30, 2013, 3 months after the fiscal year end. Although we held a pre-audit conference on June 13, 2013 and provided the CFO with specific requests for information, we did not receive an adjusted trial balance until September 26, 2013 which, when received, was labeled as "Draft".

When we arrived to perform audit procedures, the client was still in the process of reconciling revenues and total expenditures to a worksheet used to prepare the draft SEFA. This process was required, because as noted in the prior year audit deficiencies letter, there were many inaccuracies in the posting of revenue throughout the year. Many adjustments were required before the financial reporting system accurately reported the total revenues by program. Therefore a final SEFA could not be prepared until January 2014. This also made it difficult for program managers to manage their programs since the revenue as reported to them during the year was incorrectly allocated by source.

The financial reporting system was closed on a monthly basis without ensuring all accounts payable invoices relating to the period were posted. Entries for internal expenses such as depreciation and occupancy costs were missing from several month end reports. These errors not only caused an issue for program managers during the fiscal year because financial information used to support reimbursement requests frequently changed when these adjustments were finally calculated and posted, but also caused determining final expenditures by program extremely difficult.

Additionally, although reconciliations of most balance sheets had been prepared at year end, there had been little to no effort made to reconcile the annual amounts for payroll, depreciation, or occupancy costs to the trial balance. Our audit procedures found issues with the depreciation and occupancy costs as reported on the trial balance which were later corrected through adjusting entries.

It was also noted that on the Aging Cluster quarterly program service reports, that the amounts reported as expenditures of the program were incorrect because the departments are not receiving timely financial reports with correct financial information.

**Criteria:** The Organization must continue in its efforts to develop and implement procedures which will allow for a financial reporting system which can correctly identify, capture and record information. Reconciliation procedures must be put in place which will prevent, detect and correct material misstatements on the balance sheet as well as the statement of activities. These procedures must provide for the accumulation of information in a format that allows for the reporting of

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**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2013**

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information for the statement of functional expenses as well as the SEFA.

**Cause:** Due to many issues as reported in the prior year management letter, the annual financial and single audit of TCCAP for the year ended June 30, 2013 was not completed until March 31, 2013. The Court Appointed Special Trustee and his team, and later the newly hired CFO, did not have sufficient time to resolve all issues related to this comment. Due to the immediacy of the cash flow issues, the greatest attention was placed on submitting reimbursement requests as soon as reasonably possible, and therefore, other less urgent but equally important issues were not addressed.

**Effect:** The financial reporting system required significant adjustment in order to produce financial statements which were in accordance with GAAP. Some opportunities for grant reimbursement may have been lost due to unrecorded expenditures. Monitoring program performance could not be accomplished with any degree of accuracy.

**Recommendation:** The organization should continue its efforts to further enhance and refine the financial reporting system so that information can be obtained in a timely manner.

**Management Response:** Management agrees with this finding.

TCCAP did have difficulty with completing the preparation for the audit and closing out the year. The prior year audit was not finished until March 31st, and it appears that the new CFO and Senior Accountant, who started in May and June respectively, spent their time acclimating themselves as best they could. The organization was struggling to keep its doors open and much activity and effort was being placed on survival activities like cash management. Management expects that closing out the fiscal year and audit preparation will be much quicker in FY14 as the organization's financial stability has improved significantly and less staff time and energy is diverted to survival efforts. Management agrees with the finding that not all accounts payable expenses were being properly recorded by the end of the posting period. Because TCCAP was so strapped for cash, it would close the month quickly, usually around the 5<sup>th</sup> of the month, so that it could send out billings. Some accounts payable invoicing was not being recorded in the monthly posting period, usually due to a lag in receiving invoices from vendors. TCCAP would capture these payables in the next month.

Management sees this as a problematic process that frankly will probably continue until there is an adequate cash reserve. TCCAP is currently working on improving cash reserves by selling off surplus real estate. The Lancaster property has already sold, an offer has been made on the Ashland property (contingent upon a vote at Town Meeting), and a proposal is being negotiated for the Northern Forest Heritage Park property. The School Street property in Berlin is actively on the market. As each property closes, a portion of the proceeds will move into a cash reserve account, so TCCAP will be able to remedy this problem over time.

Starting late in fiscal 2013, and continuing to the present time, on the advice of a consultant, TCCAP changed its methodology of posting depreciation, posting to the departments where the item is used, rather than to the whole agency. The posting is now done monthly, rather than annually, as previously done

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
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**FS-2013-02**

**Condition:** Procedures for the recording of receivables are poorly designed and inadequate to ensure reporting in accordance with GAAP.

In fiscal year 2013, TCCAP began utilizing the accounts receivable module of the financial reporting system. This system was used for a portion of the year and was not used for all types of receivables. Programs with significant client activity such as the Dental Center, Restorative Justice, Alcohol and Other Drugs and Transportation track their receivables using a variety of systems which range from patient billing systems to excel worksheets. Because the fiscal department does not track receivables for these program areas, the fiscal department has no way to ensure that all receivables have been recorded, an allowance has been established for doubtful accounts, or that collection efforts are made to ensure payment is received.

**Criteria:** A system must be developed which will ensure that all financial information, including receivable balances and estimates for allowance for doubtful accounts, is captured and reported in the financial statements. TCCAP must have procedures in place to safeguard the assets of the organization.

**Cause:** Policies and procedures have not been fully designed and implemented over the accounts receivable function.

**Effect:** The organization identified approximately \$1.8 million in previously unreported receivables related to the Alcohol and Other Drug program. Of this amount, approximately \$1.75 million was determined to be uncollectable due to the significant amount of time the account had been outstanding. Additionally, the organization failed to establish an adequate reserve for these receivables as well as approximately \$23,000 in receivables which were owed to the Dental Center yet were 90 days or more overdue.

**Recommendation:** The organization should design and implement policies and procedures for the recording, reporting and collection of all receivables.

**Management Response:** Management agrees with this finding.

In April, 2013 TCCAP initiated the use of the "accounts receivable" module for contract receivables. Later that year, TCCAP also began the process of recording receivables for non-contract billings, such as for AoD and Dental receivables. This is a new process for the agency, but staff seems to be taking it very seriously. Staffs in the Finance department now have a method to remind program directors when non-contract receivable information is due. This has been a work in progress, but management believes the information is much more accurate now.

Receivables for the AoD and Dental programs require more intensive attention. The CEO is working with the leadership of those two programs, both to collect what is collectable from old accounts, and to put procedures in place to better assure payments in the future. It is likely that there will always be some accounts from both of these programs that will remain uncollectable, due to the population TCCAP serves: low-income, transient, jail-bound in some cases. But we need to follow best practices to ensure as much as possible is collected at the point of service, and to stay in touch with clients after

**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
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they have left.

**FS-2013-03**

Repeat of FS-2012-15

**Condition:** Although the Organization states in its accounting policies that it complies with the requirements to report net assets as unrestricted, temporarily restricted, and permanently restricted, it appears that fiscal department personnel did not fully understand the requirements related to each classification.

This was evidenced by the CFO closing all temporarily restricted net asset accounts from fiscal year 2012 into one summary account, thereby losing the detail of which grant had remaining temporarily restricted funds to be expended.

It was further evidenced by the entries related to the sale of vehicles by the transportation program, the proceeds of which have to be used to reacquire new vehicles. This amount was recorded as sales revenue and not identified as temporarily restricted proceeds until questioned by the auditor.

Furthermore, the organization lacks a process to identify the amount of temporarily restricted net assets at year end because they are unable to correctly adjust the financial reporting system to report the total expenditures by program, do not have a mechanism in place to calculate the restricted revenues in excess of expenditures once correctly adjusted, and do not appear to be working toward developing a methodology to correct this deficiency.

**Criteria:** The Organization must have a process in place to identify restrictions by donation/grant, accurately accumulate the expenditures made in accordance with these requirements, calculate the revenues received in excess of qualifying expenditures, determine the required action to be taken with remaining funds, and either temporarily restrict or return these funds to the donor/grantor depending upon the donors/grantors instructions.

**Cause:** Due to the number of issues identified in the prior year audit, and the limited resources available to the Organization, this issue was not resolved.

**Effect:** The Organization required significant assistance to calculate the amount of temporarily restricted net assets utilizing a temporary process which is cumbersome and time consuming.

**Recommendation:** The Organization should develop a policy regarding the acceptance of donations and other grants. This should be completed in conjunction with consideration of a risk management policy. The Organization should create a standard form which should include an identification of any restrictions imposed by the donors on the award since many private donors fail to stipulate this in their own documentation. The fiscal department employees as well as other program staff should be educated on the proper classification of net assets. The accounting system or other mechanism should be utilized to track revenues which are unexpended at the fiscal year end. If the donation is restricted as to the allowable time frame for expenditure, then the donation should be returned to the donor. If there is no time restriction then they should record these revenues as temporarily restricted in the

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**TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.**  
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financial statements. These funds should be made available in the subsequent year for continuation of the donated purpose.

**Management Response:** Management agrees with this finding.

There is a policy regarding the acceptance of donations and other grants, but it appears to be outdated, and does not include a standard form which would document the donor's restrictions as to the use of funds. Management will work with the Finance department to ensure that the policy is updated and such a form is created.

Moreover, the Finance department will be directed to create a simple, less cumbersome system to track expended and unexpended grant and donation revenues, and record them accurately in the financial statement

**FS-2013-04**

**Condition:** Procedures to allocate shared occupancy costs to the benefiting programs were inadequate and failed to allocate the costs accurately. Furthermore, reconciliation procedures that would have identified the errors were not performed.

**Criteria:** Procedures must be designed and implemented which will ensure that all costs, including occupancy costs, are allocated in a systematic and consistent manner.

**Effect:** Costs may be incorrectly allocated to a program which could result in requests for federal reimbursement which exceed the equitable and fair share of expenses

**Cause:** The Organization utilizes an excel worksheet to enter the total building costs and to allocate the costs based upon the square footage occupied by the various programs. The calculation was performed in July, shortly after the fiscal year end and included only expenses received through that date. Subsequent to the initial calculation, additional expenses related to the fiscal year were received and posted to the general ledger causing an increase in the total costs to be allocated, however, no adjustment was made to the expense totals as originally allocated. The CFO indicated that a decision had been made to waive allocation of the additional expenses which the auditor does not have issue. However, a comparison of the amounts allocated per the spreadsheet to the general ledger revealed that the expenses per the program expense accounts did not agree to the worksheet. Additionally the debits to record the expenses did not agree to the offsetting credits. A simple year end reconciliation would have revealed these errors.

**Recommendation:** Procedures to identify, allocate and reconcile occupancy costs to the benefiting programs should be refined to ensure that all costs are captured, properly allocated and posted to the financial reporting system.

**Management Response:** Management agrees with this finding.

FY 2013 was the first year that TCCAP moved to capture occupancy costs and assign them to

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benefitting programs, rather than to the agency as a whole. Naturally, with so many properties, and so many programs, there have been some errors in implementing this process. But it does seem to capture true program costs much better than the previous method. Management's position is that the agency needs to get this right, so there is a process for cost allocation that can be used in future years.

Management plans to review occupancy costs regularly, to ensure that they are captured. Finance department now reconciles occupancy costs quarterly for accuracy, and this practice will continue.

**FS-2013-05**

**Condition:** The listing of property and equipment as originally received from TCCAP did not include \$661,615 of assets which were included in the total assets per the trial balance. Further inquiry revealed that the CFO had removed the assets from the listing because they were fully depreciated and planned to post a journal entry to remove the asset balance and related depreciation from the accounts. However, no procedures were performed to identify if the assets were still in existence and still being used by the Organization.

**Criteria:** The listing of property and equipment should include all assets which are currently in existence, even those assets with no remaining book value. The listing should be reviewed at least annually and should be adjusted for assets which have been scrapped or sold. A physical inventory should be performed to identify the existence and location of assets.

**Effect:** The listing of assets and related depreciation of the Organization was incomplete when received by the auditors and assets of over \$661,000 were no longer reflected in the financial records.

**Cause:** We believe this error occurred as a hasty remedy for the prior year finding of FS-2017-17.

**Recommendation:** Design and implement a policy for property and equipment which includes the requirement to periodically take a physical inventory of assets currently in use and to update the fixed asset as needed for additions and disposals.

**Management Response:** Management agrees with this finding.

In the new Accounting Policy and Procedure Manual, there is a process for property and equipment that allows TCCAP to dispose of or write off fully depreciated assets.

During FY 2014, the COO assigned an employee to list all property and equipment in existence, and there is a draft that needs to be reviewed, so there is a listing of all TCCAP's assets in one place. This list will be reviewed at least annually in the future.

**FS-2013-06**

Partial Repeat of FS-2012-09

**Condition:** The Organization failed to design and implement procedures to control and monitor the use of the organizations bank accounts.

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A test of the controls over the bank reconciliation process identified missing reconciliations for July 2013 for 9 bank accounts used for the senior meal site locations, senior wheels program and the Head Start policy council. These bank accounts are reconciled at the individual site/program locations and a copy of the reconciliation is to be sent to the Fiscal Department for review. The July reconciliations had not been received by the Fiscal Department as of September 30, 2013, the first date of audit fieldwork. Although the reconciliation had been identified as missing by the Accounting Manager, the CFO had not requested or obtained the missing items. The balances in the account were immaterial however; failure to monitor and enforce controls may create opportunities for fraud or errors to go undetected.

Confirmations of account balances with banking institutions revealed two accounts with the Woodsville Guaranty Savings Bank which were not listed in the financial reporting system and appeared to have been overlooked. The accounts balances were immaterial however, the accounts should be closed if no longer being used. Bank accounts which are not monitored and reconciled may create opportunities for fraudulent activity.

Examination of the operating bank account reconciliation revealed an unusual adjustment related to the line of credit. The operating account is tied to a line of credit which is automatically drawn upon when checks presented for payment exceed the available bank balance. At fiscal year end, the organization had \$96,818 in outstanding checks against a bank balance of \$5,832. The checks had not been presented for payment and therefore the line of credit had not been accessed to cover the overdraft, however, TCCAP recorded a reconciliation adjustment to increase cash by the amount of available credit on the line of credit. As a result, the bank balance and the line of credit balance were overstated by the available credit line of \$122,648.

**Criteria:** Controls over the bank accounts must be designed and implemented to prevent, or detect and correct errors including misappropriations. These controls should include such basics as securing check stock, preparing timely reconciliations, reviewing reconciliations and resolving outstanding items, as well as segregating the functions of approving cash transactions from accounting functions of recording and reconciling.

**Cause:** A lack of internal control procedures over the Organization's bank accounts and the reconciliation of those accounts.

**Effect:** Ineffective controls over cash can create substantial losses for an organization. These losses, even if detected, may be impossible to recover and can have a devastating impact on the organization's reputation within the community.

**Recommendation:** Because of the liquid nature of cash, preventative controls should be the first area of focus because detective controls often identify the error too late to prevent the loss of resources. Management should further refine controls over the bank accounts to strengthen the internal control system.

**Management Response:** Management agrees with this finding.

The need for better controls of cash and bank accounts is a priority for TCCAP's management. In FY



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2014, TCCAP closed several smaller, problematic accounts, where getting program managers to reconcile was a challenge.

The finance team will now reconcile all bank accounts monthly, before the month is closed. TCCAP management commits to ensuring that unusual practice, such as writing checks that exceed the available cash, will not take place.

**FS-2013-07**

**Condition:** Although the client is preparing a worksheet to reconcile the payroll reports from the payroll module of the accounting system to the quarterly 941 reports, the reconciliation process did not include a reconciliation to the totals per the general ledger accounts. Reconciling to the general ledger is an important control which helps to identify miss-postings which may otherwise go unnoticed due to the large dollar amount and transaction volume processed through the payroll general ledger accounts. This control is especially important at TCCAP because the accounting system includes an additional step of posting to a summary account and then allocating the costs to the individual program general ledger accounts. Assuming that the amount posted to the summary account equals the amount posted to the individual program general ledger accounts without verification could create an opportunity for errors or fraud to be undetected.

**Criteria:** Payroll general ledger accounts should be reconciled back to source documents and to other supporting documentation such as 941 Returns at least quarterly.

**Cause:** Procedures for the reconciliation of payroll information were in the process of being developed and had not yet been refined.

**Effect:** The final reconciliation obtained as a part of the audit reconciled within an immaterial difference to the general ledger accounts.

**Recommendation:** Management should implement procedures to include a quarterly reconciliation of the payroll information to the general ledger accounts.

**Management Response:** Management agrees with this finding.

TCCAP now has a process for reconciliation of payroll at every payroll period. This reconciliation is conducted by TCCAP's senior accountant, and his work is overseen by the CFO. Payroll is now being reconciled down to the individual program general account level through the year-to-date time sheet charges, by the activity report in our accounting system

**FS-2013-08**

**Condition:** A general journal entry was posted to record the liability for credit card transactions which were included on a statement which spanned the fiscal year end. The entry correctly recorded the liability, however the expenses were posted to a summary account which was included in miscellaneous expenses rather than posting each expense to the appropriate expense account. As a result, although the liability is correctly recorded, the expense is not reported by natural classification

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*(Continued on next page)*

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or by function. Additionally, the expense will not be included in expenses which were eligible for grant reimbursement.

**Criteria:** All expenses, including those recorded by general journal entry, should be posted to the individual expense accounts so that reporting by natural expense and by function will be complete.

**Cause:** In an effort to record the liability in the most expedient manner, the allocation of the expenses to the correct accounts was not performed.

**Effect:** The incorrect posting of the expense resulted in \$11,646 of expenses which were incorrectly reported by natural class and by functional category. Additionally, these expenses which may have been eligible for federal reimbursement will not be included in the expenditure totals.

**Recommendation:** Procedures should be implemented to ensure that all expenses are posted to the correct general ledger account including those posted through general journal entries.

**Management Response:** Management agrees with this finding.

During FY 2014, TCCAP created a new credit card policy designed to provide better internal controls, and direct expenses to the programs where they belong. Beginning in FY 2014, the Finance department is recording all outstanding payables down to the grant award level. This should ensure more accurate accounting of expenses, and also allow TCCAP to capture all allowable federal and state reimbursements

**FS-2013-09**

Repeat of FS-2012-18

**Condition:** Procedures over the control of the weatherization/better buildings materials inventory are inadequate.

The Organization purchases inventory in bulk for use by all of the weatherization programs. The materials used by the Better Buildings program are recorded on a worksheet and an entry should be posted at year end to transfer the expense related to the program from a general expense account to a Better Buildings program specific account. The Organization failed to post this entry which caused the Better Building program costs to be understated by approximately \$39,300.

Additionally, the fiscal department makes one entry at the end of the fiscal year to adjust the balance in the inventory account to agree to the value calculated from a physical count. However, no procedure exists to track and record the value of the items removed from inventory to ensure that all inventory has been accounted for and used for the weatherization programs.

**Criteria:** The Organization is required to implement procedures designed to safeguard organizational assets. This includes an inventory system which is capable of tracking additions to inventory for purchases, and reductions in inventory for items used by the organization. Additionally, the system should be capable of ensuring that the correct programs are charged for the appropriate portion of these expenditures.

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**Effect:** Failure to safeguard inventory could result in the loss of organizational assets. Failure to properly record expenses could result in an understatement or overstatement of allowable expense.

**Cause:** The Organization lacks a system to track items removed from inventory and to record the costs in the accounting system.

**Recommendation:** The Organization should develop a system which would allow the tracking of items removed from inventory so that the expense can be properly recorded. In this manner, the ending inventory should require minimal adjustment at year end, costs can be properly allocated by program, and any errors or misappropriations can be detected.

**Management Response:** Management agrees with this finding.

Prior to FY 2014 there does not seem to have been an adequate system for internal control of the Weatherization materials inventory. Since that time, there has been a change in leadership in the program, and new procedures for tracking inventory.

Currently, as items are removed from inventory and used to weatherize homes, the Weatherization Director tracks each job's actual use of materials, as well as labor and other expenses. The process of tracking expenses and revenues is overseen by the EHCCO Division Director and reported regularly to the Finance department. The CFO reviews these inventory uses, revenues and expenses, and makes value adjustments in the balance sheet quarterly. TCCAP now conducts a physical count of materials each quarter, and captures these in journal entries. Finance department has also created a written policy and procedure regarding procurement and inventory management.

**FS-2013-10**

**Condition:** Management failed to design and implement a procedure to ensure that the drawdown of federal funds was only for immediate needs and that reimbursement was requested only after the costs had been incurred.

Advanced funding of \$533,667 for program costs for the fuel assistance program funded through federal CFDA 93.568 was received on 10/31/12. Expenditures for the grant period had not been incurred however the funds were spent on organizational operating expenses.

**Criteria:** TCCAP is required to design and implement procedures to ensure that the drawdown of funds is only for immediate cash needs, and that reimbursement is requested only after costs have been incurred. If the Federal awarding agency has determined that reimbursement is not feasible because the recipient lacks sufficient working capital, the Federal awarding agency may provide cash on a working capital advance basis. Under this procedure, the Federal awarding agency shall advance cash to the recipient to cover its estimated disbursement needs for an initial period generally geared to the awardee's disbursing cycle. Thereafter, the Federal awarding agency shall reimburse the recipient for its actual cash disbursements. To the extent available, recipients shall disburse funds available from advanced funding before requesting additional cash payments.

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**Effect:** TCCAP did not comply with Cash Management compliance requirements which had a direct and material effect on the major federal programs.

**Cause:** The use of the advance funding for the Fuel Assistance Program took place prior to the resignation of former senior management and the court appointment of the Special Trustee. Current management and the Special Trustee identified the use of the Fuel Assistance Program funding and alerted the state agency responsible for administering the program. A liability for the funds was recorded in the financial reporting system of TCCAP and the funds were paid back to the state agency subsequent to the 2013 fiscal year end.

**Recommendation:** The Organization should continue in its efforts to design and implement procedures to ensure that funds advanced by an awarding agency are expended as closely as possible to receipt of the advance.

**Management Response:** Management agrees with this finding.

This particular finding is vital for TCCAP's future program integrity. TCCAP MUST comply with cash management requirements regarding the drawdown of an awarding agency's funds. Management believes that the spirit of the Auditor's recommendation has been followed in FY 2014. For example, TCCAP began a procedure of drawdowns with Head Start and RSVP that guaranteed that funds were not requested until payroll and accounts payable were completed and only represented costs to date. Other major federal accounts such as CSBG were drawn only on a 1/12<sup>th</sup> basis, and FAP monies were segregated into a separate restricted account which prohibited movement of funds without dual signatories from Senior Management.

However, Management commits to taking the additional step of creating a policy and procedure that contains language specifically referencing how monies advanced by an awarding agency are to be treated.

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**C. FINDINGS AND QUESTIONED COSTS**

**FS-2013-01, FS-2013-04, FS-2013-07, FS-2013-09, FS-2013-10 See Section B**

**SA-2013-01**

Repeat of SA-2012-04

**Condition:** Our audit of the controls over the Better Buildings Program revealed that TCCAP failed to comply with Davis-Bacon Act wage requirements.

The current year issue was identified and reported by NH Community Development Finance Authority during a monitoring visit in July 2013 and related to the June 2013 payroll. Additionally, we identified issues with the May 2013. Both of these errors were after the fiscal 2012 deficiency letter was issued which identified a similar finding related to the Weatherization Program.

Additionally per the Better Buildings grant document, certified payrolls were to be sent to the NH Office of Energy and Planning within 7 days of payroll processing. The Organization did not comply with this requirement.

**Criteria:** Per the grant documentation for the Better Buildings Program, employees must be paid in accordance with Davis-Bacon Act which requires that employees must be paid the local prevailing wage on federally funded or assisted contracts in excess of \$2,000.

**Cause:** The COO was responsible for approving the certified payrolls. He was under the false impression that the Program Director had reviewed the calculations and information for accuracy and compliance with Davis Bacon. As a result, the error was not identified during the preparation or approval process.

**Effect:** Failure to follow the Davis-Bacon Act is a violation of one of the types of compliance requirements material to the Better Buildings Program

**Recommendation:** The Organization should design and implement a system to comply with Davis Bacon Wage requirements.

**Management Response:** Management commits to complying with Davis-Bacon Act wage requirements.

As of FY 2014, the Better Buildings program no longer exists. In future, when TCCAP takes on projects that are subject to Davis-Bacon, Management will ensure that all requirements under the Act will be met. TCCAP will seek the guidance of an employment attorney to ensure its practices are designed to be fully compliant.

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**SA 2013-02**

**Condition:** The listing of property and equipment did not include any information regarding the source of funds used to acquire or improve each asset. Some of the assets were purchased with federal funds in accordance with grant requirements. However, depreciation related to those assets would not be an allowable expenditure for grant reimbursement. The organization did not have a procedure in place to identify assets purchased with federal funds and to ensure that the depreciation related to the assets was charged to the correct program for proper financial reporting, but not included in expenses submitted for reimbursement for grant compliance.

**Criteria:** The client must have a method to identify assets purchased with federal funds, to track the related depreciation, to properly allocate the depreciation to the program benefited, but to insure that the depreciation is not included as an allowable expense against the receipt of federal grant funds.

**Effect:** Approximately \$215,000 in depreciation was removed from expenditures which were included in allowable expense categories.

**Cause:** This appears to have been overlooked in the past because the Organization only receives a few grants which allow for the purchase of capital items and therefore they were unfamiliar with this requirement.

**Recommendation:** Procedures should be implemented which would include the identification of assets purchased with federal funds and a mechanism for tracking and posting the related depreciation expense.

**Management Response:** Management agrees with this finding.

In FY 2014, the Finance department created a "Federal, un-reimbursable" code in its accounting software, to keep track of non-allowable depreciation expenses.

Starting with a reminder to Program Directors in March, 2014, Management will take the additional step of making sure Program Directors and Finance staff are all well-versed in the requirement to identify assets purchased with federal funds.

**SA 2013-03**

**Condition:** Procedures have not been designed or implemented to allocate expenses to grants with periods which differ from the Organizations fiscal year.

The Head Start grant year includes the period of February 1 to January 31 of each year. Because the Organization did not post depreciation on a monthly basis until March of 2013, no depreciation was posted to the grant year which ended on January 31, 2013. However, 12 months of depreciation was posted to the grant year ending January 31, 2014 although only 5 months of depreciation was attributable to this time frame.

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Similarly, in-kind occupancy costs were not allocated to the correct grant year. No in-kind occupancy costs were charged to the grant year which ended on January 31, 2013. Instead all in-kind occupancy costs were charged to the grant year ended January 31, 2014.

**Criteria:** Only costs incurred within the allowable period may be reported as allowable costs for grant reimbursement of matching.

**Effect:** The Head Start grant ending January 31, 2013 was understated by approximately \$6,900. The Head Start grant ending January 31, 2014 was overstated by this same amount.

**Cause:** It appears that although the client implemented procedures to review and submit monthly financial information to the Head Start regional office, in response to a designation of "High Risk", the information which was being reported was not being carefully reviewed and compared against source data for accuracy.

**Recommendation:** Posting expenses on a monthly basis will help to alleviate issues related to differing grant periods. However, careful review of financial information by an individual independent of the preparation will help to identify errors with calculations and application of allocation methods.

**Management Response:** Management agrees with this finding.

It appears that when TCCAP began posting expenses on a monthly basis, this was a step in the right direction. But it also appears that initially, a careful review of the information reported was not done.

Management appreciates the Auditor's suggestion that TCCAP should not only post expenses on a monthly basis, but also provide a careful review by someone not involved in the preparation, as a check against errors. The current process is that the Senior Accountant prepares the journal entries for grant accounts monthly, and these entries are reviewed and approved by the CFO monthly.

**SA 2013-04**

**Condition:** Controls over the accumulation of allowable costs and related reimbursement requests for the Better Buildings program were inadequate.

Testing of reimbursement requests for 3 out of 10 requests submitted during the fiscal year identified 2 out of the 3 requests selected could not be reconciled to the financial reporting system. In both cases, the administrative costs did not agree to the financial reports. Additionally, in one case the program costs did not agree to the financial reports. Of the 3 requests tested, 2 requests were not approved by the appropriate personnel.

Because the grant remained open after the current fiscal year end, the Organization had an opportunity to research and correct the issue prior to the grant close out.

**Criteria:** Reimbursement request should be reviewed and compared to verifiable data. This review

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should be evidenced by the approval of an individual independent of the preparation process.

**Effect:** Failure to implement procedures to prepare an accurate reimbursement request may result in under or over reimbursement from grantor agencies.

**Cause:** The Organization lacks a system to properly document the information used to prepare reimbursement requests and to account for changes posted to the accounting system which may cause differences between information originally obtained versus information after adjustment.

**Recommendation:** Procedures must be designed and implemented which provide for the accumulation of information which will allow for an accurate reimbursement request, supported by verifiable data to be prepared.

**Management Response:** Management agrees with this finding.

The new Weatherization Director has begun a reconciling process using accounting software to put together reimbursements. He also obtains signatures of senior TCCAP staff, who review his work prior to transmission of billing. This practice was begun October 2013 and continues today.

**SA 2013-05**

**Condition:** In testing expenditures for the Head Start program, we noted numerous reimbursement requests which lacked the employee's signature and the approval of the supervisor.

**Criteria:** Per the Organizations procedures, expense reimbursement forms must be signed by the employee and approved by the supervisor.

**Effect:** Failure to review and approve expense reimbursements could result in miss-posting of expenses, unallowable expenses or fraud.

**Cause:** It appears that this occurred due to human error and was not identified because approval procedures were not followed.

**Recommendation:** We recommend that procedures be implemented which would require proper approval of all invoices, including expense reimbursements prior to payment.

**Management Response:** Management agrees with this finding.

In FY14 a process was created where any employee requesting reimbursement is required to prepare and sign the employee reimbursement form. A supervisor is required to review and approve the reimbursement, and the Payroll Accountant is required to review the reimbursement and make sure it was free of error, charged to the correct expense and element codes, accompanied by adequate backup documents and appropriately approved. The Payroll Accountant then requests the CFO signature on the document before release of payment.



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**SA 2013-06**

**Condition:** In testing reporting required for the Aging cluster, we noted that the reports for the quarter ended June 2013 were filed late for both the transportation program as well as the senior meals program. Additionally we noted that the number of trips reported on the March quarterly report for transportation reported 64 fewer trips than were actually reimbursed. Further inquiry with the Program Director revealed that the trips were properly reimbursed but were mistakenly left off the quarterly report.

It was also noted that on the Aging Cluster quarterly program service reports, the amounts reported as expenditures of the program were incorrect.

**Criteria:** Quarterly reports are to be submitted by the 15<sup>th</sup> of the month following the quarter end. Reports are to be supported by appropriate documentation.

**Effect:** Failure to file accurate and timely reports could result in a delay or loss of funding.

**Cause:** It appears that in the case of the transportation program, the late filing was due to the fact that the required financial information was not readily available. The other errors appear to be human error.

**Recommendation:** We recommend that procedures be implemented which would require a reconciliation of supporting data to the quarterly reports. We also recommend that a schedule be developed to ensure timely filing of reports.

**Management Response:** Management agrees with this finding.

In FY14 a process will be developed to ensure the timely filing of accurate reports.

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**PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

**FS-2012-01**

**Condition:** The board of directors (“the Board”) failed to properly design and implement a control environment sufficient to identify and respond to risks, gather, analyze and communicate key information, and control and monitor the activities of the organization.

Based upon interviews with the Program Directors as well as the many issues noted in the following deficiencies, it is evident that the Board did not fully understand its responsibilities to the Organization and the community it serves. The minutes prepared from the Board meetings, as well as accounts from individuals who attended the meetings, illustrate an informal approach to governance. It appears that some of the directors did not have a sufficient understanding of the major programs offered by the organization, the basic requirements for managing federal and other restricted funds, and failed to implement a process which would have educated themselves on these requirements. Additionally, the Board appeared to delegate responsibility for controls over the financial reporting system to members of senior management without designing and implementing a process which would keep them informed regarding the Organization’s financial health.

**Recommendation:** Due to the current status of the Organization, Board governance is going to be critical in the coming months. The Board will not only need to provide appropriate oversight, but will need to counteract a culture of disinterest and distrust between employees, members of management and the Board. They will need to set a tone that emphasizes ethical behavior, efficient and effective controls, and create a monitoring system which will allow them to measure progress toward meeting these goals. The Special Trustee temporarily appointed to govern the Organization (TCCAP’s existing Board is suspended) should carefully select candidates for the Board based upon prior board experience and a skills assessment. The Special Trustee and the Board should work together to create policies and procedures to govern the activities of the Board and to assure that all directors are fully advised of their responsibilities.

**Prior Year Response:** Management concurs with the commentary for this identified condition. TCCAP’s governing board (“the Board”) is unlike other nonprofit boards in that it requires (as a matter of Federal law) representation from three (3) different constituencies including at least one-third members from the low-income community, exactly one-third public officials, and up to one-third members from the private sector and, further, must include representation from Coos, Grafton, and Carroll counties. While TCCAP’s board had representatives from each of the foregoing, many of them were apparently not sufficiently trained or mindful of their fiduciary duties as being ultimately responsible for TCCAP. TCCAP’s Board will be thoughtfully re-constituted (a process now being initiated). The New Hampshire Attorney General’s Office, the Probate Court and the Special Trustee will reconstitute and oversee the activities of a new TCCAP Board (on which the Special Trustee will remain) until the Board will be able to function effectively, informed by proper training, and guided by revised, updated, and comprehensive articles of agreement and bylaws (the “Organizational Documents”) and complimented by policies and procedures adopted in accordance with accepted best practices for nonprofit organizations. Planned actions to address this condition include:

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- 1) The Board's training will include:
  - a. Instruction from the Charitable Trusts Unit of the New Hampshire Attorney General's Office, the Special Trustee, along with a module on board recruitment and governance available on Nonprofit Next, a resource web site developed and maintained by the New Hampshire Center for Nonprofits ("NHCN"), a respected resource and clearinghouse for information for New Hampshire nonprofit organizations; and
  - b. Training materials specific to Community Action Agency Boards, available from the national Community Action Partnership, to ensure that the particular requirements for Community Action Agency Boards, as outlined by the US DHHS Office of Community Service, are understood and met.
- 2) The Board will develop criteria for board member qualifications, which will be included in its bylaws, to ensure that it complies with its articles of agreement and functions to fulfill its mission by incorporating a suitable mixture of capabilities and skill sets necessary for the responsible oversight of TCCAP within the structural framework required of all community action programs. Conceptually, the Board will seek individuals with prior nonprofit board experience and professional expertise in law, finance, general business, stakeholders served by the agency, information technology, marketing, and nonprofit management. The criteria will be used to ensure that specific needs on the Board are specifically sought in board recruitment efforts.
- 3) Consistent with best practices, the Board will establish relevant committees to oversee TCCAP's management and the activities of the Board itself. At a minimum, there will be finance, audit, and governance committees and a requirement that these committees meet with sufficient regularity to discharge the duties entrusted to them.
- 4) The Board will adopt a revised and updated comprehensive Conflict of Interest Policy and will use that document, along with Organization's revised Organizational Documents, as the foundation from which to educate the Board about its duties to the organization, its stakeholders, and to the charitable class it serves.

**Current Status:** In the fall of 2013, the Special Trustee recruited, carefully interviewed (in some cases with the new CEO, Michael Coughlin), and selected an initial slate of Board candidates:

Sandy Alonzo, Berlin, Adjunct Professor at White Mountain Community College  
Steve Griffin, Berlin, former owner, Isaacson Structural Steel  
Gary Coulombe, Berlin, State Representative  
Sam Farrington, Chocorua, Attorney  
Ann Barber, Bartlett, Attorney  
Michael Dewar, Intervale, Contractor  
Nancy Kitchen, Holderness, Animal Care Manager and Head Start Policy Council  
Shannon Weaver, Littleton, Head Start Policy Council

The Board has met three times. At the first meeting, in December, 2013, the Special Trustee gave a history of the past year's situation at TCCAP, and an initial orientation to Board roles and responsibilities. On January, 23, 2013, Judge David King of the NH Circuit Court Probate Division in

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Lancaster, dismissed the former TCCAP Board, and impaneled the Board as listed above. At that time, Judge King also concluded the Special Trusteeship and closed the case.

The Board has received draft bylaws, Head Start and CSBG expectations, and a conflict of interest policy drafted by the Special Trustee. Three Committees have already been established, Governance, Finance and Executive. Audit will follow at a later meeting. The Special Trustee requested training for the Board from Terry Knowles of the Special Trusts Division of the NH Attorney General's office. That training is tentatively scheduled to be held in May, 2014.

The CEO and Board recognize that there needs to be more financial expertise brought on board. Six names of strong potential candidates with CFO, MBA and business owner experience have been identified, and at the first meeting of the TCCAP Board's Governance Committee, on February 13, the Committee will discuss these names and a methodology for vetting them will be agreed on. Bringing financial expertise to the CAP Board is one of the first priorities of this new Board.

**FS-2012-02**

**Condition:** The Board and senior management failed to develop a system to identify and respond to risks to the Organization. They did not evaluate risks related to the continuation of existing programs and did not evaluate the risks associated with new programs in order to properly design a system of internal control to manage the associated risks.

**Recommendation:** Existing programs should be evaluated based upon their financial performance, benefits to the community, and the abilities of the organization. New programs should be evaluated carefully before being accepted and a plan for management and control of the program should be designed and implemented immediately upon acceptance. Procedures should be implemented to guide management and the board when accepting donated assets to ensure that all factors are considered before acceptance takes place.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) The Special Trustee has directed that TCCAP staff, with outside consulting assistance undertake a review of all programs operated by the Organization through a two-pronged approach. The first prong reviews TCCAP's programs for mission alignment. The second prong reviews programs for financial viability, a process that is currently under way. Programs that fail the first prong have been (and will be) discontinued. Evaluation of the second prong focuses on the following:
  - a. Financial performance;
  - b. Sources and sustainability of funding;
  - c. Staffing and other resources requirements; and
  - d. Cash flow conditions.

If adjustments cannot be made to operate programs in a fiscally viable manner (viewed in

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light of (a) through (d) above), then those programs will be either discontinued or restructured to ensure such compliance.

- 2) On completion of the program reviews, steps will be implemented to ensure that programs retained by TCCAP will operate in furtherance of the Organization's mission, financially break even (if not generating a small net operating surplus), and efficiently use staff and other resources.
- 3) A process for evaluating adoption of new programs will be developed and made available to the Board as part of a Board training manual. Conceptually, this process is expected to include evaluating:
  - a. Alignment with TCCAP's mission;
  - b. Projected financial performance at breakeven or net operating surplus, accounting for the program's allocation of TCCAP indirect costs;
  - c. Operating cash requirements associated with the terms of grants and contracts, i.e., advance of funds at beginning of operating period vs. reimbursement for expenses incurred;
  - d. Cash and in-kind match requirements and the likelihood of achieving any such requirements;
  - e. The nature and long-term reliability of funding sources; and
  - f. Staffing and administrative support requirements and associated indirect costs.
- 4) A process for evaluating assets offered to TCCAP will be developed and made available to the Board as part of a Board training manual. Conceptually, this process is expected to include evaluating:
  - a. Ability to add value to and/or advance TCCAP's mission;
  - b. Redundancy with TCCAP's other operating facilities and locations;
  - c. Carrying costs for such items such as basic utilities, property insurance, and taxes (if charitable use were to cease or be disallowed in whole or in part);
  - d. Property and facility condition vs. associated capital reserves, along with the ability to generate future capital reserves reasonably required to maintain the asset(s); and
  - e. The terms of any extant leases or other use agreements which could (or would) affect use of the assets and/or TCCAP's ability to dispose of such assets.

**Current Status:**

- 1) Thorough reviews of all programs were undertaken in the winter and spring of 2013 by the Special Trustee, outside consultants, and TCCAP senior management. Decisions were made to eliminate some small programs and shrink some others. A number of staff were laid off, and the agency went forward with only those programs that fit the mission, and that could be operated sustainably.

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- 2) In the new fiscal year TCCAP began a process of ongoing evaluation of all programs. First, the COO and CEO divided the programs, with each Program Director reporting to one or the other senior leader. They are able to review program challenges and opportunities every week. Secondly, TCCAP began a process with the CFO, COO and CEO, of quarterly reviews of every program. This group reviews financial data and makes any adjustments that need to be made. In this fiscal year, for example, the agency decided to eliminate a service that showed declining usage, and prepare for a cut in a transit route. The group also identified sources of revenue for another current program that should help its sustainability.
- 3) No new programs are in the planning stage as of this writing; Board training about evaluating proposed programs will happen before any new programs are brought online.
- 4) The Special Trustee has worked on such a tool. Meanwhile, in the last 12 months, as mentioned earlier, three properties have been identified as being redundant to TCCAP's other operating facilities. The Board Training Manual is in draft form, at the offices of the former Special Trustee. When it is completed, it will become part of the Board's training.

**FS-2012-03**

**Condition:** The Board and its Audit Committee did not have the appropriate level of knowledge and experience to engage an independent auditor, review the overall audit plan, review the audited financial statements and evaluate the services performed. The audit committee did meet with the auditor at any time during the prior year audit.

**Recommendation:** The new Board, once re-populated, should take every opportunity to educate itself on the audit process including open discussions with its audit firm, with and without management present, the Special Trustee, board education materials available through the NH Center for Non Profits, guidance from other experienced boards, legal counsel, and the wealth of governance materials available through the NH Attorney General's Charitable Trust Division.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) The Board's training will specifically include a module on Financial Oversight using resources available on Nonprofit Next, in addition to the general training noted above. This module will explicitly address the value, utility, and process of a financial audit.
- 2) The Board's training will also include relevant materials available from the National Community Action Partnership and CAP Law.

**Current Status:** The plan, as articulated last year, is still in place. At this point, the Board is actively seeking several additional members who have strong financial backgrounds. The Governance Committee will be meeting monthly, with its first task being to vet names of potential new Board and

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Finance Committee members.

**FS-2012-04**

**Condition:** Certain members of the Board and members of senior management appeared to tolerate behaviors which violated grant and contract provisions.

Several employees expressed concerns that the attitudes and actions of certain members of the Board and some members of senior management reflected a lack of concern with ethical behavior including requirements to comply with laws, regulations, and the provisions of contracts and grant agreements. Examples of this behavior included covering operating cash shortfalls by using advances on federal funds which were not specifically expended for program requirements, funds held in a fiduciary capacity to cover operating expenses, and money from restricted accounts. Each of these issues was supported by an examination of documentation during our audit, and they are reported as individual deficiencies within this letter.

**Recommendation:** The Board must create an environment that demonstrates its commitment to accurate accounting and financial reporting and complying with laws, regulation, and the provisions of contracts and grants. It must send a message that behavior which does not comply with these goals will not be tolerated under any circumstances. Additionally they should create a process for employees to report concerns to the appropriate level of management.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) The Board's training will specifically include a module on Principles for Good Governance and Ethical Practice available on Nonprofit Next, in addition to general education on matters by the Special Trustee and the Charitable Trusts Unit of the New Hampshire Attorney General's Office, relative to the Board's fiduciary duties and the role of senior management relative to the Board and to the Organization generally.
- 2) TCCAP's Board will adopt and promulgate to all staff an Ethics Policy that makes it clear that compliance with laws, regulations, and grant and contract terms and conditions is a fundamental requirement and expectation of employment for the organization's staff and, if and as applicable, its vendors and subcontractors.
- 3) The Board will establish an active Finance Committee and charge it with developing and implementing operating policies and practices that will ensure accurate accounting and financial reporting, as well as compliance with all relevant laws, regulations, and contract and grant terms and conditions by the Board, senior management and program directors.
- 4) The policy will be reviewed with all staff as part of the orientation process and referenced in the Employee Handbook that will be developed and issued.

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**Current Status:** The new Board is still on track for all of the items articulated in this response last year. As noted above, Board training was begun at an orientation by the Special Trustee, in December, 2013. Further and ongoing training is planned, beginning with training from the Charitable Trusts Division of the New Hampshire Attorney General's office. Policy documents exist in draft form at the former Special Trustee's office. When these are finished, they will be reviewed and voted on for ratification by the

Board of Directors. As noted, the Finance Committee is recruiting additional members. With significant employee input, the Human Resources Policies and Procedures Manual is being re-written for the first time in nearly 20 years. A second draft of the document is nearly complete. Target for submission to the Board for review and ratification is April, 2014.

**FS-2012-05**

**Condition:** Senior management failed to develop and implement internal controls to insure that information is identified, captured, and recorded in the financial reporting system. Procedures to prevent, or detect and correct material misstatements in the financial statements were inadequate. Customary accounting procedures were not implemented and those procedures which did exist were not done in a timely manner.

We noted that the accounting and reporting processes are significantly delayed and that the review and reconciliation procedures were poorly designed or not implemented. At the time we were engaged to perform our audit on January 13, 2013, the trial balance for the year ended June 30, 2012 had not yet been adjusted, accounts had not been reconciled to supporting schedules, a preliminary schedule of expenditures of federal awards had not been drafted, and other customary procedures had not been performed.

We also encountered several deficiencies in internal controls during the course of the audit and are described more fully in individual deficiencies noted within this letter. However the combination of these deficiencies made the overall system of internal control over financial reporting ineffective.

These individual weaknesses include:

- Failure to detect and correct general ledger posting errors in a timely manner,
- Failure to report financial information and to respond to requests for financial information,
- Failure to report significant cash shortfalls to the appropriate level of authority,
- Failure to reconcile bank accounts in a timely manner,
- Failure to research and identify material discrepancies in bank account reconciliations
- Failure to control access to blank check stock,
- Failure to reconcile balance sheet accounts against supporting detail,
- Improper cut off of accounts payable transactions,
- Signing accounts payable checks without reviewing the invoices
- Extensive use of personal credit cards for company expenses,



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Failure to prevent the transfer of restricted funds to the operating account,  
Failure to capture bank transaction detail in the financial system but instead posting summary transactions,  
Failure to calculate compliance with loan covenant calculations

**Recommendation:** The Fiscal Department must be structured to ensure that employees have the necessary skills, resources and time available to perform customary accounting procedures. These procedures must be designed, communicated to employees and implemented immediately. Procedures should be in writing so that employees may refer to them as needed and understand their responsibilities and limitations. Employees should be given the necessary training to complete their assigned tasks and their performance should be monitored regularly so that errors can be prevented or detected and corrected in a timely manner.

**Prior Year Response:** See Current Year Finding FS 2013-01

Management concurs with the commentary for this identified condition. Generally speaking, the Organization's fiscal department was inappropriately staffed (in terms of qualifications and depth) to manage the complexities of TCCAP's fiscal operations. It is now being restructured to ensure it will be staffed with personnel having the experience, qualifications and sufficient depth to and monitor and respond to the Organization's financial needs. Management has already expanded internal controls with additional review and approval processes for the transfer of funds, recording financial transactions, entering all financial transactions in the accounting system, recording journal entries into the accounting system; reconciliation of the monthly bank accounts; the electronic drawdown of federal funds; and separation of duties and responsibilities. Additional specific planned actions to address this condition include:

- 1) Updating and fully implementing TCCAP's Accounting and Financial Policies and Procedures Manual;
- 2) Hiring a knowledgeable Chief Financial Officer (CFO) experienced in nonprofit and fund accounting (this process has been initiated);
- 3) Hiring an experienced and skilled accountant to support the CFO;
- 4) As new, experienced accounting staff is hired, enhancing account reconciliations, staff training, staff supervision, financial reporting and support to program directors that have already been initiated;
- 5) Researching and evaluating alternatives to upgrade or replace the existing accounting software to support TCCAP's operations and financial management more reliably and with greater utility;
- 6) Developing Standard Operating Procedures for all fiscal operations and tasks and ensure that they are incorporated into the revised Accounting and Financial Policies and Procedures Manual;

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- 7) Developing a plan to centralize fiscal operations including invoicing and collections, some of which are currently done by the operating divisions;
- 8) Developing in-house finance and accounting training programs including cross-training staff; and
- 9) Initiating financial reporting to upper management, the board of directors (when reconstituted), lenders, and grantors after recording June 30, 2012 audit adjustments into the accounting system.

**Current Status:** Management agrees with this finding. Please refer to management response in FS 2013-01 in this document.

- 1) Management has written and adopted a new Accounting Policies & Procedures Manual.
- 2) Organization has hired a CFO with over 25 years' experience in nonprofit financial management.
- 3) Organization has hired an experienced accountant to support ledger maintenance and support the CFO. The current incumbent has over 20 years of financial experience.
- 4) Organization has added a large quantity of reconciliations to the monthly closing processes. There has been extensive training of financial office staff as well as program staff on financial issues. Financial reporting to program staff occurs each month usually by the 5<sup>th</sup> of the subsequent month. There are also quarterly reviews with Senior Staff and all Program Managers on their budgetary status
- 5) The Organization has resolved to suspend the search for a new accounting software system. For the time being the current system is adequate to its needs.
- 6) Operational (desktop) procedures have been developed for each position in Financial. They are not incorporated into the Accounting Policies and Procedures Manual as they can undergo changes more frequently than the manual.
- 7) A plan has been developed and is in implementation phase to centralize not only invoicing and collections, but other issues like centralized contracting. The organization has staffed a Revenue and Compliance Manager position to continue this centralization process.
- 8) As mentioned above in item number 6, extensive training has been instituted.
- 9) All financial reporting goals have been accomplished.

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**FS-2012-06**

**Condition:** The Organization lacked a process to provide for the open communication of information between the fiscal department and program staff.

Several employees complained of evasive and uncooperative behavior when requesting financial information or clarification of items posted to their program accounts. They also expressed difficulty in understanding the financial reports provided by the fiscal department, the timeliness of the reporting, and confusion over certain costs which are calculated by the fiscal department such as the indirect cost, fringe benefit and leave allocations. This has led to significant mistrust of the financial information provided by the fiscal department. Our audit has revealed several flaws with the use of the financial accounting system which have made the information provided by the fiscal department difficult to use and in some cases inaccurate.

**Recommendation:** All employees of the Organization should be encouraged to take a renewed interest in improving the financial reporting process. The fiscal department must implement procedures to insure the accuracy of information and must provide timely reporting. A mechanism should be established for employees to communicate errors or requests for clarification to the fiscal department and these communications should be addressed and resolved. The fiscal department should work with employees to provide education regarding the types of financial information available and to modify, or design reporting which meets the needs of the employees. As employees gain confidence in the accuracy of the reporting from the fiscal department, they should be encouraged to discontinue the duplicate systems they had developed.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) As of early January 2013, active steps have been taken to reengage administrative staff with Division Directors within TCCAP. These steps have included instructing administrative staff to engage constructively and responsively with other staff. Division staff members handling financial matters have been instructed to engage and work collaboratively with Fiscal Department staff. Everyone has responded positively to these instructions, and communications have improved dramatically. Timely delivery of financial reports and correction of errors by the Fiscal Department staff has improved working relationships and collaboration.
- 2) As of mid-January 2013, division staff responsible for financial matters and invoicing were instructed to copy the Fiscal Department on all invoices issued and all notices of grants awarded. The availability of this information has allowed the Fiscal Department to provide financial reports that are more timely and useful to the divisions because revenue accruals are up to date.
- 3) Consultants working with TCCAP for the Special Trustee have spent considerable time with division staff educating them on financial management and the implications of the various funding sources for their programs, as well as the critical nature of cash flow and its management. Budgeting for future contracts is also being provided. The result of these

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efforts is that the division staff are far more attuned to the financial aspects of their operations and of the need for timely, accurate invoicing. Division staff have embraced the education and the new requirements for their involvement and have reported an increased sense of confidence with the amount and quality of available information.

- 4) TCCAP has initiated the process to hire a qualified Chief Financial Officer and supporting accounting staff to improve Fiscal Department operations and provide more and better support to the divisions, particularly with regard to billing and collections. The hiring will be augmented by evaluation and likely replacement of the existing accounting infrastructure and software, subject to funding availability. In time, an efficient and properly functioning Fiscal Department will permit the Organization to achieve greater efficiencies by removing fiscal functions from programs and transferring them to the Fiscal Department. Such a transfer will permit the programs to focus on a standard of excellence in delivering program services.
- 5) A culture of distrust, disharmony and general dissonance between the Fiscal Department and TCCAP's Program Managers has been replaced with one of openness and trust characterized by mutual accountability. For instance, Program Managers are being advised that the Fiscal Department will be fully accountable to the Board and the Program Managers to permit the Organization to function as a cohesive whole, not multiple programs orphaned by an understaffed, frequently ineffective, nonresponsive and inattentive Fiscal Department. Frequent meetings between program directors, the Special Trustee and the Fiscal Department have resumed and will be held with regularity going forward.
- 6) The Fiscal Department will live within the means of a budget, and the roles of senior management of the Fiscal Department will be clearly identified and made known to the Board and to all program managers.

**Current Status:**

- 1) Management continues efforts to engage Fiscal staff with Division staff. These efforts seem to be successful, as opportunities for communication and working together continue to identify areas of improvement.
- 2) Special Trustee's instructions continue to be followed in this area.
- 3) Division staff seems to have taken last year's education to heart. A new EHCCO division director brings quality financial knowledge and a master's degree in public administration to the position.
- 4) These positions were filled successfully.
- 5) TCCAP continues the direction that the Special Trustee began last year. Regular monthly meetings of Division and Fiscal staff have taken place, and the new CEO instituted the practice of inviting Division Directors, along with the COO and CFO to monthly Board meetings in an effort to model transparency.

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- 6) Special Trustee's instructions continue to be followed in this area.

**FS-2012-07**

**Condition:** Policies and procedures over payroll and human resource management were poorly designed or not implemented.

A review of employee personnel files revealed that hiring procedures for key positions were informal and poorly documented. Certain key positions, including the Executive Director and Chief Financial Officer, lacked a position description, employment application, background checks or other documentation to support a thorough and comprehensive hiring process.

It also appears that, in most cases, no specific salary ranges or performance requirements were established based upon comparative industry information which would provide a basis for starting salaries, merit increases and performance bonuses. Bonuses and salary increases appear to have been made at random intervals with little documentation or support for the amount.

Payroll posted to the general ledger was not reconciled to the 941 quarterly payroll reports on a timely basis to insure that information was correctly recorded in the accounting system and correctly reported on the payroll reports. Checks issued for payroll were presented to an authorized signer for signature without the supporting payroll reports to support the issuance of the checks. The Accounting Manager had the ability to enter and change information in the payroll module of the accounting system and also had the ability to transmit the direct deposit file. She routinely transmitted the direct deposit file without reconciling to the payroll reports. Lastly, an accrual for payroll for the year ended June 30, 2011 had not been made, requiring an adjustment to the prior period net assets.

**Recommendation:** We recommend that the Organization design and implement procedures over the payroll and human resource functions immediately. This may require the Organization to obtain training or identify other resources available which can guide them in this process. They should ensure that all policies and procedures are designed to ensure compliance with contracts and grants.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) TCCAP will develop an internal HR and payroll management program. In this process, it will avail itself of the HR resources available on the Nonprofit Next web site in developing its program, procedures, and forms.
- 2) An existing personnel policy manual will be reviewed and updated or revised, as appropriate, as part of this process.
- 3) A draft employee handbook is being completed and instituted at TCCAP as part of this process. The policies in the personnel policy manual will be referenced or directly incorporated into the employee handbook, as appropriate.

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- 4) After the program has been developed and implemented, TCCAP will engage an outside HR professional to complete an audit of the program and policies for legal compliance and adherence to best practices.
- 5) Going forward, TCCAP will either hire sufficient staff to discharge these duties or outsource its HR and payroll functions to other competent organizations or vendors to ensure compliance.

**Current Status:** This issue has shown significant improvement since FY 2012, but more work needs to be done to improve the Human Resource function.

- 1) As of FY 2014, the Special Trustee initiated a comprehensive hiring process in recruiting the new CEO, including criminal and motor vehicle background checks.
- 2) Payroll posted to the general ledger is now reconciled at each pay period.
- 3) Any checks submitted for payroll now contain supporting documentation.
- 4) As noted above, a first draft of a new Human Resources policy and procedure manual has been created. It is currently being reviewed line by line by the CEO and COO.
- 5) The COO has announced his departure as of late spring, 2014. The current plan is to allocate part of the salary dedicated to his position toward hiring a Human Resources Manager. As of this writing, the CEO's intention is that the Payroll function will report into the Human Resources office.

**FS-2012-08**

**Condition:** The Organization failed to design and implement a procedure to anticipate and manage expenses and revenues to ensure that cash flows were sufficient to meet immediate and long term needs.

**Recommendation:** The Organization should utilize the existing accounting system or other mechanism to create detailed program budgets which consolidate into an organizational budget. In order to shrink the revenue gap, program expenses should be carefully scrutinized to determine if they are necessary and if they are being purchased in the most cost beneficial manner. Allocated costs purchased at the organizational level such as workers compensation, liability insurance, and health insurance, should be examined and periodically compared to market prices to determine that the costs are competitive and appropriate. Costs which will be included in the indirect cost, fringe benefit, and leave pools should be carefully managed and should be scrutinized as to the appropriateness of including them as an indirect cost versus a cost directly charged to a program. The indirect cost rates should be determined at the beginning of the fiscal year and should not fluctuate based upon random increases in management salaries, or other unbudgeted expenses. Revenues should be forecasted and reimbursement for expenditures should be requested in a timely manner. The Organization should also carefully control and manage the CSGF funding as well as other unrestricted funding such as

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client fees and utilize these resources as part of a planned approach.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) Starting in January 2013, TCCAP Fiscal Department instituted a practice of tracking invoices issued the various division programs. This practice, coupled with historical time to payment information, allowed TCCAP to begin to proactively manage accounts receivable.
- 2) Starting in January 2013, TCCAP's Fiscal Department instituted a practice of cash flow forecasting based upon projected routine operating expenses, entered accounts payable, and projected receipts from the accounts receivable information. This practice has allowed TCCAP to proactively manage and plan cash flow.
- 3) The annual budgeting process is just beginning at TCCAP for FY2014. The division budgets are to be constructed based upon historical experience and projected changes to contracts to funding. The division budgets will be combined with a budget for agency administration and overhead to create an agency annual budget. This budget will be used to manage agency activities in the next fiscal year. As part of this process, organizational level expenses will be evaluated, competitively shopped, and properly assigned to individual projects and programs to the degree practicable.
- 4) The financial data from FY2013 and projected expenses for FY2014, including any projected increases to agency administrative staff salaries, will be used to establish the indirect cost rate for TCCAP in FY2014, which will then be consistently applied for FY2014 and not changed throughout the year. This process will be the template for development and use of the indirect cost rate in future fiscal years.
- 5) As of March 2013, planning is in process to initiate active use of the accounts receivable module of the accounting software system. The use of this functionality will allow issue of meaningful (and current) financial reports to support proactive management of agency financial matters.

**Current Status:** Management agrees with the commentary on this finding. Some progress has been made, but more work is necessary:

- 1) Special Trustee's commentary still stands as TCCAP practice.
- 2) Special Trustee's directions continue to be followed.
- 3) Annual budgets were created for divisions, but WERE NOT rolled up into an agency-wide annual TCCAP budget. Management's observation is that the organization was occupied with survival mode for the first part of FY 2014, and after that, the audit took much of Fiscal department's time and attention. The plan is to create a budget for the last few months of FY 2014 and then immediately to work on developing an FY 2015 annual budget. Management

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believes an annual budget is a vital document to help the agency plan for and manage revenues and expenses.

- 4) The indirect cost rate was still being worked on as late as February, 2014. Management speculates that part of this issue stems from the fact that in FY 2013, there were four different leaders who had responsibility for managing TCCAP's finances at four different times: from the former CFO who resigned in December, 2012, to the Special Trustee, to the Consultant he brought in as part of the "rescue team," and the CFO, hired in May, 2013. Each may have had slightly different philosophy on how to calculate this rate.
- 5) Accounts Receivable module in the accounting software system has been in use since 2013, and seems to be working quite successfully.

**FS-2012-09**

See Current Year Finding FS-2013-06

**Condition:** The Organization failed to design and implement procedures to control and monitor the use of the organizations bank accounts.

Blank check stock was kept in a locked safe however the key to the safe was hidden where several employees could access the key if needed. Additionally signed but un-mailed checks for as much as \$218,936 were kept in the safe which could be accessed by these same individuals. Stacks of checks were removed from the safe in order to prepare payroll and accounts payable checks with no control over the number of checks taken or returned as unused.

Checks for accounts payable were presented to authorized signers; however, supporting documentation was not provided to ensure that the checks were to pay legitimate expenses.

Individuals with general ledger posting access were also authorized signers on some accounts. General Journal entries were used freely and frequently had no backup or approval.

Accounts were not reconciled in a timely manner and when reconciled were not reviewed for old reconciling items. The operating account had a reconciling item of over \$460,000 which had been outstanding for over a year, yet no one had resolved the issue at the time of audit.

Funds were transferred between accounts, and general journal entries were posted regularly with little supporting documentation and no evidence of approvals. As a result, money from a bank-restricted account related to the organization's bond was, at times, transferred for use in the operating account.

Several bank accounts at various banks were combined into one account on the general ledger. In

some cases, activity in the accounts was not posted to the general ledger, but instead was only adjusted at the fiscal year end with a single entry to adjust the cash balance to the bank statement. Although in most cases the cash balance did not change significantly this process failed to record all the cash receipts and disbursements that accounted for the change, which, in some cases, were



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significant and caused revenue and expenses to be understated. Additionally since the monthly activity was not recorded, no procedures had been implemented to review the monthly bank statements for possible misappropriations.

**Recommendation:** Because of the liquid nature of cash, preventative controls should be the first area of focus because detective controls often identify the error too late to prevent the loss of resources. Management should design and implement controls over the bank accounts immediately. These controls should include controlling access to blank check stock, reviewing individuals with check signing authority and educating them on their responsibilities, and creating policies to require the timely reconciliation of accounts and the review and resolution of outstanding items.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) TCCAP will review its existing Accounting and Financial Policies and Procedures Manual, update and revise it as warranted, and then implement the control procedures documented in the manual.
- 2) The process of reviewing, revising, and implementing the accounting procedures will specifically address the items identified in the Recommendation for this condition.
- 3) The Special Trustee has already substituted appropriate personnel to act as signatories and/or to have transfer privileges and multiple signers are now required to ensure the security of the Organization's financial accounts and oversight over them.
- 4) Management has implemented internal controls that require review and approval of planned expenditures combined with a cash management system that allows checks processed to be issued immediately.

**Current Status:** Management agrees with Auditor's commentary on this finding. See management response in this document under FS-2013-06

**FS-2012-10**

**Condition:** The Organization failed to responsibly manage funds held in a fiduciary capacity for the Guardianship Program. At the time of the audit \$375,000 was owed to clients serviced by the Guardianship program because funds had been transferred from the guardianship account to the TCCAP operating account in order to meet organizational expenses. Additionally the Guardianship account had not been reconciled to the bank statement since December 2010. The Organization also provides accounting services for a separate entity, Cornerstone Housing North, and made an online transfer of \$35,000 from the Cornerstone Housing North account into the TCCAP operating account. The transfer from the Guardianship Program is recorded as a liability on the financial statements at June 30, 2012. The transfer from the Cornerstone Housing North reserve account was repaid prior to the end of the fiscal year.

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**Recommendation:** The Organization should review current access to these types of accounts along with other bank accounts and restrict access to a few individuals. Controls should be designed and implemented to carefully monitor activity in these accounts. Policies, including penalties for violation should be written and enforced. These accounts along with other bank accounts should be reconciled at least monthly and any issues should be resolved timely.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) TCCAP has instituted controls that require dual signatures to authorize the transfer of funds into its operating account from any other accounts and documentation of all such transfers in the accounting records of the agency.
- 2) Regarding the Guardianship account, future transfers will require approval of the fiduciary on the account.
- 3) In mid-November 2012, proceeds from a long-term debt restructuring transaction were used to replenish the \$375,000 Guardianship account, and approximately \$150,000 of the \$375,000 was then returned to Guardianship's main client account at another bank, leaving \$225,000 in the account at Northway Bank in Berlin. Subsequently, \$224,000 was removed from the Northway account and improperly used to pay TCCAP general operating expenses, leaving \$1,000 in the account and a balance of \$224,000 owed to Guardianship.
- 4) In early March, TCCAP committed to a repayment scheduled for these funds of approximately \$20,000 per month, cash flow permitting. By the end of March, \$20,000 will have been repaid.
- 5) The process of updating and revising accounting procedures discussed in response to a prior condition will include requirements for monthly reconciliation of bank statements.
- 6) It should be noted that efforts to analyze and streamline TCCAP's operating programs, as well as streamlining of invoicing and collection processes, are expected to, over time, alleviate the cash flow pressures that lead to the action addressed in this condition. Similarly, the Organization's restructuring and adopting of required policies as noted above will create processes, procedures, controls and oversight and a general operating environment where such practices will not be tolerated or permitted.

**Current Status:**

- 1) Control procedures set up under the Special Trustee's leadership remain in place and continue to be followed. This system seems to be working well.
- 2) Special Trustee's controls remain in place and are being followed.
- 3) As of FY 2014, any money moving from fiduciary or restricted accounts requires two senior management signatures.

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- 4) As of this writing TCCAP has fully paid back the Guardianship account, Head Start monies, Fuel Assistance and Cornerstone accounts.
- 5) As noted above, bank statements are reconciled monthly.
- 6) Cash flow remains a pressure, mainly because TCCAP had gotten so far behind in paying vendors that it has taken months to pay these vendors down. As noted above, selling some surplus real estate should help this situation greatly.

**FS-2012-11**

**Condition:** Several program directors did not have a complete knowledge of the federal and state grants which fund their programs. When asked to relate their program funding to a schedule of expenditures of federal awards, most program managers were unable to identify all the grants which provided the funding for their programs. Additionally, several program managers did not have copies of the grants and did not appear to be familiar with the details of the grant documents.

**Recommendation:** A process must be developed to provide both the Program Directors and the Fiscal Department with information about each program and its sources of funding. Program Directors should have current complete copies of the awards, contracts and grants which affect their programs. They should be able to relate this information to the Catalog of Domestic Federal Awards and should understand all of the financial reporting requirements and grant compliance requirements for each award. The Program Directors and the Fiscal Department should work together to ensure the accuracy of this information throughout the year.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) In January 2013, Program Directors were required to assemble and summarize all contracts and grants they administer. This requirement initiated familiarization of these personnel with these requirements.
- 2) TCCAP will institute a grant and contracting process that will involve review of compliance requirements at the time that budgets and applications are being prepared. A summary of the requirements will be generated during this time and a copy transmitted to the Fiscal Department. The summary will be used as a reference by both the Program Directors and the Fiscal Department in fulfilling accounting and reporting requirements for individual projects.
- 3) TCCAP will institute the requirement that copies of all grants and contracts will be retained by both the Fiscal Department and the Program Director of the program executing the grant or contract. As a part of their job description, Program Directors will be accountable for understanding all of the compliance requirements associated with the programs that they run as articulated in the grants, contracts, and applicable regulations. Together, the Program Directors and Fiscal Department will be accountable for ensuring financial and accounting compliance with these requirements with, for FY2014, ultimate responsibility and authority

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resting with the Program Directors for the accuracy of the information and allocation and acceptance of expenses.

- 4) The Accounting and Financial Policies and Procedures Manual which is being updated, will require a monthly budget to actual report for all programs administered by Program Directors be timely issued. It will include a policy requiring a periodic meeting with the CFO and Program Directors to review these reports, discuss budget variances, develop modification plans and identify developing issues for timely action. Starting in FY2015, Program Directors will review accounting reports for their grants and contracts to provide quality assurance on the allocation of expenses; however, the ultimate responsibility for accuracy of information and allocation of expenses in compliance with grant and contract requirements will rest with the Fiscal Department. This transition assumes that the Fiscal Department will have hired the necessary staff to track and ensure compliance and that it will have acquired the necessary infrastructure to accomplish this responsibility.
- 5) Program Directors will be required to attend training sessions, both internally and externally, to gain the requisite knowledge needed to administer their programs in compliance with legal and regulatory requirements. Program Directors who are unwilling or unable to make such a commitment may need to be replaced or reassigned within the Organization.
- 6) Program Managers will be supported in their obligations set forth herein by a Chief Operating Officer and Chief Executive Officer, as well as by the Chief Financial Officer. Additionally, a Grants Manager assigned to TCCAP administration will act as a central repository for all grants submitted and approved, and will support program staff in managing those grants.

**Current Status:** The process for distribution of contracts and grants was centralized. All contracts come through the Central Office for review and approval by the CEO once the Program Manager has reviewed the contract or renewal. The Grants Coordinator obtains the CEO's signature and submits the contract to the funding entity, after recording them on the grants worksheet. The Grants Coordinator then follows up on the full execution of the documents. Once full execution is obtained, the Grants Coordinator makes an electronic copy of the grant/contract and submits to the Program Manager as well as to the Central Office files.

- 1) Goal accomplished as stated in prior year audit
- 2) A Master Compliance Log was created by the CFO to summarize and make a comprehensive guide for not only contract-related compliance issues, but also organization wide compliance issues (not related to grants), building compliance issues, etc. Point being that not all compliance is related to grants and having all compliance in one place helps in proactively managing compliance. Having a dedicated Revenue and Compliance Manager position has also helped to address some compliance issues.
- 3) Goal accomplished as stated in prior year audit
- 4) Goal accomplished as stated in prior year audit

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- 5) The CFO has done training sessions with Program Managers on the compliance content of their contracts as well as A-122 specific training.
- 6) Goal accomplished as stated in prior year audit.

**SA-2012-01**

Repeat of FS-2013-02

**Condition:** Management failed to design and implement a procedure to ensure that the drawdown of federal funds was only for immediate needs and that reimbursement was requested only after the costs had been incurred.

Advanced funding of \$538,736 for program costs for the fuel assistance program funded through federal CFDA 93.568 was received on 12/13/11. Expenditures were \$29,503. Yet the remaining \$509,233 had been spent on organizational operating expenses.

Advanced funding of \$51,839 for administrative costs for the fuel assistance program funded through federal CFDA 93.568 was received on 12/13/11. Expenditures were \$8,699 yet the remaining \$43,140 had been spent on organizational operating expenses.

Advanced funding of \$14,781 for the Heating Repair and Replacement Program funded through federal CFDA 93.568 was received on 12/12/11. Expenditures were \$7,767 yet the remaining \$7,014 had been spent on organizational operating expenses.

Funding in excess of expenditures was received for the Head Start Program in the amount \$345,041 all of which has been recorded as restricted net assets.

Advanced funding of \$100,767 from the Community Services Block Grant, CFDA 93.569 was awarded; however, because this grant can be used for multiple purposes, it is likely that the Organization had sufficient expenses to warrant the expenditure of the advance upon receipt.

**Recommendation:** The Organization must design and implement procedures to ensure that funds advanced by an awarding agency are expended as closely as possible to receipt of the advance. Excess funds should be kept in a deposit account insured through FDIC coverage and only expended for the intended program.

**Prior Year Response:** Management concurs with the commentary for this identified condition. For direct funded federal programs, the Agency has already enhanced its separation of duties and responsibilities, review, approval and documentation to support funds drawn down are in compliance with established Federal Regulations.

The current practice is funds drawn down are expended within 1 or 2 days of receipt of the Federal Funds. Other planned actions to address this condition include:

- 1) In January 2013, TCCAP instituted practices to invoice for expenses as early and as

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frequently as practicable to improve cash flow. This effort has the effect of expending advanced funds as closely as practicable to receipt of the advance.

- 2) TCCAP will retain excess funds from LIHEAP and other advances in a dedicated FDIC-insured account separate from TCCAP operating accounts. Withdrawals from these accounts will only be permitted after acceptance of relevant invoices and documentation by the awarding agency and under a dual signature system with TCCAP. Documentation of all such transfers will be retained with the agency's accounting records.
- 3) These practices will be documented in the agency's Accounting and Financial Policies and Procedures Manual and enforced by senior management under the oversight of the Board.
- 4) Going forward, responsibility for monitoring the condition noted herein will be specifically assigned to one or more members of TCCAP's senior management team.

**Current Status:** Management agrees with the Auditor's commentary in this finding. See Management response to SA-2013-02

**FS-2012-12**

**Condition:** The Organization failed to maintain deposit account balances in accordance with the USDA Loan Security Agreements. At the time of the audit the balance in the account was \$93 while the required balance was \$52,497.

**Recommendation:** The Organization must design and implement procedures to ensure that the required deposit balances are maintained in accordance with the Loan Resolution Security Agreement.

**Prior Year Response:** Management concurs with the commentary on this condition. Specific action planned to address this condition includes:

- 1) Restoring the proper balance to this account as cash flow permits and/or seeking modification from the USDA relative to this balance requirement;
- 2) Revising TCCAP's Accounting and Financial Policies and Procedures Manual to require timely review and compliance with all loan security agreements signed by the agency; and
- 3) Revising the Manual to provide that funds may not be removed from deposit accounts established pursuant to loan security agreements without obtaining proper consent from the lending Organization and in compliance with all other provisions of the governing agreement.

**Current Status:** Management agrees with the Auditor's commentary, and can report progress from all actions taken, with more needed in one action area.

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- 1) Management continues to pay \$437 into the USDA account each month, so that at this point, TCCAP has \$4,468.18 in this account, still very short of the required balance.
- 2) Goal accomplished as stated in prior year audit
- 3) Goal accomplished as stated in prior year audit

**FS-2012-13**

**Condition:** Staff did not appear to have a thorough understanding of the types of costs which are allowable under Cost Circular A-122. Evidence of this included costs for interest and late fees being allocated to programs receiving federal funding. Although in each case, other non- federal funding was also available to the program to cover the amounts of interest and late fees, employees should be educated on the types of expenses which are not allowable for federal reimbursement.

**Recommendation:** The Organization should provide training to employees so that they are fully educated on the types of costs which are allowable. In addition the Organization should develop a policy regarding costs which are not specifically addressed in the circular and how the employee should determine if the cost is reasonable and necessary. Several low cost options are available including free access to the circular on the OMB website, and various training classes offered online, through the awarding agencies, or through the NH and MA Societies of Certified Public Accountants.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) The recruiting process for a CFO and experienced accountant will include determining their knowledge level of federal regulations, allowable costs and cost allocation plans. Understanding of federal, state and local grant awards will be part of the recruitment discussion.
- 2) Staff training will be defined in the updated Accounting and Financial Policies and Procedures Manual.

**Current Status:**

- 1) The Special Trustee did hire more experienced staff for the Finance staff, including a CFO and Senior Accountant, both of whom came with knowledge of federal regulations and allowable costs.
- 2) The Manual was created, and training for staff happened in June, 2013. More and ongoing training for staff is planned, including a training conference for Finance department staff in June, 2014, and a management training conference for three program staff in May, 2014.

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- 3) In addition, the new Grants Coordinator position seems to be helping program directors upgrade their knowledge of these issues.

**FS-2012-14**

**Condition:** The Organization lacks a procedure to periodically evaluate costs to determine that the accounting system is correctly charging expenditures in a fair and equitable manner. As a result, management could not be certain that they had incurred sufficient expenditures to support the receipt of federal and other funds without significant reallocation and adjustment.

**Recommendation:** Management must be diligent in evaluating all expenses including expenses which are included in the indirect cost rate. Prior treatment of a specific cost does not ensure that similar treatment will be appropriate in all occasions. Creating a budget of expenses to be included in the indirect cost rate versus those which should be charged to programs will give the program directors and accounts payable clerk a guide for posting the expenditures instead of expecting them to make on-the-spot decisions. This will also prevent adjustments at year end which could result in insufficient expenses to support reimbursement of federal and state funds.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Actions taken to address this condition include:

- 1) TCCAP has instituted an enhanced review and approval process for the coding, classification and processing of financial transactions.
- 2) TCCAP has also designed and implemented a cost allocation plan for shared cost items.
- 3) A budget for indirect expenses is being developed with approval expected for the fiscal year beginning July 1, 2013.

As a result of the above changes, management believes this finding has been satisfactorily resolved.

**Current Status:**

- 1) Goal accomplished as stated in prior year audit
- 2) Goal accomplished as stated in prior year audit
- 3) Goal accomplished as stated in prior year audit

**FS-2012-15**

See Current Year Finding FS-2013-03

**Condition:** Although the Organization states in its accounting policies that it complies with the requirements to report net assets as unrestricted, temporarily restricted, and permanently restricted,



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they failed to follow that policy and recorded all net assets at year end as unrestricted.

**Recommendation:** The Organization should develop a policy regarding the acceptance of donations and other grants. This should be completed in conjunction with consideration of a risk management policy. The Organization should create a standard form which should include an identification of any restrictions imposed by the donors on the award since many private donors fail to stipulate this in their own documentation. The fiscal department employees as well as other program staff should be educated on the proper classification of net assets. The accounting system or other mechanism should be utilized to track revenues which are unexpended at the fiscal year end. If the donation is restricted as to the allowable time frame for expenditure, then the donation should be returned to the donor. If there is no time restriction then they should record these revenues as temporarily restricted in the financial statements. These funds should be made available in the subsequent year for continuation of the donated purpose.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) TCCAP will amend its accounting procedures and practices to ensure that net assets are recorded as unrestricted, temporarily restricted, or permanently restricted. Further, temporarily or permanently restricted assets will be maintained in an account separate from TCCAP's operating bank account and will not be released to operating use unless and until compliance with the restrictions has been demonstrated and approved by both the CEO and CFO. Documentation of compliance will be retained in the agency's accounting records.
- 2) The revised procedures will be used as the basis for training Fiscal Department and division staff regarding the proper management of net assets and associated restrictions.
- 3) Any policies adopted shall specifically reference the need to consult competent legal counsel so as to ensure the proper categorization, management, recording, and disposition of any such assets in the event that any such questions arise.

**Current Status:** Management agrees with this finding. See Management response earlier in this document under FS-2013-03.

**FS-2012-16**

**Condition:** The Fiscal Department did not have a policy to ensure that all liabilities were identified and recorded in the financial statements. The Organization did not properly account for accounts payable checks that were prepared but were held and not mailed at year end. Additionally, liabilities for other items such as credit cards, other loans, and Enterprise Rental Car charges were not recorded.

**Recommendation:** We recommend that the fiscal department be provided training on how to identify and report liabilities in the financial statements. A procedure should be developed to assist them in this process and to require management to review this information to ensure that the reporting is complete.

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**Prior Year Response:** Management concurs with the commentary for this identified condition. Actions taken to address this condition include:

- 1) Management has ended the practice of preparing checks and holding checks.
- 2) The Fiscal Office is now recording all financial transactions of the Agency.

With the two changes referenced above, management feels this finding has been nearly (if not completely) resolved.

**Current Status:**

- 1) TCCAP maintains its prohibition against this practice.
- 2) TCCAP has continued this policy and procedure.

**SA-2012-02**

**Condition:** Our audit of the controls over the Fuel Assistance Program revealed that the program failed to comply with the requirement to provide reasonable assurance that no purchase of goods or services is made with any debarred or suspended party.

**Recommendation:** The Organization should implement procedures to check vendors against the federal list of parties who have been suspended or debarred.

**Prior Year Response:** Management does not fully concur with the commentary for this identified condition. TCCAP was operating in a manner consistent with guidance and direction received from OEP. Nevertheless, given that the guidance and direction may have been incorrect and that TCCAP is ultimately responsible for compliance, planned actions to address this condition include:

- 1) The ECCHO Program Director will be required to check the federal list of suspended and debarred vendors prior to entering into agreements to acquire products or services from any vendor in conjunction with the Fuel Assistance Program.
- 2) TCCAP will revise its Accounting and Financial Policies and Procedures Manual to require checking of the federal list of suspended and debarred vendors prior to release of payments to vendors for Fuel Assistance Program expenses.
- 3) TCCAP will coordinate with State funding agencies, particularly, New Hampshire Office of Energy and Planning to ensure that it is in full compliance with all legal and regulatory requirements.
- 4) TCCAP is currently restructuring its ECCHO Program and will, as part of its restructuring, include new procedures for ensuring compliance going forward.

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**Current Status:**

- 1) TCCAP continues this practice, as stated in prior year audit.
- 2) Goal outlined in prior year audit has been accomplished.
- 3) State audits seem to confirm that this practice has been successful.
- 4) New ECHHO program director has continued to focus on compliance.

**SA-2012-03**

**Condition:** Our audit of the controls over the Weatherization Program revealed that TCCAP failed to implement a system to comply with materials procurement procedures.

**Recommendation:** The Organization should design and implement a system to comply with material procurement procedures.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) Revising TCCAP's Accounting and Financial Policies and Procedures Manual to require that purchases of materials that will exceed \$5,000 in a given contract year be put out to competitive bid; and
- 2) Training of all Program Directors and project managers regarding this requirement; and
- 3) Formulating and implementing a bid system for all weatherization material items costing over \$5,000 annually in aggregate. The target date for implementation is April 13, 2013. Certain items will be put out to bid on an annual basis and others quarterly. The system will address all the criteria set forth in the NH Weatherization Policy and Procedures manual. In addition, changes in procurement will dovetail into a new inventory system.

**Current Status:**

- 1) Requirement was added to the revised Financial Policies & Procedures Manual.
- 2) Goal accomplished.
- 3) TCCAP did implement a bid process, as stated.

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**SA-2012-04**

Repeat of Current Year Finding FS-2013-03

**Condition:** Our audit of the controls over the Weatherization Program revealed that TCCAP failed to comply with Davis- Bacon Act wage requirements.

**Recommendation:** The Organization should design and implement a system to comply with material procurement procedures.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) TCCAP will make corrective payments to the employees affected by this miscalculation of non-cash fringe benefits;
- 2) TCCAP will revise its calculation of compensation of its employees subject to the Davis-Bacon Act wage requirements to ensure that the compensation fully complies with the Act; and
- 3) TCCAP will revise its Accounting and Financial Policies and Procedures Manual to require that Davis-Bacon Act compensation calculations are reviewed and revised, if and as appropriate, whenever changes are made to TCCAP's non-cash fringe benefits.

**Current Status:** See Management Response in this document at SA-2013-03.

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**SIGNIFICANT DEFICIENCIES**

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in TCCAP's internal control to be significant deficiencies.

**FS-2012-17**

Repeat Finding, See Current Year Finding FS-2013-05

**Condition:** The listing of property and equipment appeared to include many items which were very old and most likely no longer being used by the organization. Examples of this include computers purchased in 1996 and automobile repairs from 1998 although no cars exist from that year. These items were fully depreciated; however, the balance sheet accounts should be adjusted to reflect the disposal of items which have been scrapped or sold.

**Recommendation:** Design and implement a policy for property and equipment.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) TCCAP's Accounting and Financial Policies and Procedures Manual will be revised to require maintenance of a physical inventory of all assets valued at \$5,000 or more at the time of their acquisition. It will also require adjustment of the inventory to reflect sale, loss, destruction, disposal or full depreciation of assets when such events occur, as well as all other aspects of fixed asset management.
- 2) Fixed Asset management will be the responsibility of the experienced accountant being recruited.

**Current Status:** See response in this document at FS-2013-05

**FS-2012-18**

Repeat Finding, See Current Year Finding FS-2013-09 and SA-2013-01

**Condition:** Procedures over the control of the weatherization materials inventory are inadequate. The fiscal department makes one entry at the end of the fiscal year to adjust the balance in the inventory account to agree to the value calculated from a physical count. However, no procedure exists to track and record the value of the items removed from inventory to ensure that all inventory has been accounted for and used for the weatherization programs.

**Recommendation:** The Organization should develop a system which would allow the tracking of items removed from inventory so that the expense can be properly recorded. In this manner, the ending inventory should require minimal adjustment at year end and any errors or misappropriations can be detected.

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**Prior Year Response:** Management concurs with the commentary for this identified condition. TCCAP has initiated revision of the manner in which materials are received into inventory and their use on projects is expensed in real time. Planned actions to address this condition include:

- 1) Revising TCCAP's Accounting and Financial Policies and Procedures Manual to require use of the revised inventory management system currently in development.
- 2) A manual job cost accounting system along with a perpetual inventory system will be considered in the revisions to the Accounting and Financial Policies and Procedures Manual.
- 3) An electronic inventory system will be instituted that will provide an accurate accounting of the cost of weatherization materials purchases, materials on hand and materials installed on each job. The target date for installation and utilization of this system is 4/30/13.

**Current Status:** See response in this document at FS-2013-09 and SA 2013-01

**FS-2012-19**

**Condition:** The Organization utilized several credit cards to purchase items which could have been purchased locally or could have been set up as direct bill items with established vendors. Additionally, some employees utilized personal credit cards to purchase items which could have been purchased by TCCAP.

The programs included in the Energy, Community, Housing, Homelessness and other division utilized several credit cards linked to a single Chase credit card account. Purchases on this card could be \$20,000 to \$30,000 monthly and the account had a \$40,000 limit. This process required significant effort on the part of program management to insure that costs were posted into the accounting system correctly.

Other Program Directors were issued separate credit cards which frequently were paid late and incurred interest and late fees.

Lastly, an employee frequently used a personal credit card to make purchases for thousands of dollars. When questioned, the employee stated that this had been done for the convenience of management, and at times due to cash flow issues within the organization, however, the employee received immediate reimbursement for the charges incurred indicating that the Organization had sufficient resources to purchase these items.

**Recommendation:** The Organization should design and implement policies and procedures to control the use of credit cards and should limit their use to the greatest extent possible without creating operating inefficiencies. Receipts should be provided for each credit card purchase, and statements should be submitted and paid timely so as to avoid interest and late fees. Under no circumstances should an employee use a personal credit card to purchase items which should be purchased by the Organization with the possible exception of items specifically allowed for in a expense reimbursement policy.

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**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) TCCAP will ensure that an expense reimbursement policy is included in its employee handbook and in the updated Accounting and Financial Policies and Procedures Manual. The
- 2) policy will clearly articulate appropriate use of personal credit cards for agency business including the required submittal of receipts for all credit card transactions pursuant to expense reporting requirements.
- 3) TCCAP will revise its Accounting and Financial Policies and Procedures Manual to clearly articulate the permitted uses of agency credit cards and necessary prior authorizations therefor. Original receipts will be required for all credit card transactions.

**Current Status:**

- 1) The policy, as outlined in last year's Audit, has been implemented, and is being followed. In addition, a Credit Card Holder Agreement was also created, and signed by employees holding company credit cards. This agreement outlines the restrictions on use of the card.
- 2) Manual has been revised, as outlined in last year's Audit. Employees have been following procedures created above.

**FS-2012-20**

**Condition:** The Organization did not have a process to track receivables due from management and other employees for travel advances and spouse travel expenses.

Management and other employees frequently received travel advances which were posted as a receivable to the Travel Advance account in the accounting system. When the employee submitted an expense reimbursement, the amount of the travel advance was to be a reduction in the amount reimbursed to the employee. However, the Travel Advance account was not reconciled and no subsidiary ledger was kept to determine who had received advances. As a result, the account has an amount due from employees however it could take significant effort to determine the specific employee that has an outstanding advance.

The Organization also allowed employees to bring spouses on various trips throughout the year. The cost of the spouses travel was paid by the company and posted as a receivable to the Due from Employee account in the accounting system. These amounts were usually repaid through payroll deductions over a period of time. However, the Due from Employee account was not reconciled and no subsidiary ledger was kept to determine the specific employee that owed the company for spouse travel expenses.

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**Recommendation:** Immediately implement procedures to require the reconciliation of balance sheet accounts to subsidiary ledgers or other supporting documentation. Management should evaluate the cost effectiveness of researching amounts which are not currently identified and should adjust the account balances accordingly.

**Prior Year Response:** Management concurs with the commentary for this identified condition. Planned actions to address this condition include:

- 1) TCCAP will terminate the practice of pre-paying and seeking reimbursement of spouses' travel with employees; all costs for spouse travel will be paid by individual employees and their spouses.
- 2) TCCAP will revise its Accounting and Financial Policies and Procedures Manual to require bi-weekly accountability by the employee for travel expenses incurred and at least monthly reconciliation of all travel advances vs. reported expenses.

**Current Status:**

- 1) As noted in last year's Audit, TCCAP no longer pays for travel for employees' spouses.
- 2) TCCAP did indeed revise its Accounting Policies & Procedures Manual to require bi-weekly accountability by the employee for travel expenses. However, because of the small amount of travel incurred, during FY 2014, travel expenses have been reconciled quarterly.



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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Head Start	93.600	01CH1041/46	\$ 855,322
Head Start	93.600	01CH1041/47	743,635
<b>thru the State of New Hampshire Office of Energy and Planning:</b>			
Low-Income Home Energy Assistance	93.568	G-12B1NHLEA	151,600
Low-Income Home Energy Assistance - Admin	93.568	1025875	322,072
Low-Income Home Energy Assistance - Assurance	93.568	1025875	93,972
Low-Income Home Energy Assistance	93.568	1025875	5,198,577
Low-Income Home Energy Assistance - SEAS - Aging Cluster	93.044	1029453	9,403
Low-Income Home Energy Assistance - HRRP	93.568	1025855	89,397
Low-Income Home Energy Assistance - HRRP	93.568	1019768	38,541
<b>thru the New Hampshire Coalition Against Domestic and Sexual Violence:</b>			
Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes - SPIRDV	93.671	-	28,373
Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes - DVS	93.671	-	22,884
<b>thru the State of New Hampshire Health and Human Services</b>			
Temporary Assistance for Needy Families	93.558	-	292,237
Temporary Assistance for Needy Families - JARC	93.558	-	24,300

The Accompanying Notes are an Integral Part of These Financial Statements

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>thru the State of New Hampshire Health and Human Services - continued</b>			
<b>Aging Cluster:</b>			
Special Programs for the Aging-Title II, Part B-Grants for Supportive Services and Senior Centers	93.044	1016495	\$ 59,435
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	1016495	5,559
Special Programs for the Aging-Title III, Part C-Nutrition Services	93.045	1016495	220,351
Nutrition Services Incentive Program	93.053	-	76,907
Block Grants for Prevention and Treatment of Substance Abuse	93.959	1024151	281,477
Community Services Block Grant	93.569	1019248	19,068
Community Services Block Grant	93.569	1026069	497,494
Medical Assistance Program	93.778	1008784	65,969
National Family Caregiver Support, Title III, Part E	93.052	1008784	10,888
Centers for Medicare and Medicaid Services (CMS) Research Demonstrations and Evaluations	93.779	1008784	8,962
Special Programs for the Aging-Title IV, and Title II Discretionary Projects	93.048	1008784	4,590
Social Services Block Grant	93.667	1008784	5,196
Social Services Block Grant	93.667	1016495	82,679
Social Services Block Grant	93.667	1016495	9,206
Social Services Block Grant - Public Guardianship	93.667	1008747	2,743
Preventive Health and Health Services Block Grant	93.991	90072003	9,762
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>9,230,599</b>

The Accompanying Notes are an Integral Part of These Financial Statements

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF ENERGY</b>			
<b>thru the State of New Hampshire Office of Energy and Planning:</b>			
Weatherization Assistance for Low-Income Persons	81.042	1024959	\$ 182,655
Weatherization Assistance for Low-Income Persons - ARRA	81.042	861476	90,052
Energy Efficiency and Conservation Block Grant Program	81.128	-	242,800
<b>thru the New Hampshire Community Loan Fund, Inc.</b>			
Weatherization Assistance for Low-Income Persons	81.042	DE-EE0004212/001	30,118
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>			<u>545,625</u>
<b>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			
Retired and Senior Volunteer Program	94.002	10SRANH001	46,419
Retired and Senior Volunteer Program	94.002	13SRANH001	16,792
<b>TOTAL U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			<u>63,211</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Emergency Management Performance Grants	97.042	128735	231
Emergency Management Performance Grants	97.042	128735	11,199
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>11,430</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM**

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Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Supportive Housing Program	14.235	NH0009B1T001003	\$ 76,419
Supportive Housing Program	14.235	-	39,119
<b>thru the State of New Hampshire Department of Health and Human Services:</b>			
Supportive Housing Program - ESG	14.235	-	32,512
Supportive Housing Program - McKinney HOIP	14.235	-	130,182
Emergency Solutions Grant Program - Homeless Prevention & Rapid Re-Housing	14.231	-	475
Housing Counseling Assistance Program	14.169	8612-0156	5,283
<b>thru the Community Action Program Belknap-Merrimack Counties, Inc.</b>			
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	-	84,717
<b>thru the City of Berlin</b>			
Community Development Block Grants/States' Program - NSP	14.228	09-053-CDHS	170,045
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>538,752</b>

The Accompanying Notes are an Integral Part of These Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM**  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Rural Housing Preservation Grants	10.433	-	22,803
Child and Adult Care Food Program	10.558	-	88,576
Supplemental Nutrition Assistance Program - ARRA	10.551	-	9,603
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>120,982</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<b>thru the New Hampshire Coalition Against Domestic and Sexual Violence:</b>			
Crime Victim Assistance	16.575	-	\$ 65,626
Recovery Act - Edward Byrne Memorial Justice Assistance	16.803	2009-SU-B9-0019	6,661
Grant Program/Grants to States and Territories - ARRA	16.017	2010-KF-AX-0024	1,564
Sexual Assault Services Formula Program			
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<u>73,851</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
<b>thru the State of New Hampshire Department of Resources &amp; Economic Development:</b>			
WIA Adult Program	17.258	-	62,181
WIA Dislocated Worker Formula Grants	17.278	-	72,365
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<u>134,546</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**TRI-COUNTY COMMUNITY ACTION PROGRAM**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<b>thru the State of New Hampshire Department of Transportation</b>			
Formula Grants for Other Than Urbanized Areas - 5311	20.509	98974Y	\$ 186,448
Formula Grants for Other Than Urbanized Areas - 5316	20.516	68066A	49,333
Enhanced Mobility of Seniors and Individuals with Disabilities - Carroll County	20.513	-	37,266
Enhanced Mobility of Seniors and Individuals with Disabilities - Coos & Northern Grafton	20.513	-	41,933
Job Access-Reverse Commute	20.509	68042F	130,878
Formula Grants for Other Than Urbanized Areas - ARRA	20.509	100494	15,764
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<u>461,622</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 11,180,618</u></u>

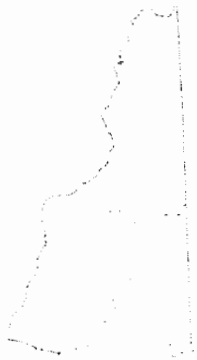
The Accompanying Notes are an Integral Part of These Financial Statements

***TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.***  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2013**

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**A | SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Tri-County Community Action Program, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.



# **TRI-COUNTY COMMUNITY ACTION PROGRAM Inc.**

**Serving Coos, Carroll & Grafton Counties**

30 Exchange Street, Berlin, NH 03570 • (603) 752-7001 • Toll Free: 1-800-552-4617 • Fax: (603) 752-7607

Website: <http://www.tccap.org> • E-mail: [admin@tccap.org](mailto:admin@tccap.org)

Chief Executive Officer: Michael W. Coughlin

## **BOARD OF DIRECTORS FY2015**

### **COÖS COUNTY**

Board Chair

Sandy Alonzo  
Teacher

Treasurer

Cathy Conway  
Vice President- Economic  
Development - NCIC

Secretary

Gary Coulombe  
Firefighter

Andrew Lefebvre  
Teacher

### **CARROLL COUNTY**

Anne Barber  
Attorney

Michael Dewar  
Business Owner

Vice Chair

Dino Scala  
Business Owner

### **GRAFTON COUNTY**

Nancy Kitchen  
Animal Trainer-  
Squam Lakes Science Center

Weatherization  
(603) 752-7105

Administration  
(603) 752-7001

AOD  
(603) 752-7941



Community Contact  
(603) 752-3248

R.S.V.P.  
(603) 752-4103

Energy Programs  
(603) 752-7100



# MICHAEL W. COUGHLIN, M.S.

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## Chief Executive - Nonprofit Sector

Complex, Multi-Site Operations ❖ Revenue & Margin Growth  
Strategic Partnerships  
Community & Public Engagement

*Motivating and results driven; recognized for:*

- |   |                                      |
|---|--------------------------------------|
| ✓ Strategic planning and financial management | ✓ Entrepreneurial spirit             |
| ✓ Mentoring & developing inspired leaders     | ✓ Assuring highest quality standards |
| ✓ Innovation, marketing and branding          | ✓ Passionate advocacy for mission    |

## EDUCATION

**Master of Science, Social Work** - Columbia University, New York, New York

**Bachelor of Arts** - Quinnipiac University, Hamden, Connecticut

## PROFESSIONAL EXPERIENCE

REHABILITATIVE RESOURCES, INC.

2012-2013

One of the larger agencies providing services to people with developmental disabilities in Massachusetts. Serving hundreds of clients in 44 residential facilities, employment supports and day habilitation programs all over the state. \$25 million in annual revenue and over 600 full and part-time staff.

- **CEO**

Recruited to this position at an agency in need of change, in a time of distress. Followed a 31-year CEO, and reporting to a Board of Directors that expects transformation. Re-configured the senior leadership team, designed a five-year strategic planning process, and began agency-wide healing and cultural re-invigoration.

- **Organizational Development:** Leveraged the agency's considerable reputational and financial assets into distinct advantages in preparing for its 5-year strategic plan.
  - Met nearly every employee directly, either through individual team meeting visits, or through three regional town hall-style events, the first time this has happened.
  - Launched company-wide strategic planning process, involving stakeholders at every level and region of the organization.
- **Executive Development:** Reorganized senior management team into a streamlined, truly decision-making group. Set the conditions and expectations to become a high performing team. Secured executive coaching for leaders where necessary.
- **Community and Market Development:** Met with all major funders to understand their perceptions of the company, and to re-set a new focus on customer service excellence. Performed evaluations of the competitive environment, and began to build strategic coalitions with potential partners for new business.

ARIZONA'S CHILDREN ASSOCIATION

2012 to 2012

Arizona's oldest multi-service nonprofit, located in every county in the state, serving over 45,000 children and families every year in over 20 different programs, including behavioral health, substance abuse, foster care. \$40 million in annual revenue and nearly 750 full and part-time staff.

➤ **CEO**

Recruited to this position as successor to a 20-year CEO. Executed a financial turnaround: moving a projected \$750,000 deficit to break-even status within five months.

- **Organizational Development:** Stabilized financials and worked with Board and staff to create an aggressive five-year plan for growth:
  - Engaged program leaders, Finance team and fundraising to overcome previous year's losses and improve performance in turning around current year financials.
  - Re-organized senior program leaders from regional structure to lines of business, resulting in much better program consistency and communication with staff.
- **Executive Development:** Empowered Executive team to make decisions without micro-managing. Created an environment where creativity and execution exist side by side.
- **Community Relations:** Reached out to community leaders, funders, donors, competitors and potential partners. Made sure to be accessible, to offer our agency's support.

GOODWILL INDUSTRIES OF NORTHERN NEW ENGLAND

2007 to 2010

Serving Maine, New Hampshire and Vermont, with \$60 million in annual revenue. Employing 1400 people and serving over 20,000 individuals per year with services including developmental disability, brain injury and behavioral health. 25 stores and 30 program locations in three states.

➤ **CEO**

Recruited to this position to create and execute a new strategic plan. Increased annual revenue by \$20 million in three years to \$60 million. Doubled the number of clients served during the same period. Greatly improved employee and community relations.

- **Organizational Development:** Created Goodwill's strategic plan for Board approval, carried out its plans and achieved exceptional results:
  - Grew state and federal revenue by \$10 million per year through increases in grants, fees and philanthropy.
  - Maximized growth of retail business, earning \$10 million in new profitable revenue annually within three years.
  - Initiated and implemented two acquisitions of other nonprofits.
  - Increased agency margins each year, exceeding \$1.9 million in F.Y. 2010.
  - Championed new initiatives in quality improvement, employee relations and safety.
- **Executive Development:** Stabilized and grew a strong executive team, breaking down silos to achieve trust and true team performance. Created learning opportunities and career development for staff at all levels.
- **Community and Government Relations:** Increased Goodwill's profile through improved marketing, branding and partnerships with other organizations. Built strong relations with Departments of Health and Human Services, Attorney General's Office and Congressional delegations. Greatly expanded engagement with volunteers.

GENESIS BEHAVIORAL HEALTH, Laconia, New Hampshire 2002 to 2007  
*One of ten community mental health programs licensed by the Division of Behavioral Health in New Hampshire. \$8 million organization provides comprehensive mental health care.*

➤ **Executive Director**

Recruited to this organization to assume management responsibility and implement an aggressive turnaround. Guided management team to drive growth and service quality. Grew revenue by 35%, generating over \$1 million in new margins, in a time of shrinking state funds.

- **Organizational Development:** Directed organizational analysis, strategic planning and company-wide initiatives. Returned organization and balance sheet to fiscal health.
- **Executive Development:** Led a successful management restructuring, stabilizing the executive team. Helped Board of Directors become a stronger, more cohesive group.
- **Community & Government Relations:** Built a bridge to community and government through marketing and education events as well as personal contacts.

WARREN SHEPELL CONSULTANTS, Toronto, Ontario 2000 to 2002  
*One of Canada's leading behavioral health firms, supporting 1500+ client organizations and generating \$35 million annually. Ranked one of "50 best managed private companies in Canada" by Arthur Andersen and Financial Post.*

➤ **Vice President, Operations**

Managed nation-wide counseling operations provided by mental health professionals and para-professionals. Managed a \$19 million budget.

- **Staffing:** Led a national network of over 1100 Doctorate and Master's level professionals, providing service to over 70,000 clients per year
- **Service / Network Management & Expansion:** Directed the management of 28 offices coast to coast, to support new contracts. Played key role in 18% one-year revenue growth and 20% profit margins.
- **Business Development & PR:** Participated in sales efforts, resulting in winning key accounts. Represented company as a media spokesperson.

CHC- WORKING WELL, Mississauga, Ontario 1989 to 2000  
*One of Canada's largest behavioral health providers. Contracts with 1200+ client organizations, generating \$30 million annually.*

- **Vice President, Research & Development -** 1998 to 2000
- **National Director, Client Services -** 1995 to 1998
- **Regional Manager, Client Services -** 1993 to 1995
- **Area Manager, Client Services -** 1991 to 1993
- **Employee Assistance Counselor -** 1989 to 1991

Extensive Board service involvement

## **Andrea E. M. Gagne**

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### **WORK HISTORY**

#### **Division Director of Energy, Housing & Community Contact Offices (EHCCO)**

November 2013 – Present Tri-County Community Action Programs Berlin, New Hampshire

- Ensures division's operation, budget and personnel management.
- Hire, supervise and manage EHCCO staff, including in-house and itinerant employees.
- Oversee all EHCCO programs' operations, budgets and reporting; coordinate and integrate programs' activities.
- Prepare and submit grants and proposals.
- Develop, prepare and implement program budgets, narratives, outreach plans and work plans, forecasting of revenues vs. expenditures; analysis of budget vs actual income and expenses
- Review and reconcile division financial reports; produce programmatic reimbursement requests to funders within program payment schedules; produce other reports as required
- Interact with program monitors, outside auditors, Federal agency auditors and others in review of program activities, compliance and financial accountability
- Develop new programs and funding streams as appropriate.
- Represent EHCCO and Tri-County CAP at local, state, regional and national meetings as needed.
- Assist with other TCCAP management and supervisory duties as needed.

#### **Executive Director**

October 2010 – Present Child Advocacy Center of Coos County Lancaster, New Hampshire

- Provides leadership in developing program, organizational and financial plans with the Board of Directors and other staff to advance the mission of the agency.
- Works with the Board of Directors and recommends operational objectives that support the strategic plan and to maintain a shared vision for the future of the agency.
- Hires, supervises and disciplines staff members and ensures personnel have appropriate training and education.
- Maintains a working knowledge of emerging issues and significant developments in the fields of child abuse investigations, team facilitation, and non-profit and agency administration.
- Maintains official records and documents, and assures compliance with federal, state, and local regulations.
- Manages and conducts ongoing program evaluation including outcome measures and contracts for and oversees annual financial review.
- Identifies grant opportunities, develops proposals, and produces required reports to funding sources.
- Develops relationships and maintains regular communications with funding sources.
- Manages and oversees agency's multidisciplinary team, compliance with training standards and implementation of best practice standards in a well organized, detail oriented, confidential team environment for investigative purposes in conformance with New Hampshire Attorney General Policies and accreditation standards.
- Manages and coordinates community wrap-around services for child-victims and their caregivers.

#### **Education**

- |                                     |                               |                   |
|-------------------------------------|-------------------------------|-------------------|
| -Master of Public Administration    | Norwich University,           | VT June, 2011     |
| -BS Criminal Justice Administration | Granite State College,        | NH December, 2007 |
| -Certificate of Paralegal Studies   | College for Lifelong Learning | NH March, 2004    |

## Andrew Stone

### Objective

Client-focused with strong commitment to serving the needs and improving the quality of life of at-risk populations.

### Work Experience

11/2009 – Present – *HOIP/PATH Outreach Worker*

*Homeless Programs Coordinator*

#### Tri-County CAP, Littleton, NH

- Provide outreach and identify individuals who are unsheltered and provide assistance with attaining adequate shelter and access to needed services.

5/2005 – 11/2009 – *Community Integration Specialist,*

#### Northern Human Services/Common Ground, Littleton, NH

- Provide support and training to developmentally disabled consumers to promote natural relationships to help individuals become fully integrated in their community.

7/2008 – 2/2009 – *Residential Counselor,*

#### Merry Meadow Farm, Bradford, VT

- Provided a safe and supportive environment to residents suffering with a mental illness.

6/1999 – 4/2007 – *Security Supervisor,*

#### Loon Mountain Recreation Area, Lincoln, NH

- Supervised security staff by ensuring a safe environment for staff and guests, trainings and enforcing local laws and ordinances.

### Education

9/1993 – 5/1997 - Lyndon State College, Lyndonville, VT

- B.S. - Human Services/Counseling

## Michael Giles

**Objective :** Obtain a rewarding position within a professional setting to utilize my substantial and varied work and educational skills.

**Education:** Kingswood Regional High School      Wolfeboro, NH      1999-2002

**Qualifications:**

- CPR & First aid
- Proficient in Microsoft word
- Mandt Certified
- MHSS Certified
- CRMA Certified
- Seasoned Sales Manager
- Reliable and adaptable

**Experience:**

**Tri-County CAP**      2/14

*(Homeless Outreach intervention specialist )*

- Answering phones
- Completing / Filing county and state paper work
- Transportation of clients
- Appointment scheduling and intakes
- Contact person
- Navigating resources

**York County Shelter Program**      10/12-11/13

*Residential Technician*

- Ensure health and safety of 80+ residents
- Administer medications
- Completed reports for State of Maine / incident reports
- Front house clerical duties
- Provided hands on support and services

**North Side Commutations**      2/08-12/11

*Inbound Sales Representative / Sales Manger*

- Managed 50+ sales reps
- Successful exceeded sales quota
- Coordinated a successful product line
- Switch board commutations

**Symphonix LLC**      6/04-7/08

*Inbound Sales Representative / Sales Manger*

- Customer service
- Sales and upselling products
- Answering incoming calls
- Payment
- Quality assurance records
- "Mentor" for sales trainees

**OBJECTIVE:**

To continue my career that will utilize my management, organizational & motivational skills to benefit mutual growth and success of others. Seek to work in an environment that will challenge me further; while allowing me to contribute effectively to help others prioritize and set goals to achieve the best possible outcome. Maintain confidentiality with a diverse group of individuals, while building and sustaining strong, long lasting relationships.

**EXPERIENCE:**

**Tri-County Cap, Carroll County**

**Nov.14'-Present, 2012 Lancaster, NH**

Homeless Outreach Worker/PATH/SOAR TT (Full-Time)

- Identified clients who are unsheltered homeless through direct outreach activities and through reports/referrals from shelters, police, churches, town welfare officers, human service providers and others.
- Initiated contact and establish a working interaction with unsheltered homeless for the purpose of providing assistance with attaining adequate shelter and access to needed services.
- Provided ongoing case management and budget counseling support as needed.
- Took appropriate action to deal with any homeless emergency situation.
- Maintained client records, activity logs and complete reports and maintain confidential information appropriately.
- Established and maintain positive, productive working relationships with mental health offices, town welfare offices, hospitals and other providers of services and resources to the homeless.
- To assess clients needs and situations in order to refer them to proper local resources for ongoing support.
- HMIS Trained/CPI Certified

SOAR- To increase access & assist in applying to the disability income benefit programs administered by the Social Security Administration for eligible adults who are homeless or at risk of homelessness and have a mental illness and/or a co-occurring substance use disorder.

**Huggins Hospital**

**Oct.12'-July 13' Tamworth, NH**

Patient Service Coordinator (Full-Time)

- Greeted patients, answer multiple phone lines and screen triage patient calls
- Scheduled appointments according to each doctors specifications
- Arranged & updated patient referrals and records
- Provided a positive working environment in a high paced setting.
- A working knowledge of various medical terminology, diagnosis, and insurances
- Verified insurance information and collect applicable co-payments
- Resolved customer problems or complaints by determining optimal solutions
- Used both paper records/documentation & EMR computer programs
- Followed NH state guidelines for medical record release
- Maintained client confidentiality and follow HIPPA rules and guidelines

**Tri-County Cap, Carroll County**

**Nov.10'-June 29<sup>th</sup>, 2012 Tamworth, NH**

Homeless Outreach Worker/PATH/SOAR TT (Full-Time)

- Identified clients who are unsheltered homeless through direct outreach activities and through reports/referrals from shelters, police, churches, town welfare officers, human service providers and others.

- Initiated contact and establish a working interaction with unsheltered homeless for the purpose of providing assistance with attaining adequate shelter and access to needed services.
- Provided ongoing case management and budget counseling support as needed.
- Took appropriate action to deal with any homeless emergency situation.
- Maintained client records, activity logs and complete reports and maintain confidential information appropriately.
- Established and maintain positive, productive working relationships with mental health offices, town welfare offices, hospitals and other providers of services and resources to the homeless.
- To assess clients needs and situations in order to refer them to proper local resources for ongoing support.
- SOAR- To increase access & assist in applying to the disability income benefit programs administered by the Social Security Administration for eligible adults who are homeless or at risk of homelessness and have a mental illness and/or a co-occurring substance use disorder.

**Spirit Halloween**

**Aug. 10'-Nov. 10' North Conway, NH**

Store Manager (Full-Time)

- Recruited, hired, trained, evaluated and counseled store employees.
- Use of technology to record sales figures, for data analysis.
- Provided a positive working environment in a high paced setting.
- Daily register balance & maintaining accounting records
- Managed store revenue, including excessive cash handling, deposit resolution and delivery of deposits to bank.
- Conducted regular store meetings.
- Resolved customer problems or complaints by determining optimal solutions.
- Organized and document all inventory, shipping and advertisements.

*EDUCATION:*

White Mountain Community College

**Sept. 07'-Jan. 09' Berlin, NH**

*Human Services*

*SKILLS:*

- PC/MAC Capable/Microsoft Office Suite, Adobe Photoshop
- SOAR (SSI/SSDI Outreach Access & Recovery) Certified TT(Train the Trainee) June 11'
- LNA CT Certification 06'-07'; NH Certification 07'-09'



## Dianne Munson

**Work Experience**    March 4, 2013 – Present                      Tri-County Community Action Program  
57 Mechanic St GO-1  
Lebanon NH 03766

### **Homeless Intervention/PATH Specialist**

Responsibilities Include:

- Identify clients who are unsheltered homeless through outreach, reports/referrals from shelters, police, welfare officers and other community organizations and citizens
- Initiate contact to assist in attaining adequate shelter and access needed services
- Asses the immediacy of need of type of intervention necessary for each individual.
- Determine whether client is eligible for PATH services.
- Dealing with homeless emergencies including obtaining transportation to shelter and services
- Establish and maintain productive relationships with mental health offices and local homeless services continuum
- Serve as liaison between Mental Health Professional staff and other TCCAP EHCCO staff
- Assist in development and implementation of service plans for PATH clients
- Participate in appropriate workshops, trainings and meetings
- Maintain confidentiality appropriately
- Maintain clients records and appropriate logs and reports
- Maintain client info in State HMIS and appropriate Data Bases
- Work within budget constraints

November 2007 – January 16, 2013    Central Vermont Community Action  
Council  
195 US RT 302 – Berlin  
Barre VT 05641-2267

### **Family Development Case Manager**

Responsibilities include:

- Working with individuals/families, assess housing needs, explore housing options, and develop plan to remediate housing issue.
  - Working with Clara Martin in their supportive/subsidized Challenges For Change program – locate, negotiate and provide case management to referred individuals/families
  - Assist individuals/families in appeals of housing denials
  - Provide Credit Counseling and assist individuals/families in creating a realistic budget.
  - Promote individual/family self-sufficiency
-

- Assist individuals/families in filling out forms for appropriate programs such as Housing applications, Food Stamp applications, Social Security forms, etc.
- Assist individuals/families in understanding State/Federal mailings
- Assist individuals/families in accessing appropriate resources for specific individual/family needs.
- Develop long and short term goals and support individuals/families in their efforts and achievements.
- Support individuals/families in developing self-advocacy abilities.
- Participate in community meetings and coalitions/collaborations involved in low income issues.
- Provide assistance and support for individuals/families seeking assistance through State of Vermont EA/GA programs
- Order food for, stock and distribute food through Bradford Food Cupboard.
- During Crisis Fuel season process fuel/utility applications – negotiating with fuel/utility companies to get fuel delivered as quickly as possible while keeping fuel delivery costs down, arranging utility deposits.

November 2007 – June 2011

Central Vermont Community Action  
Council  
195 US RT 302 – Berlin  
Barre VT 05641-2267

### **Case Manager II**

Responsibilities include:

- Transitional Housing/Case Management for incarcerated women to facilitate a successful transition to the public sector using the Women's Reentry Program
- Build and Maintain relationships with other service providers in order to help offenders get individual needs met
- Assist in obtaining/retaining housing, address individual budgeting, clearing credit issues, money management, life skills, self-esteem building, job search and retention with the goal of self-sufficiency at the end of the program

July 2000 – November 2005

Tri-City Community Action Program  
110 Pleasant St  
Malden MA 02148

### **Housing Search Coordinator**

Responsibilities included:

- Supervision of 3 housing search specialists
- Supervision of interns and provision of required reports concerning their progress
- Assisting homeless or at risk families in all aspects of housing search and stabilization
- Work directly with local DTA office on housing issues and barriers
- Compiling and preparing monthly reports for HAP primary contractor
- Provide special reports and presentations as requested
- Participate in coalitions involved in affordable housing issues
- Participate in community coalitions

Jan 2003 – October 2003

Tri-City Community Action Program  
110 Pleasant St  
Malden MA 02148

**PATH Coordinator**

Temporary supervision of 3 PATH Team Members working with homeless individuals on issues such as:

- Homelessness
- Benefits – Including medical access and care and various cash and food benefits programs
- Job Readiness
- Job Search and Retention
- Substance Abuse Issues

Jan 1999 – July 2000

Tri-City Community Action Program  
110 Pleasant St  
Malden MA 02148

**PATH Income Specialist**

Responsibilities included:

- Assisting homeless individuals in all aspects of accessing benefits programs such as SSI, SSDI, temporary disability programs, Food Stamps, medical care, Etc.
- Assisting homeless individuals in locating and stabilizing housing
- Assisting homeless individuals in locating and retaining employment
- Outreach to homeless individuals

1993 – May 1998

Alliance for Young Families  
Boston MA

**Benefits Specialist**

Responsibilities included:

- Provide information to help pregnant/parenting teens obtain State and Federal public benefits and to resolve family law issues
- Develop client educational materials
- Poll portion of clients/advocates to determine training needs
- Develop training materials and conduct trainings for pregnant/parenting teens and their advocates
- Participate in groups working to resolve identified systemic problems
- Maintain current State manuals containing regulations for public benefits programs
- Track trends and current legislation concerning organization's clients and members
- Maintain comprehensive files of resources available to pregnant/parenting teens
- Recruit and supervise interns and volunteers
- Produce monthly board reports detailing number of clients and type of assistance provided
- Provide program statistics to organization's other components as required

**Education**

1984 – 1990

Bridgewater State College

Bridgewater MA

**BS Management/Information Systems Concentration**

1977 – 1979

Quincy College

Quincy MA

**AS Computer Science**

**Certifications/  
Trainings**

Nov 2014 HMIS Training  
Oct 2014 Homeless Conference  
Oct 2014 Crisis Prevention and Intervention Training  
May 2014 Excel Training  
March 2014 HMIS  
Jan 2014 Health Care Access for Homeless Unaccompanied Youth  
Aug 2013 Conference on Homeless Youth  
July 2013 Crisis Prevention and Intervention Training  
May 2012 **3Squares Vermont Training**  
May 2012 **Hunger Conference**  
Sept 2012 **Intro to Shelter Plus Care**  
Oct 2012 **Vermont AIRS 12<sup>th</sup> Annual Training Conference**  
Jan 2011 **CVCAC Food-Nutrition-Agriculture Staff Retreat**  
Aug 2011 **Counseling Clients Seeking Rental Housing**  
Sept 2011 **Counseling Buyers of REO Properties**  
Oct 2011 **Vermont GA Training**  
Dec 2011 Neighborworks **HUD Certified Housing Councilor**  
May 2010 **Case Management Services**  
**Communications Planning**  
**Working Bridges:Engaging Employers to Improve Workforce**  
**Stability and End Poverty**  
**Housing-Changing Face of Homelessness**

**References**

Available upon request

# Pauline Aldrich

## Experience

March 2013 – Present    Tri-County CAP Outreach Woodsville  
Program Manager

- Responsible for daily operations of non-profit social service Outreach office
- Meet with clients during scheduled interviews to facilitate applications for various service programs; Fuel Assistance, Housing Security Loans, Electric Assistance Program, etc.
- Field emergency assistance requests and provide appropriate referrals
- Oversee on-site food pantry, including record keeping and reporting
- Manage and work closely with office staff and volunteers

2003 – 2013        Tri-County CAP Outreach Littleton  
Program Coordinator

- Answer phones and greet clients in busy office setting
- Assist in the completion of various assistance applications
- Maintain client records and databases electronically and through filing systems
- Responsible for processing all in-coming and out-going mail and correspondence
- Responsible for operation of food pantry, including record keeping and reporting

1993 – 1997        Tri-County CAP Administration Berlin  
Office Support Staff

- Provide primary phone coverage for Energy Assistance Division at Tri-County CAP administrative office
- Complete daily client/vendor mailings and process large volumes of mail
- Perform data entry, filing and general office duties as needed

## Education

St. Anselm's College Manchester, NH  
White Mountains Community College Berlin, NH  
Berlin High School Berlin, NH

## **Skills**

I'm comfortable and confident with the office and interpersonal skills that I've developed through my years with Tri-County CAP. I'm able to multi-task while maintaining a calm, professional attitude. My experience with elderly, low-income and disadvantaged clients has given me a compassionate yet practical approach in dealing with challenging situations. I'm bilingual (fluent in French), computer literate, office equipment savvy & well informed regarding resources and information pertaining to the North Country and the State of NH.

## **References**

**Available upon request**

**CONTRACTOR NAME**

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Michael Coughlin	Chief Operating Officer	\$140,000	0%	\$0
Robert Boschen	Chief Financial Officer	\$100,000	0%	\$0
Andrea Gagne	Division Director	\$50,000	0%	\$0
Andrew Stone	Homeless Programs Manager	\$39,520	20%	\$7,904
Michael Giles	HOIP/PATH Worker	\$28,080	20%	\$5,616
Rebecca Viveiros	HOIP/PATH Worker	\$28,080	20%	\$5,616
Dianne Munson	HOIP/PATH Worker	\$29,012	20%	\$5,802
Pauline Aldrich	Admin/HOIP/PATH Worker	\$25,480	20%	5,096

9/11

MIT  
37



STATE OF NEW HAMPSHIRE  
 DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 OFFICE OF HUMAN SERVICES  
 BUREAU OF HOMELESS AND HOUSING SERVICES

Nicholas A. Toumpas  
 Commissioner

Mary Ann Cooney  
 Associate Commissioner

129 PLEASANT STREET, CONCORD, NH 03301-3857  
 603-271-9196 1-800-852-3345 Ext. 9196  
 FAX: 603-271-5139 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

September 10, 2013

Her Excellency, Governor Margaret Wood Hassan  
 and the Honorable Council  
 State House  
 Concord, New Hampshire 03301

RETROACTIVE  
 32% Federal funds  
 68% General funds

**REQUESTED ACTION**

Authorize the Department of Health and Human Services, Bureau of Homeless and Housing Services to enter into a **retroactive** Agreement with Tri-County Community Action Program Inc. (Vendor Code 177195), to provide services to homeless individuals, in an amount not to exceed \$655,413. This amount represents an award effective retroactive to July 1, 2013 upon Governor and Council approval, through June 30, 2015.

Funds to support this request are available in the following account in State Fiscal Years 2014 and 2015 upon the availability and continued appropriation of funds in the future operating budgets with the authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

**05-95-42-423010-7925 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:HUMAN SERVICES, HOMELESS & HOUSING, HOMELESS HOUSING ACCESS FUND**

Fiscal Year	Appropriation	Class/Object	Class Title	
2014	05-95-42-423010-7925	102-500731	Contracts for program services	\$8,325.00
2015	05-95-42-423010-7925	102-500731	Contracts for program services	\$8,325.00
			Total	\$16,650.00

**05-95-42-423010-7926 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:HUMAN SERVICES, PATH GRANT**

Fiscal Year	Appropriation	Class/Object	Class Title	
2014	05-95-42-423010-7928	102-500731	Contracts for program services	\$79,829.00

**05-95-42-423010-7928 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS:HUMAN SERVICES, HOMELESS & HOUSING, EMERGENCY SHELTERS**

Fiscal Year	Appropriation	Class/Object	Class Title	
2014	05-95-42-423010-7928	102-500731	Contracts for program services	\$214,373.00
2015	05-95-42-423010-7928	102-500731	Contracts for program services	\$214,373.00
			Total	\$428,746.00



**05-95-42-423010-7927 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS,  
HHS:HUMAN SERVICES, HOMELESS & HOUSING, HOUSING- SHELTER PROGRAM**

<b>Fiscal Year</b>	<b>Appropriation</b>	<b>Class/Object</b>	<b>Class Title</b>	
2014	05-95-42-423010-7927	102-500731	Contracts for program services	\$130,188.00

**EXPLANATION**

This request is **retroactive** because of a delay in issuing this contract to the vendor.

**State Grant-In-Aid**

The Vendor will utilize State of New Hampshire Emergency Shelter Program Grant-In-Aid in combination with matching funds pursuant to these Agreements for Essential Services, such as assistance in finding permanent housing, employment counseling, substance abuse counseling, assistance in accessing other community services, and staff salaries and benefits; and Prevention/Intervention Services, such as payment of utilities arrearage, back rent with eviction notice, or mortgage arrearage with foreclosure notice. Such activities help negate instances where households are threatened by immediate homelessness.

**Homeless Housing and Access Fund**

The Vendor shall also utilize Homeless Housing and Access Revolving Loan Funds to provide loans for the first month of rent and/or security deposit for homeless individuals and families. To be eligible, applicants shall have no permanent address and shall be residing temporarily in a shelter for the homeless, a hotel, a motel, the home of another household designed for occupancy by only one household, or entirely without shelter. Repayment terms of the loans are determined by the contracted agencies. The Homeless Housing and Access Revolving Loan Fund continues to expand the capacity of the Housing Security Guarantee Program by providing one month's rent in addition to the security deposit. This program assists homeless individuals and families in securing affordable housing that they have previously not been able to secure due to lack of resources.

A Request for Proposal for the State Grant-in-Aid funds was issued at the annual NH Homeless Provider and Homeless Education Liaison Conference on October 24, 2012. The Request for Proposal was also posted on the Department of Health and Human Services' website. Criteria for selection included: proposal includes all elements and is assembled as required; program design and need for project; performance measures and identified outcomes; coordination with community organizations and resources; involvement with Continuum of Care/Local Service Delivery Area; soundness of approach; cost proposal, budget and leveraging of resources; accurate and timely utilization of Homeless Management Information System; staff experience and credentials; compliance with rules, statutes and life safety codes; increase in bed capacity; and increase in prevention/intervention or essential services. Each applying organization was required to submit a separate proposal for each program, which allowed for budgets and program models to be evaluated independently. Fifty (50) separate proposals that could be funded through State Grant-In-Aid, from 35 organizations, were evaluated and scored.

The Bureau assures contract compliance and provider performance through the following:

- 1) Annual compliance reviews are performed, including the collection of data relating to compliance with administrative rules and contractual agreements;
- 2) Statistical reports are submitted on a semi-annual basis from all funded providers, including various demographic information reports, as well as income and expense reports, including match dollars; and

3) All providers funded for shelter, transitional housing, or outreach services will be required to maintain timely and accurate data entry on the New Hampshire Homeless Management Information System, unless they are required by law to use an alternate data collection. The NH Homeless Management Information System will be the primary reporting tool for outcomes and activities of shelter and housing programs funded through these contracts.

#### Homeless Outreach Intervention Prevention

This agreement also provides funds from the Department of Housing and Urban Development Supportive Housing Demonstration for Homeless Outreach Intervention Prevention (HOIP). HOIP is a collaborative project between Community Action Agencies and the State of NH, Bureau of Homeless and Housing Services. It is designed to provide aggressive street outreach and intervention services to the unsheltered homeless throughout the state. The Bureau has administered this program for 18 years. The Department of Housing and Urban Development requires a Continuum of Care process for communities seeking these funds. A Continuum is a coordinated planning approach to setting priorities for the housing and service needs of homeless people within a specific area. The Continuum includes broad participation of community stakeholders. Through this process, New Hampshire submits an annual application in response to the Department of Housing and Urban Development's Notice of Funding Availability. Once the Notice is announced, the Bureau notifies all participants in the Continuum to submit project applications. The Department of Housing and Urban Development scores the application and awards funding based on their criteria. The Bureau receives notification from the Department of Housing and Urban Development several months later regarding the awards.

In 1994, with input from providers throughout the country, the Department of Housing and Urban Development developed the Continuum concept to support communities in their efforts to address the problems of housing and homelessness in a coordinated, comprehensive, and strategic fashion. The Continuum serves three main purposes: (1) a strategic planning process for addressing homelessness in the community; (2) a process to engage broad-based, community-wide involvement in addressing homelessness on a year-round basis; and (3) an opportunity to submit an application to the Department of Housing and Urban Development for resources targeting housing and support services for homeless individuals and families. Although law does not mandate the Continuum, in order to obtain Department of Housing and Urban Development housing and support services resources, communities must conduct a Continuum process and submit a Continuum application to the Department of Housing and Urban Development.

The Vendors will utilize the Supportive Housing Grant funds and matching funds for essential services and operations of the Homeless Outreach Intervention Program, such as assistance in obtaining emergency shelter, staff wages and benefits, client emergency assistance, and transportation. It is anticipated that the contract will serve approximately 200 individuals statewide.

The Bureau assures contract compliance and provider performance through the following: 1) annual compliance reviews are performed, including the collection of data relating to compliance and contractual agreements; and 2) statistical reports are submitted on a monthly basis from all Homeless Outreach Intervention Prevention providers, including various demographic information and monthly billing invoices, including expense reports and program match dollars.

#### Projects for Assistance in Transition from Homelessness

This agreement also provides funds from the Substance Abuse and Mental Health Administration for Projects for Assistance in Transition from Homelessness. The Vendor, a nonprofit organization, shall utilize Projects for Assistance in Transition from Homelessness funds to provide services to individuals with serious mental illness or who have both serious mental illness and substance use disorders and

are homeless or at imminent risk of being homeless. The primary emphasis of New Hampshire's Projects for Assistance in Transition from Homelessness is the outreach and engagement into services and housing of Projects for Assistance in Transition from Homelessness eligible individuals. Services provided through this program will include: outreach, screening and diagnostic treatment, community mental health services, training and case management. Projects for Assistance in Transition from Homelessness case management services include: assistance in obtaining and coordinating services for eligible homeless individuals, assistance to eligible individuals in obtaining income support services, including housing assistance, food stamps, and supplementary security income benefits, and referrals for such other services as may be appropriate such as referrals for primary health care, mental health treatment, and substance abuse treatment. It is anticipated that the contractor will serve approximately 300 individuals.

A Request for Proposal for PATH (Project for Assistance in Transition from Homelessness) funding was issued at the annual NH Homeless Provider and Homeless Education Liaison Conference on October 24, 2012. The Request for Proposal was also posted on the Department of Health and Human Services' website. As a result of this RFP, seven (7) proposals were received, evaluated and scored. All proposals met or exceeded the minimum score required for funding.

Should the Governor and Executive Council not approve this Request, shelter and homeless prevention resources for people who are homeless may not be available in their community, and there will be an increase in demand statewide placed upon local welfare authorities. People who are without housing and resources will resort to seeking local shelter in places that are not fit for people to live in, or will attempt to travel to shelters in other communities. This will increase the likelihood that homeless people will be in danger of injury or death, and will be cut off from basic supports for health, education and treatment. Numerous jobs would also be lost since the shelter and/or resource agencies would have to close their doors or drastically reduce staff.

Area served: Coos, Carroll and Grafton Counties

Source of funds:

State Grant in Aid- 100% General Funds, \$428,746

Homeless Housing and Access Fund – 100% General Funds, \$16,650

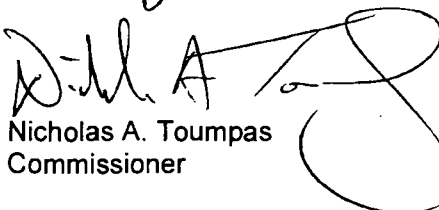
Homeless Outreach Intervention Program- 100% Federal Funds, \$130,188

PATH – 100% Federal Funds, \$ 79,829

Respectfully submitted,

  
Mary Ann Cooney  
Associate Commissioner

Approved by:

  
Nicholas A. Toumpas  
Commissioner

A Request for Proposal for state funding was issued at the annual NH Homeless Provider and Homeless Education Liaison Conference on October 24, 2012. The Request for Proposal was also posted on the Department of Health and Human Services' website.

<b>Homeless Housing Access Revolving Loan Fund Programs</b>	<b>Evaluation Score</b>
The Way Home	98.5
Front Door Agency	97
Tri-County Community Action Program, Inc	96
Southern New Hampshire Services	94
Southwestern Community Services	84.5
Belknap-Merrimack Community Action Program, Inc	81

As a result of this RFP, six proposals were received, evaluated and scored. All proposals met or exceeded the minimum score required for funding.

Criteria for selection included: proposal includes all elements and is assembled as required; program design and need for project; performance measures and identified outcomes; staff experience and credentials; coordination with community organizations and resources; involvement with Continuum of Care/Local Service Delivery Area; soundness of approach; cost effectiveness and leveraging of resources; and compliance with rules and statutes.

A Request for Proposal for PATH (Project for Assistance in Transition from Homelessness) funding was issued at the annual NH Homeless Provider and Homeless Education Liaison Conference on October 24, 2012. The Request for Proposal was also posted on the Department of Health and Human Services' website.

PATH (Project for Assistance in Transition from Homelessness)	Evaluation Score
Mental Health Center of Greater Manchester	93
Greater Nashua Mental Health Center at Community Council	90
Center for Life Management	90
Riverbend Community Mental Health Center	88
Tri-County Community Action Program	85
Monadnock Family Services	79
Seacoast Mental Health Center	75

As a result of this RFP, seven proposals were received, evaluated and scored. All proposals met or exceeded the minimum score required for funding.

Criteria for selection included: proposal includes all elements and is assembled as required; program provides coordinated and comprehensive services to eligible PATH clients; program effectively identifies the number of individuals contacted through outreach and the percentage of those who are enrolled in PATH; program design prioritizes services to people who are literally homeless; program demonstrates effective access for PATH enrolled clients into the local community mental health systems; consumers are included in all aspects of the program; program complies with statutes, rules and contract provisions; high level of service delivery area coordination and leveraging of resources; program uses clear performance measures to demonstrate outcomes achieved; program emphasizes services to veterans; degree of staff diversity and cultural competency; program has staff with skills, credentials and experience necessary to effectively carry out proposed project; and detailed budget supports the capacity of the PATH program proposed.

The review committee consisted of the following individuals:

- Chip Maltais, Bachelor's Degree General Science, Coordinator, Adult and Forensic Services, Bureau of Behavioral Health, NH Department of Health and Human Services
- Lee Ustinich, Masters of Science, State Planning and Review Specialist, Bureau of Behavioral Health, NH Department of Health and Human Services
- Michael Lawless, MSW, LADC, Program Specialist IV, Division of Community Based Care Services, Bureau of Drug and Alcohol Services, Clinical Services Unit, NH Department of Health and Human Services

- Lorrie Ripley, Training and Development Program Coordinator, Bureau of Behavioral Health, NH Department of Health and Human Services

A Request for Proposal for state funding was issued at the annual NH Homeless Provider and Homeless Education Liaison Conference on October 24, 2012. The Request for Proposal was also posted on the Department of Health and Human Services' website.

<b>Shelter Programs</b>	<b>Evaluation Score</b>	<b>HMIS Utilization</b>	<b>Total Score</b>
Laconia Area Community	98	9.8	107.8
Front Door Agency	95	10	105
Families in Transition - Concord	92.5	10	102.5
Helping Hands Outreach Ministries	92	8.6	100.6
Families in Transition - Family Place/Amherst	90.5	10	100.5
New Horizons for New Hampshire	90.5	9.5	100
Greater Nashua Council on Alcoholism (Keystone Hall)	90	9.8	99.8
Families in Transition - Lowell St	89.5	10	99.5
Families in Transition - Family Place/Spruce St	89.5	10	99.5
Bridge House	90.5	8.6	99.1
Nashua Soup Kitchen and Shelter, Inc	88.5	10	98.5
Child and Family Services of New Hampshire	88	10	98
The Way Home	88.5	9.4	97.9
Families in Transition - Family Willows/Millyard II	88	9.2	97.2
Families in Transition - Manchester Emergency	86.5	10	96.5
Marguerite's Place, Inc	86.5	10	96.5
Harbor Homes Inc	86.5	9.8	96.3
Salvation Army - Laconia (Carey House)	87	9.1	96.1
Cross Roads House, Inc	84.5	10	94.5
Greater Nashua Interfaith Hospitality Network	85.5	8	93.5
My Friend's Place	82.5	9.5	92
NH Coalition Against Domestic and Sexual Violence	83	8	91
Samaritans (Mary's Place)	81	9	90
Southwestern Community Services - Claremont	80.5	8.5	89
New Generations, Inc	79	9.6	88.6
Friends Program	78.5	10	88.5
First Congregational Church	81.5	6.5	88
Salvation Army - Concord (McKenna House)	78	10	88
Southwestern Community Services - Keene	80.5	7	87.5
Headrest, Inc	79	4.7	83.7
Veteran Homestead, Inc	75.5	8	83.5
Tri-County Community Action Program, Inc (Tyler Blaine)	75.5	7.5	83

<b>Prevention Programs</b>	<b>Evaluation Score</b>
AIDS Response Seacoast	103
Southwestern Community Services	99
The Way Home	99
NH Legal Assistance	98.5
Harbor Homes, Inc	98
St. John Neumann Church Outreach	98
Front Door Agency	97
Merrimack Valley Assistance Program	96.5
Belknap-Merrimack Community Action Program, Inc - New Start	96

Strafford County Community Action Committee, Inc	95
Belknap-Merrimack Community Action Program, Inc - Prevention	93
NH 211 (United Ways of New Hampshire) - Hotel	92.5
NH 211 (United Ways of New Hampshire) - Hotline	92
Child and Family Services of New Hampshire	91
Southern New Hampshire Services	89
Southern New Hampshire Services (Rockingham Program)	89
Tri-County Community Action Program, Inc	71
Veteran Homestead, Inc	61

Due to the quantity of proposals received, the reviewers were organized into twelve (12) teams, which met and presented their final evaluations and scores. The review committee teams included the following individuals:

- Natalie Allen, BA, MBA, Retired NH Department of Health and Human Services Employee – Over 30 years of social services most recently as a Community Relations Manager, served on the Local Service Delivery Areas of Concord and Laconia, and as a member of the Balance of State Continuum of Care
- Michael Bilson, BA, Program Planner I, Office of Consumer and Family Affairs, Bureau of Behavioral Health, Division of Community Based Care Services, NH Department of Health and Human Services
- John Capuco, Psy. D, Administrator, Bureau of Developmental Services, Division of Community Based Care Services, NH Department of Health and Human Services
- Christopher Cullinan, BA, MPA, Manager of Ryan White CARE Program, Division of Public Health, NH Department of Health and Human Services
- Sharon Drake, BS, Chief Executive Officer, Serenity Place (an NCADD Affiliate)
- Margaret Fogarty, MA, BA, Economic Justice Project Coordinator, American Friends Service Committee
- Ellen Fries, BA, Concord Coalition to End Homelessness
- Sherry Gould, Director, Wjokadoak, Inc
- Bill Guinther, BA, Program Policy Analyst at New Hampshire Housing Finance Authority (NHHFA)
- Janet Horne, Business Systems Analyst I, Bureau of Behavioral Health, Division of Community Based Care Services, NH Department of Health and Human Services
- David Keller, Former Minister at Concord's First Congregational Church
- Janine A Lesser, BS, MS, Child Care Program Specialist IV, TANF Policy Unit, Division of Family Assistance, NH Department of Health and Human Services
- Sandra Matheson, Director, State Office Victim/Witness Assistance, NH Attorney General's Office
- William McGonagle, Assistant Commissioner, NH Department of Corrections
- Niki Miller, MS, Senior Project Associate at Advocates for Human Potential, formerly Administrator of Women Offenders for NH Department of Corrections



- Karen Orsini, MSN, RN, Director of Quality Improvement, Bureau of Behavioral Health, Division of Community Based Care Services, NH Department of Health and Human Services
- Linda J Parker, BS, CPM, Program Specialist IV, Division of Community Based Care Services, NH Department of Health and Human Services
- Bernadette Pelczar, BA, MSW, Social Worker
- Kimberly Perez, PhD, Family HIV Program Manager, Dartmouth-Hitchcock
- Myriam Roeder, Adoption Manager, Division of Child, Youth and Families, NH Department of Health and Human Services
- Todd Ringelstein, Program Planning and Review Specialist, Division of Developmental Services, NH Department of Health and Human Services
- Michael Rogers, MHA, MT, MC, Assistant Administrator, Bureau of Drug and Alcohol Services, Division of Community Based Care Services, NH Department of Health and Human Services
- Marianne Savarese, BS, RN, Project Director of Health Care for the Homeless Program
- Barbara Thorngren, M.Ed, Collaborative Education Consultant for PeaceWorks New Hampshire, LLC
- Kristina Toth, BA, Administrator, Family Connections Center, NH Department of Corrections
- Sally Varney, BA, Program Planning and Review Specialist, Division of Community Based Care Services, NH Department of Health and Human Services
- Dave Villiotti, MS, Executive Director, Nashua Children's Home
- Donna Walker, BBA, MBA, Business Administrator IV, Bureau of Behavioral Health, Division of Community Based Care Services, NH Department of Health and Human Services
- Kathleen Walton, Masters in Human Service Administration, Human Service Director, Town of Salem

A funding distribution formula for State Grant-In-Aid was designed during March 2013, based on the most current projections of State Fiscal Years 2014 and 2015 funding available at that time. This total was approximately 4% more than the State Fiscal Years 2012 and 2013 total of State Grant-In-Aid funding. One prevention program, Veteran Homestead, Inc, received a score of 61, which was below the guideline score of 65; therefore, they were only awarded level funding for their program. One shelter program, Veteran Homestead, Inc, was not funded, especially when taking into consideration the placement of the proposal in the rankings of the shelter program scores, because the proposal was for a new shelter request and not a renewal shelter request.

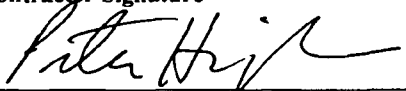

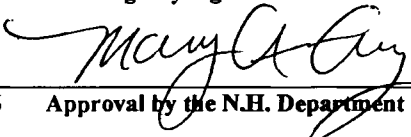

Subject: State Grant-In-Aid Funds and Homeless Outreach and Prevention Program

**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

**1. IDENTIFICATION.**

<b>1.1 State Agency Name</b> Department of Health and Human Services Office of Human Services		<b>1.2 State Agency Address</b> 129 Pleasant Street Concord, NH 03301	
<b>1.3 Contractor Name</b> Tri-County Community Action Program, Inc.		<b>1.4 Contractor Address</b> 30 Exchange Street Berlin, NH 03570	
<b>1.5 Contractor Phone Number</b> (603) 752-7001	<b>1.6 Account Number</b> 05-95-42-423010-7925 05-95-42-423010-7927 05-95-42-423010-7928 05-95-42-423010-7926	<b>1.7 Completion Date</b> June 30, 2015	<b>1.8 Price Limitation</b> \$ 655,413.00
<b>1.9 Contracting Officer for State Agency</b> Maureen U. Ryan, Bureau Administrator		<b>1.10 State Agency Telephone Number</b> (603) 271-9197	
<b>1.11 Contractor Signature</b> 		<b>1.12 Name and Title of Contractor Signatory</b> Peter Higbee, Chief Operating Officer	
<b>1.13 Acknowledgement:</b> State of <u>NH</u> , County of <u>Croos</u> On <u>8/26/13</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
<b>1.13.1 Signature of Notary Public or Justice of the Peace</b> 			
<b>1.13.2 Name and Title of Notary or Justice of the Peace</b> Suzanne C. French, Notary		SUZANNE C. FRENCH Notary Public - New Hampshire My Commission Expires June 19, 2018	
<b>1.14 State Agency Signature</b> 		<b>1.15 Name and Title of State Agency Signatory</b> Mary Ann Cooney Associate Commissioner	
<b>1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable)</b> By: _____ Director, On: _____			
<b>1.17 Approval by the Attorney General (Form, Substance and Execution)</b> By:  Jeanne P. Herrick, Attorney On: 13 Sept. 2013			
<b>1.18 Approval by the Governor and Executive Council</b> By: _____ On: _____			

**2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED.** The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

**3. EFFECTIVE DATE/COMPLETION OF SERVICES.**  
3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").  
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

**4. CONDITIONAL NATURE OF AGREEMENT.**  
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

**5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.**  
5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.  
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.  
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

**6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.  
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.  
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

**7. PERSONNEL.**

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.  
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.  
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

**8. EVENT OF DEFAULT/REMEDIES.**

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

**9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.**

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

**10. TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

**11. CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

**12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

**13. INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

**14. INSURANCE.**

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

Contractor Initials: PH  
Date: 8.26.13

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

**15. WORKERS' COMPENSATION.**

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

**16. WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

**17. NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

**18. AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

**19. CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

**20. THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

**21. HEADINGS.** The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

**22. SPECIAL PROVISIONS.** Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

**23. SEVERABILITY.** In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

**24. ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.



Exhibit A

SCOPE OF SERVICES

**State Grant In Aid Program**

1. PROVISIONS APPLICABLE TO ALL SERVICES:

- 1.1. Except as otherwise modified in paragraphs of EXHIBIT A, the Contractor agrees to comply with the program narrative, budget detail and narrative, and amendments thereto, for Services, operations, prevention, acquisition, or rehabilitation as approved by the Bureau of Homeless and Housing Services, Office of Human Services, Department of Health and Human Services, hereafter referred to as the State.
- 1.2. The Contractor agrees that, to the extent future legislative action by the New Hampshire General Court or federal or state court orders may impact on the Services described herein, the State has the right, following consultation with the Contractor, to modify service priorities and expenditure requirements for the funds provided under this Agreement so as to achieve compliance therewith.
- 1.3. The Contractor shall pursue any and all appropriate public sources of funds that are applicable to the funding of the Services, operations, prevention, acquisition, or rehabilitation. Appropriate records shall be maintained by the Contractor to document actual funds received or denials of funding from such public sources of funds.
- 1.4. The Contractor shall provide semiannual and annual report information data by service modality describing the number of unduplicated cases served, units of services rendered, and staff required to provide the service, as may be required by the State. Monthly reports may be required at the discretion of the State. Reports shall include, but are not limited to, details of progress and achievements toward the following key program outcomes:
  - 1.4.1. Shelter Goals
    - 1.4.1.1. 46% of program participants will exit the program to permanent housing.
    - 1.4.1.2. The average length of stay in this program will be reduced by 5%.
    - 1.4.1.3. Target of 80% of shelter guests receive primary health care.
  - 1.4.2. Prevention Goals
    - 1.4.2.1. 70% of households that receive this prevention assistance will achieve immediate housing stability.
    - 1.4.2.2. At least 60% of households that receive this prevention assistance will not experience and episode of homelessness within 12 months.
    - 1.4.2.3. HMIS will be up and running through all 3 counties.
- 1.5. All programs under this contract that are emergency shelters, transitional programs or permanent programs are required to be licensed to provide client level data into the New Hampshire Homeless Management Information System (NH HMIS). Programs under this contract must be familiar with and follow NH HMIS policy, including specific information that is required for data entry, accuracy of data entered, and time required for data entry. Current NH HMIS policy can be accessed electronically through the following website: <http://www.nh-hmis.org>.
- 1.6. Failure to submit the above reports or enter data into HMIS in a timely fashion could result in the delay or withholding of reimbursements until such reports are received or data entries are confirmed by the State.

2. SERVICES:

The Contractor hereby covenants and agrees that during the term of this Agreement, it will provide services in accordance with the description(s) cited below:

- 2.1. New Hampshire Emergency Shelter State Grant-In-Aid Program RSA 126-A:25, 126-A:27, 126-A:28, 126-A:29, and 126-A:63 as well as He-M 314
- 2.2. Contractor shall use the New Hampshire Emergency Shelter State Grant-In-Aid funds for:
  - Prevention/Intervention Services, such as rent with eviction notice, mortgage with foreclosure notice, utilities with disconnect notice, and other activities to prevent homelessness.



Exhibit A

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- Essential Services, such as assistance in finding permanent housing, employment counseling, substance abuse counseling, assistance in accessing other community services, and staff salaries and benefits.
- Operations Activities, including shelter operational costs such as rent, utilities, insurance, and supplies.
- Homeless Housing and Access Revolving Loan Fund, to provide loans for the first month of rent and/or security deposit for homeless individuals and families.

Service Locations:  
Tyler Blain House  
56 Prospect Street  
Lancaster NH 03584



Exhibit A

**PATH**

Contractor shall use Projects for Assistance from Homelessness (PATH) funds to provide services to individuals with serious mental illness or who have both serious mental illness and substance use disorders and are homeless or at imminent risk of being homeless. The primary emphasis of New Hampshire's PATH Program is the outreach and engagement into services and housing of PATH eligible individuals. Services provided through this program will include: outreach, screening and diagnostic treatment, community mental health services, training and case management. PATH case management services include: assistance in obtaining and coordinating services for eligible homeless individuals, assistance to eligible individuals in obtaining income support services, including housing assistance, food stamps, and supplementary security income benefits, and referrals for such other services as may be appropriate including referrals for primary health care.

**Homeless Outreach and Prevention Program (HOIP)**

1. Provisions applicable to HOIP services:

- 1.1. Programs contracted to provide HOIP services must maintain client level data as required by the State. All contracted programs licensed to provide client level data into New Hampshire Homeless Management Information System (NH HMIS) shall utilize the Entry-Exit process for every client entered into NH HMIS. Entry/Exit dates and outreach contact assessments must be completed within 45 days of initial contact. Outreach contract providers who are not currently entering client level data into NH HMIS must provide Homeless Outreach Contact Forms for clients seen the first 15 days of the month and the last 15-16 days of the month within 5 business days to the State.

2. Services:

Contractor shall utilize Supportive Housing Grant Funds and matching funds for essential services and operations of the Homeless Outreach and Intervention Program (HOIP) including staff wages and benefits. Services include outreach and engagement with unsheltered homeless persons, basic needs assessment, assistance in obtaining emergency shelter, client emergency assistance, transportation, and linkages to needed services or benefits.





**METHOD AND CONDITIONS PRECEDENT TO PAYMENT**

**State Grant In Aid Program and Projects for Assistance in Transition from Homelessness**

The following financial conditions apply to the scope of services as detailed in Exhibit A – State Grant In Aid Program and Projects for Assistance in Transition from Homelessness.

**NH General Funds:**

SFY14 not to exceed \$222,698.00  
SFY15 not to exceed \$222,698.00

**Federal Funds:**

CFDA #: 93.150  
Federal Agency: Substance Abuse and Mental Health Services Administration  
Program Title: Projects for Assistance in Transition from Homelessness  
Total Amount  
not to exceed: \$79,829.00

**1. PROGRESS REPORTS:**

Semi-annual and annual financial and statistical progress reports which identify the status of the Services performed, the outlook for completion of the remaining services prior to the Completion Date and the changes, if any, which need to be made to the services, shall be submitted by the 15th of the month following the end of each six month period on forms supplied by the State.

**2. PROJECT COSTS; PAYMENT OF PROJECT COSTS; REVIEW BY THE STATE**

- 2.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Services, as determined by the State to be eligible and allowable for payment.
- 2.2. Payment of Project Costs: Subject to the general provisions of this Agreement and in consideration of the satisfactory completion of the Services to be performed under this Agreement, the State agrees to purchase from the Contractor, in the amount not to exceed and for the specific time period specified above.
- 2.3. The Contractor shall submit documentation of expenditures of Project Costs at the conclusion of each monthly period or any other such schedule as may be required. In no event shall the funds provided exceed the amounts specified above.
- 2.4. Review by the State, Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the semiannual reports, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review, the State shall disallow any items of expense which are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not been made, it shall refuse to pay such costs.

**3. LINE ITEM TRANSFERS:**

No more than 10% of funds in each budget line can be transferred between line items as appears on the budget page without the prior written authorization from the State. Any expenditures which exceed the approved budgets shall be solely the financial responsibility of the Contractor. However, such excess expenditures may be covered by the transfer of other funds where such transfer is permissible by this Agreement. In any event, the Contractor shall be required to continue providing the Services specified in this Agreement. The Contractor shall make no adjustments so as to incur additional expenses in State funded programs in subsequent years without prior written authorization from the State.

New Hampshire Department of Health and Human Services  
 State Grant In Aid and Homeless Outreach and Prevention Program  
 Exhibit B



State Grant In Aid Program Budget detail

EXPENSE BUDGET for SFY14 and SFY15:

EXPENSE ITEM	State GIA Funds	Match
<b>Prevention/Intervention (Prevention Program)</b>	<b>\$102,438.00</b>	<b>\$102,438.00</b>
Rent with eviction notice, mortgage with foreclosure notice, utilities with disconnect notice, and other activities to prevent homelessness	0	0
<b>Essential Services (Prevention Program)</b>	<b>\$33,719.00</b>	<b>\$33,719.00</b>
Assistance in finding permanent housing, employment counseling, substance abuse counseling, assistance in accessing other community services and staff salaries and benefits	0	0
<b>Essential Services (Tyler Blain House)</b>	<b>\$292,589.00</b>	<b>\$292,589.00</b>
Shelter operational costs such as rent, utilities, insurance, supplies and taxes	0	0
<b>PATH</b>	<b>\$79,829.00</b>	<b>\$79,829.00</b>
<b>Homeless Housing and Access Revolving Loan Fund</b>	<b>\$16,650.00</b>	N/A
<b>TOTALS</b>	<b>\$525,225.00</b>	<b>\$508,575.00</b>
<b>TOTAL GIA+Match</b>	<b>\$1,033,800.00</b>	

**Homeless Outreach and Prevention Program**

The following financial conditions apply to the scope of services as detailed in Exhibit A – Homeless Outreach and Prevention Program.

This contract is funded by the New Hampshire General Fund and/or by federal funds made available under the Catalog of Federal Domestic Assistance (CFDA), as follows:

NH General Fund: Not applicable  
 Federal Funds:  
 CFDA #: 14.235  
 Federal Agency: U.S. Department of Housing & Urban Development  
 Program Title: Supportive Housing Program  
 Total Amount Supportive Housing Program;  
 SFY14: not to exceed \$130,188.00

- Subject to the General Provisions of this Agreement and in consideration of the satisfactory completion of the services to be performed under this Agreement, the State agrees to fund the Contractor for operations, supportive services, leasing and administration utilizing funds provided through the U.S. Department of Housing and Urban Development (HUD) Supportive Housing Program, in an amount not to exceed and for the time period specified above.

P.H.  
 8-26-13

**New Hampshire Department of Health and Human Services  
State Grant In Aid and Homeless Outreach and Prevention Program  
Exhibit B**



**2. REPORTS.**

As part of the performance of the Project Activities, the Contractor covenants and agrees to submit the following:

- 2.1. Audited Financial Report: The Audited Financial Report shall be prepared in accordance with the regulations that implement OMB Circular A-133. Three (3) copies of the audited financial report shall be submitted within thirty (30) days of the completion of said report to the State.
- 2.2. Where the Contractor is not subject to the requirements of OMB Circular A-133, within ninety (90) days after the Completion or Termination Date, one copy of an audited financial report shall be submitted to the State. Said audit shall be conducted utilizing the guidelines set forth in "Standards for Audit of Governmental Organizations, Program Activities, and Functions" by the Comptroller General of the United States.
- 2.3. Progress Reports: Semiannual and annual financial and statistical progress reports which identify the status of the Services performed, the outlook for completion of the remaining services prior to the Completion Date and the changes, if any, which need to be made to the services, shall be submitted by the 15th of the month following the end of each six month period on forms supplied by the State.

**3. PROJECT COSTS: PAYMENT SCHEDULE; REVIEW BY THE STATE.**

- 3.1. Project Costs: As used in this Agreement, the term "Project Costs" shall mean all expenses directly or indirectly incurred by the Contractor in the performance of the Project Activities, as determined by the State to be eligible and allowable for payment in accordance with Public Law 102-550 as well as allowable cost standards set forth in OMB Circular A-87 as revised from time to time and with the rules, regulations, and guidelines established by the State. Nonprofit subcontractors shall meet the requirements of OMB Circular A-122.
- 3.2. Payment of Project Costs: Subject to the general provisions of this Agreement and in consideration of the satisfactory completion of the Services to be performed under this Agreement, the State agrees to purchase from the Contractor, in the amount not to exceed the Price Limitation set forth in block 1.8. of the General Provisions of the Agreement. The State agrees to provide funds for homeless services in payments in accordance with such other schedules as may be required by the U.S. Department of Housing and Urban Development under the provisions of 24 CFR Part 576, Emergency Shelter Grants Program; Stewart B. McKinney Homeless Assistance Act and all applicable regulations. The Contractor shall submit documentation of expenditures of Federal funds at the conclusion of each bimonthly period or any other such schedule as may be required. In no event shall the funds provided exceed the Price Limitation set forth in block 1.8. of the General Provisions. Upon release of additional Federal funding to the State, Contractor may invoice for balance of contracted amount as specified in block 1.8 based on documentation of expenditures.
- 3.3. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of the Quarterly Reports, Termination Report or Audited Financial Report, the State may review all Project Costs incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any items of expenses that are not determined to be allowable or are determined to be in excess of actual expenditures, and shall, by written notice specifying the disallowed expenditures, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs. Any amounts awarded to the Contractor pursuant to this agreement are subject to recapture pursuant to 24 CFR Subsection 576.55. The funds authorized to be expended under this Agreement shall be used only for operations, supportive services, leasing and administration or reimbursement for expenditures for operations, supportive services, leasing and administration, provided by the Contractor for the project period and operating years of the Supportive Housing Program as approved by HUD and in accordance with the Supportive Housing Program Regulations, published at 24 CFR Part 583.

**4. USE OF GRANT FUNDS.**

**New Hampshire Department of Health and Human Services  
State Grant In Aid and Homeless Outreach and Prevention Program  
Exhibit B**



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- 4.1. The State agrees to provide payment for actual costs, up to the Total Program Amount as defined in this Exhibit, as defined by HUD under the provisions of P.L. 102-550 and applicable regulations.
  - 4.2. The Contractor may amend the contract budget through line item increases, decreases or the creation of new line items provided these amendments do not exceed the contract price. Such amendments shall only be made upon written request to and written approval from the State.
  - 4.3. Conformance to OMB Circular A-110: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in OMB Circular A-110.
  - 4.4. Conformance to 24 CFR Part 84: Grant funds are to be used only in accordance with procedures, requirements, and principles specified in 24 CFR Part 84.
5. **CONTRACTOR FINANCIAL MANAGEMENT SYSTEM.**
- 5.1. Fiscal Control: The Contractor shall establish fiscal control and fund accounting procedures which assure proper disbursement of, and accounting for, grant funds and any required nonfederal expenditures. This responsibility applies to funds disbursed in direct operations of the Contractor.
  - 5.2. The Contractor shall maintain a financial management system that complies with Attachment G of A-102, "Standards of Contractor Financial Management Systems" or such equivalent system as the State may require. Requests for payment shall be made according to EXHIBIT B, Section 3.2 of this Agreement.



Exhibit C

Special Provisions

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:

4. **CONDITIONAL NATURE OF AGREEMENT.**

- Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.

2. Add the following to Paragraph 5:

- 5.5. Upon execution of the Contract and satisfaction by the Contractor of any conditions in the Notification of Funding Approval, the State shall provide the Contractor with the funds, in accordance with EXHIBIT B of this Contract Agreement, in the amount specified in the attached Notification of Funding Approval.

- 5.6. Funds obligated under this Contract shall not be increased but may be decreased in accordance with this Contract and 24 CFR 841.400(b) and (c).

3. Add the following to Paragraph 6.1:

- 6.1. In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, country, or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights, equal opportunity and housing laws, Section 101 (g), P.L. 99-500, Title VIII of the Civil Rights Act of 1968, and Executive Order No. 11063, as implemented by the regulations at 24 CFR Part 107.

4. Add the following to Paragraph 6.:

- 6.4. The Contractor certifies as follows:

- 6.4.1. that the grant funds provided pursuant to this Contract shall be used in accordance with the requirements and provisions of this Contract, the Supportive Housing Program regulations, and the Application including the Fair Housing and Equal Opportunity Certifications and the Applicant Certifications contained in Exhibit 4 of the Application;

- 6.4.2. that the grant funds shall not be used to replace State or local assistance program funds used to assist homeless persons during the calendar year preceding the date of the Application or were designated for such use through an official action of the applicable governmental entity during the calendar year preceding the date of the Application;

- 6.4.3. that no more than five percent of the grant funds may be used for administrative expenses;

- 6.4.4. that, except as provided at 24 CFR Subsection 573.33(1)(4)(ii), the Contractor shall not:

- 6.4.4.1. conduct renovation, major rehabilitation, or conversion of any building listed on the National Register of Historic Places; located in an historic district;



Exhibit C

- immediately adjacent to a property listed on the National Register; or deemed to be eligible for inclusion on the National Register by the State Historic Preservation Officer;
- 6.4.4.2. conduct any such activity taking place in a 100-year flood plain designated by map by the Federal Emergency Management Agency;
  - 6.4.4.3. conduct any such activity which will jeopardize the continued existence of an endangered or threatened species designated by the U.S. Department of the Interior's Fish and Wildlife Service or by the U.S. Department of Commerce's National Maritime Fisheries Service, or affecting the critical habitat of such as species; and
  - 6.4.4.4. be inconsistent with HUD's environmental standards at 24 CFR Part 51 or with the State's Coastal Zone Management Plan;
- 6.4.5. that the Contractor shall make it known that use of the facilities and services is available to all on a nondiscriminatory basis. Where the procedures that the Contractor intends to use to make known the availability of services are unlikely to reach persons of any particular race, color, religion, age, creed, sex, handicap, or national origin who may qualify for such services, the Contractor must establish additional procedures that will ensure that these persons are made aware of the facility and services;
  - 6.4.6. that the submission of applications for grants is authorized under State or local law and that the Contractor possesses legal authority to carry out the grants activities in accordance with applicable law and regulations of the U.S. Department of Housing and Urban Development;.
  - 6.4.7. that the Contractor shall comply with the nondiscrimination and equal opportunity requirements of 24 CFR 841.330(a);
  - 6.4.8. that the Contractor shall comply with the National Environmental Policy Act of 1969, 42 U.S.C. 4332, implementing regulations at 24 CFR Part 50 and the Coastal Barriers Resources Act of 1982 (16 U.S.C. 3601); and
  - 6.4.9. that the Contractor shall comply with the requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) as described in 24 CFR 841.330(d).
- 5. Add the following to Paragraph 7.:
    - 7.4. It is understood and agreed by the parties hereto that in discharging its obligations under this Agreement, the Contractor shall ensure that no person (1) who is an employee, agent, consultant, officer, or elected or appointed official of the Contractor, subcontractor, or the State that receives Supportive Housing Grant amounts who exercises or has exercised any functions or responsibilities with respect to assisted activities or (2) who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for him or herself or those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.
    - 7.5. The Contractor shall not employ, engage for services, award contracts or fund any contractors or subcontractors during any period of their debarment, suspension or placement in ineligibility status as determined pursuant to 24 CFR Part 24.
  - 6. Add the following to Paragraph 8.:
    - 8.3. The State may deobligate amounts for any acquisition/rehabilitation advance or a moderate rehabilitation grant if the total costs of the acquisition/rehabilitation or moderate rehabilitation are less than the approved grant.
    - 8.4. The State may deobligate funds made available under this Contract if any proposed acquisition/rehabilitation or moderate rehabilitation activities are not begun or completed in accordance with the development schedule contained in the Application or within a reasonable time thereafter.



Exhibit C

- 8.5. The Contractor shall repay the full amount of any acquisition/rehabilitation advance or moderate rehabilitation grant if it fails to use the structure for supportive housing for the homeless for a ten year period following the initial occupancy with funding under this Agreement.
  - 8.6. For each full year that the Project is used for supportive housing for the homeless following the expiration of the ten year period, the amount of the acquisition/rehabilitation advance that the Contractor will be required to repay will be reduced by one-tenth of the original advance.
  - 8.7. If the Project is used for supportive housing for the homeless for twenty years following the date of initial occupancy, the Contractor will not be required to repay any portion of the acquisition/rehabilitation advance given under this Agreement.
  - 8.8. Upon the Contractor's written request, the State may determine that the Project is no longer needed as transitional housing for the homeless and may approve an alternate use of the Project for the direct benefit of lower income persons. In such event, for purposes of determining the Contractor's repayment obligations, the Project will continue to be treated as supportive housing for the homeless as long as it is used for the approved alternate purpose.
  - 8.9. If the Project is taken by eminent domain or seizure, the Contractor must repay the acquisition/rehabilitation advance or the moderate rehabilitation grant to the extent that funds are available from the eminent domain or other proceeding.
7. Add the following to Paragraph 9.:
- 9.4. Between the effective date and a date five years after the Completion Date, at any time during the Contractor's normal business hours, and as often as the State shall reasonably demand, the Contractor shall make available to the State all data for examination, duplication, publication, translation, or for any other purpose. Nothing in this Subparagraph shall require the Contractor to make available data that would violate any statute, other provisions of this Agreement, or agreements with unrelated third parties. The term "Contractor" includes all persons, natural or fictional, who are controlled by, under common ownership with, or an affiliate of, the entity identified as the Contractor in Paragraph 1.3. of the General Provisions of this Agreement.
  - 9.5. During the performance of the Project Activities and for a period of five (5) years after the Completion Date, the Contractor shall keep the following records and accounts:
    - 9.5.1. Records of Direct Work: Detailed records of all direct work performed by its personnel under this Agreement.
    - 9.5.2. Fiscal Records: Books, records, documents and other statistical data evidencing and permitting a determination to be made by the State of all Project Costs and other expenses incurred by the Contractor and all income received or collected by the Contractor during the performance of the Project Activities. The said records shall be maintained in accordance with accounting procedures and practices acceptable to the State, and which sufficiently and properly reflect all such costs and expenses, shall include, without limitation, all ledgers, books, records, and original invoices, vouchers, bills, requisitions for materials, inventories, valuations of in kind contributions, labor time cards, payrolls and other records requested or required by the State.
    - 9.5.3. Contractor and Subcontractor Records: The Contractor shall establish, maintain, and preserve and require each of its contractors and subcontractors to establish, maintain, and preserve property management, project performance, financial management and reporting documents and systems, and such other books, records, and other data pertinent to the project as the State may require. Such records shall be retained for a period of five (5) years following completion of the project and receipt of final payment by the Contractor, or until an audit is completed and all questions arising therefrom are resolved, whichever is later.
  - 9.6. Audits and Inspections: During the performance of the Project Activities and the five (5) year retention period, at any time during normal business hours and as often as the State, HUD, or the Comptroller General of the United States, together or separately, may deem necessary, the Contractor shall make available to the State, HUD, or representatives of the Comptroller General, as requested, all records pertaining to matters covered by this Agreement. The



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Contractor shall permit the State, HUD, or representatives of the Comptroller General, collectively or separately, to audit, examine and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data and other invoices, materials, payrolls, records of personnel, data and other information relating to all matters covered in this Agreement.

8. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
  - 10.1. The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
  - 10.2. In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
  - 10.3. The Contractor shall fully cooperate with State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
  - 10.4. In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
  - 10.5. The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
9. Add the following to Paragraph 14:
  - 14.4. The Contractor shall obtain property, casualty or hazard insurance in an amount at least equal to the amount of any acquisition/rehabilitation advance or the moderate rehabilitation grant provided to the Contractor. The Contractor shall assure that such insurance remains in full force during the term of the commitment to provide supportive housing for the homeless.
10. Add the following to Paragraph 20:
  - 20.1. DEVELOPMENT
    - 20.1.1. The Contractor assures that it has control of the site and/or structure to be used for the Project as described in the Application and EXHIBIT A of this Contract.
    - 20.1.2. The Contractor shall keep and maintain such books, records, and other documents as required by the State as may be necessary to reflect and disclose fully the amount and disposition of grant funds, and the total cost of activities paid for, in whole or in part, with grant funds.
  - 20.2. OPERATION
    - 20.2.1. The Contractor agrees that it will facilitate the provision of necessary supportive services to the residents of the Project.
    - 20.2.2. The Contractor shall assure that the Project will be operated in accordance with the Project Sponsor Executive Officer Certifications contained in EXHIBIT 4 of the Application.
    - 20.2.3. The Contractor shall operate the Project as transitional housing for homeless persons for a ten-year period following the initial occupancy with grant funds provided pursuant to this Contract.
    - 20.2.4. In the event the Project is not operated as supportive housing for the homeless for ten years following the initial occupancy with grant funds as provided in Paragraph 1.8. above, the Contractor shall repay the full amount of the grant funds in accordance with Paragraph 8. of this Contract.





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- 20.2.5. The Contractor shall assure that residents in the Project will be charged rent in accordance with section 3(a) of the United States Housing Act of 1937, which requires residents to pay the highest of (1) 30 percent of the family's monthly income (adjusted in accordance with 24 CFR 841.320); (2) 10 percent of the family's monthly income; or (3) if the family is receiving payments for welfare assistance from a public agency and a part of the payments, adjusted in accordance with the family's actual housing costs, is specifically designated by the agency to meet the family's housing costs, the portion of the payments that is designated.
- 20.2.6. The Contractor shall conduct an ongoing assessment of the supportive services required by the residents in the Project.
- 20.2.7. The Contractor shall provide a residential supervisor, as specified in the Application, who will facilitate the adequate provision of supportive services to the residents of the housing throughout the term of the commitment to operate the Project as supportive housing for the homeless.
- 20.2.8. The Contractor shall provide safe and sanitary housing and shall comply with all State and local housing codes, licensing requirements and other requirements regarding the condition of the structure and the operation of the Project.
- 20.3. SUPPORTIVE HOUSING PROGRAM COVENANTS
- 20.3.1. If the structure used for supportive housing is owned or leased by the Contractor, restrictions regarding the use of the structure will be contained in a covenant, running with the land recorded in the land records of the jurisdiction in which the structure is located.
- 20.3.2. The covenant running with the land, required in Paragraph 20.3.1 above, must state that the owner and his or her successors, assigns, heirs, grantees or lessees shall, if the Project is not used as supportive housing for homeless persons for ten years following initial occupancy with contract funds, the owner, his/her successors and assigns, heirs, grantees or lessees shall be required to repay the full amount of the grant unless HUD determines that the Project is no longer needed for use as supportive housing for homeless persons and approves the use of the Project for the direct benefit of lower income persons.
- 20.3.3. The Contractor shall ensure that the covenants required by Paragraph 20.2.5 above, are recorded prior to the commencement of any acquisition or rehabilitation activity, for a Project receiving a rehabilitation advance or a moderate rehabilitation grant, or, for a Project receiving an acquisition advance, recorded immediately after the recording of the deed for the structure acquired with the acquisition advance.
- 20.4. OTHER PROGRAM REQUIREMENTS
- If a structure rehabilitated with grant funds is leased from a religious organization, the Contractor shall ensure that the lease contains the following provisions:
- 20.4.1 the leased premises will be used exclusively for secular purposes and be available to all persons regardless of religion; and
- 20.4.2. the lease payments will not exceed the fair market rent of the structure without the rehabilitation; and
- 20.4.3. the cost of improvements that benefit any portion of the structure that is not used for the provision of supportive housing for the homeless is allocated to and paid for by the religious organization, and
- 20.4.4. unless the lessee, or a successor lessee acceptable to the State, retains the use of the leased premises for a wholly secular purpose for at least the useful life of the improvements, the lessor will pay to the lessee, within a reasonable time, an amount equal to the residential value of the improvements, and
- 20.4.5. the Contractor shall comply with the policies, guidelines and requirements of OMB Circular Number A-87 and A-102 as set forth in 24 CFR Part 85, except the requirements of 24 CFR 85.24 are modified by 24 CFR 841.125 and the requirements of 24 CFR 85.31 are modified by 24 CFR 841.310 and 841.315, and
- 20.4.6. the Contractor's financial management system shall provide for audits in accordance with 24 CFR Part 44, and

New Hampshire Department of Health and Human Services  
State Grant In Aid and Supportive Housing Program



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20.4.7. the Contractor shall keep any records and make any reports that the State may require. Estimates for the cost of acquisition and/or rehabilitation or moderate rehabilitation of the Project shall be supported by documentation on file and maintained for at least three years of operation with funding under this program.



ADDITIONAL SPECIAL PROVISIONS

1. Retroactive Payments – Individual Services

Notwithstanding anything to the contrary contained in this Agreement or in any other document, agreement or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for any services provided to any individual prior to the Effective Date of this Agreement and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.

2. Retroactive Payments – Contractor Services

Notwithstanding anything to the contrary contained in this Agreement or in any other document, agreement or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for any costs incurred for any purposes prior to the Effective Date of this Agreement.

3. Audit Requirement

The Contractor shall deliver to the State, at the address set forth in Section 1.2 of these General Provisions, an independent audit performed by a Certified Public Accountant, of the Contractor, including the funds received under this Agreement.

The following requirement shall apply if the Contractor is a State or Local Government: If the federal funds received under this or any other Agreement from any and all sources exceeds \$25,000 in the aggregate in a one year fiscal period the required audit shall be performed in accordance with the provisions of OMB Circular A-128, Single Audits of State and Local Governments.

4. Credits

All documents, notices, press releases, research reports, and other materials prepared during or resulting from the performance of the services or the Agreement shall include the following statement: "The preparation of this (report, document, etc.) was financed under an Agreement with the State of New Hampshire, Department of Health and Human Services, Bureau of Homeless and Housing Services, with funds provided in part or in whole by HUD."

NH Department of Health and Human Services

STANDARD EXHIBIT G

CERTIFICATION REGARDING  
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

- 1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

Peter Higbee  
 (Contractor Representative Signature)

Peter Higbee, Chief Operating Officer  
 (Authorized Contractor Representative Name & Title)

Tri-County CAP, Inc.  
 (Contractor Name)

8.26.13  
 (Date)