Unified Funding Agency
Business Plan

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**Vision**

All Chicago Making Homelessness History seeks to strengthen our Continuum of Care (CoC) and our collective efforts to end homelessness, guided by a vision of Impact, Influence, and Inspiration. It is our intent to measure results, share the passion for our work, and inspire our partners, our team, and our neighbors. Our mission is to unite our community and resources to provide solutions that ensure and sustain the stability of a home. We are asking for the full support of the Chicago Continuum of Care to obtain status as the Unified Funding Agency (UFA) for our system of care.

Our vision for becoming the UFA is led first and foremost by the community’s desire to increase resources and our collective ability to be responsive to system needs, with the goal of ending homelessness. We see this vision emerging from three key strategies.

1) **Position the Chicago Homeless Response System as a Powerhouse**
   
   We believe that UFA status will change the way our CoC is viewed and supported by local and State authorities, by Chicago’s business community, and by our funders. Serving as a model for system management and partnership would bring a national spotlight to Chicago as a leader in aligning resources, empowering local decision-making, and leading the field in an active contracting model. We believe our collective efforts will garner additional resources to strengthen our community’s effort to end homelessness in Chicago.

2) **Maximize Community Utilization and Management of HUD Resources**
   
   For many years, Chicago’s CoC has been working to end homelessness under the guise of our largest funder, HUD. We were incentivized to defund certain program types in order to gain additional funding, but at a great cost to our community. We are hampered by the multitude of individual projects, working toward individual project goals, within an individual project budget. Our community has launched numerous system-wide, innovative and client-centered programs, but those programs often exist outside of the CoC because of our reliance on inflexible project-based funding. UFA designation will empower our system to operate in a truly coordinated fashion, and shift the planning, implementation, and management of resources back into the Community’s hands.

3) **Increase Grant Flexibility while Reducing Unspent Funding**
   
   UFA status also brings several technical benefits to the CoC, such as allowing more flexible and nimble contracting to reduce and eliminate the amount of unspent funds. As a community, we return between $4 and $6 million dollars in HUD funding each year which, based on local data, could lead to an additional 300 or more homeless assistance slots each year.

   We encourage everyone to review the voluntary and involuntary reallocation policies drafted by UFA Committee on our website, which we anticipate will significantly reduce the amount of money returned by Chicago to the federal government on an annual basis.

All Chicago would not seek UFA status if we were not sure that it would benefit the CoC and the community as a whole. The work of the UFA Committee has validated the benefits of UFA status and the committee worked diligently to answer the community’s questions regarding the UFA. The new governance and implementation structure adopted by the CoC will allow us to move quickly to provide
the necessary oversight and coordination if we are approved to be the UFA. For more information on the benefits to the community, subrecipients, the collaborative applicant, and clients is outlined in HUD's Discussion Guide: Key Questions for CoC's Considering UFA Status, beginning on page 8.

As the Collaborative Applicant, All Chicago has been successful in earning the endorsement of the CoC for many successive terms. We are now seeking the support of all CoC-funded agencies in Chicago to allow All Chicago to move forward with applying and planning for UFA status. All Chicago will operate with integrity to do what is in the best interest of our consumers, our partners, and our community.

All Chicago commits to engaging in an inclusive, rigorous process to properly vet additional implementation plans. That process would include convening subject matter experts throughout the community and utilizing the CoC Board of Directors structure to develop a shared vision for UFA implementation. We will rely on the collective expertise of our partners in the CoC, persons of lived experience, and a highly qualified team of professional staff. The process will include:

- Requesting that the CoC Board of Directors expedite a process to ensure appropriate oversight and accountability;
- Requesting technical assistance from HUD to ensure necessary governance, policies and procedures are developed and in place;
- Convening a series of meetings to expand upon the reallocation policies and ensure appropriate protocols are in place to expedite contracting, funding, and amendment processes;
- Leveraging proven contract management practices and share influence and decision-making in reference to grant management protocols;
- Holding a series of community action sessions to ensure all questions are answered, and agencies are prepared for UFA status;
- Work to align policy with strategic plans and practice; and
- Jointly develop a communication feedback loop for community partners to ensure the inclusion and accuracy of information, and the implementation of this plan.

Background

In 2009, Congress passed the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act which amended the McKinney Vento act, and for the first time established the concept of a Unified Funding Agency, or UFA. UFA designation allows the entity currently serving as the Collaborative Applicant (CA) for the Continuum of Care (CoC) to receive and distribute funds for all CoC projects under a single entity.

Once recognized as the UFA, the CA becomes the direct recipient for all funding from HUD to the CoC and takes upon itself the responsibility to fulfill all commitments stated in the CoC consolidated application. The specific responsibilities of the UFA are as follows:

- **Contracting with HUD.** The UFA will enter into two separate grant contacts with HUD.
  1. One grant for renewal projects, UFA costs and CoC planning funds; and
  2. One grant for new projects.
- **Contracting with Subrecipients.** The UFA will enter into subawards (or subgrants) with subrecipients for the various projects selected for CoC program funding.
• **Payment of Subrecipients.** The UFA is responsible for distributing funds to the subrecipients. The UFA will draw all project funds direct from HUD through the Line of Credit Control System (LOCCS) and use those funds to pay subrecipients.

• **Monitoring of and Technical Assistance Provision to Subrecipients.** The UFA is required to annually monitor subrecipients for compliance with the CoC program application.

• **Reallocation of Funds.** The UFA may reallocate funds between projects outside of the annual NOFA competition process, subject to CoC oversight. The UFA must work with the local HUD office for all budget changes, but a formal written grant amendment is needed only if a budget change exceeds 10% of an eligible activity category of the grant award cumulatively on an annual basis, a permanent change in targeted subpopulations, or a permanent decrease in the number of units.

• **Matching Funds.** The UFA is responsible for meeting and documenting the 25% match requirement for all funded costs, excluding leasing. The CoC may meet its match requirements using CoC-wide resources.

• **Annual Performance Reports (APR).** The UFA is required to submit the APR for all projects funded under its grants within 90 days of the end of the year. The UFA is required to submit a report upload for each program component and subcomponent funded for each grant.

In April 2019, the CoC Board approved the formation of a UFA Committee to assess whether the CoC should support All Chicago’s application for the UFA designation. The UFA Committee was formed with 16 members with broad community representation and the responsibilities of the committee were divided among three workgroups:

- Survey workgroup to survey the existing UFAs to discuss the rewards and challenges of the UFA.
- Governance workgroup to develop draft governance documents, including funding reallocation policies.
- Capacity workgroup to assess the capacity of All Chicago to perform the UFA responsibilities listed above.

As part of its assessment, the capacity workgroup reviewed All Chicago’s budget for increasing its capacity to fulfill the UFA responsibilities. The budget assumed that All Chicago would receive a $750,000 UFA grant from HUD, which was the maximum funding allowed under the 2018 NOFA. After the workgroup’s initial review, the 2019 NOFA was released, and we learned that maximum UFA funding had been increased to $1,250,000.

**Purpose**

The primary purpose of this business plan is to provide a detailed budget based on the $1,250,000 maximum UFA funding and to discuss the underlying operational assumptions used to support the budget. In addition, this business plan discusses budget contingency plans and highlights the work of all three UFA Committee workgroups, including identifying the benefits of the UFA, addressing the risks of the UFA, and providing draft governance documents.

**UFA Operational Overview**

With its recent selection of Carolyn Ross as Chief Executive Officer, All Chicago has an experienced, results-driven leader with a progressive and bold vision for the organization. Since her arrival, Carolyn
has participated in the UFA Committee activities and is deeply committed to the success of the UFA. Carolyn will remain actively involved in the UFA planning and implementation process and will approve all major UFA decisions. Additionally, All Chicago will be working in close partnership with the proposed UFA Oversight Committee and the CEO Advisory Group as discussed in detail in the Governance section of this plan.

The UFA team will report to All Chicago’s Chief Financial and Operations Officer, Steve Gaydos. Steve has been leading the UFA initiative at All Chicago through his work facilitating the UFA Committee and the CFO workgroup. During this process, Steve has gained critical knowledge of all aspects of UFA administration and is prepared to lead the implementation and oversight of the UFA.

All Chicago will hire a Director of UFA Operations with significant grants administration experience to manage the daily operations of the UFA. The Director will be responsible for contract management, budget modifications and reallocations, compliance monitoring, technical assistance and supervision of the provider service teams (as discussed below). The Director of UFA Operations will be supported by All Chicago’s Director of Finance, Baztul Ganbold, who will be primarily responsible for supervising payment administration. All Chicago’s Collaborative Applicant and HMIS teams will collaborate with the UFA team to provide system wide information and strategy and additional program monitoring and technical assistance resources. Key members of the Collaborative Applicant and HMIS teams include Nicole Bahena, VP of Community Partnerships and Beth Horwitz, VP of Strategy and Innovation. Other key members include our Director of Programs and several program managers.

Each provider will be assigned to a provider service team. These teams will consist of two provider service team coordinators and will be the primary point of contact for providers for contracting, monitoring, technical assistance and payment administration. One team member will focus on program related issues and the other member on payment and contracting issues. Each team member will be cross-trained and will work collaboratively to best serve the assigned providers and to provide backup coverage within the team. Job descriptions are included at Exhibit A.

Our plan is to form six service provider teams. Based on the 2019 NOFA submission, 42 agencies will potentially receive funding for 163 projects. All Chicago will assign providers to each team to evenly distribute the workload among the teams. In balancing the workload, All Chicago will assess the number of projects assigned, the expected transactional volume of each project, and the assessed risk of the providers.

Finally, we will allocate a .75 FTE administrative person to provide support to the entire UFA team.

Based on these assumptions, the UFA operations team will have 14.25 total FTEs, approximately 1 FTE per 3 providers. This ratio compares favorably to the two most comparable existing UFAs, Columbus (1 to 3) and Cincinnati (1 to 5).
## Detailed Budget

### All Chicago Unified Funding Agency Budget

<table>
<thead>
<tr>
<th>Position</th>
<th>FTE</th>
<th>Federal Share</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel Salaries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief Financial and Operations Officer</td>
<td>0.25</td>
<td>40,750</td>
</tr>
<tr>
<td>Director of Finance</td>
<td>0.25</td>
<td>20,625</td>
</tr>
<tr>
<td>Director of UFA Operations</td>
<td>1.00</td>
<td>80,000</td>
</tr>
<tr>
<td>Provider Service Team Coordinator</td>
<td>1.00</td>
<td>49,500</td>
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<tr>
<td>Provider Service Team Coordinator</td>
<td>1.00</td>
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<tr>
<td>Provider Service Team Coordinator</td>
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<tr>
<td>UFA Administrative Assistant</td>
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<td>33,750</td>
</tr>
<tr>
<td><strong>Total Salaries</strong></td>
<td>14.25</td>
<td>769,125</td>
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</tbody>
</table>

| Benefits + Taxes                  | 22.5% | 173,100 |
| **Total Personnel Costs**         |       | 942,225 |

### Non-Personnel Costs

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<tr>
<th>Category</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel and Meetings</td>
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</tr>
<tr>
<td>Information Technology</td>
<td>71,875</td>
</tr>
<tr>
<td>Rent, Utilities and Phone</td>
<td>88,350</td>
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<tr>
<td>Materials and Supplies</td>
<td>22,800</td>
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<tr>
<td><strong>Total Non-Personnel</strong></td>
<td>208,675</td>
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</tbody>
</table>

| Indirect Costs                    | 99,100 |
| **Total Costs**                   | 1,250,000|

### Detailed Budget Assumptions

This $1,250,000 budget is based on the maximum UFA funding allowed under the 2019 NOFA. The UFA funding formula is 3% of the Annual Renewal Demand (approximately $2.1 mil), limited to a maximum of $1,250,000. This budget is based on the UFA amount directly funded by HUD. It does not include any match dollars at this time. Under the UFA model, All Chicago is responsible for the entire system-wide match which can be for any eligible cost under Subpart D of the CoC program rules. All Chicago will
work with the CoC to develop provider match requirements or expectations for each provider, including All Chicago. Match is discussed in more detail in the Budget Contingencies section.

All Chicago expects to continue receiving planning grant funding in the amount of $1,250,000. The UFA leadership team will also perform other responsibilities, included those related to the planning grant. This UFA budget addresses only those costs directly allocable to the UFA grant. The budget does not include a direct allocation of CEO time. Any direct time spent by the CEO on the grant will be counted as match. The CFOO position and the Director of Finance positions are allocated at 25% each to the UFA grant.

The budget is based on the following cost assumptions:

- Personnel Salaries
  - Chief Financial and Operations Officer (CFOO): 0.25 FTE, $40,750 per year
  - Director of UFA Operations: 1 FTE, $80,000 per year
  - Director of Finance: 0.25 FTE, 20,625 per year
  - Program Service Team Coordinators: 12 FTES, at $49,500 per year, for a total cost of $594,000
  - Administrative Assistant: 0.75 FTE, $33,750 per year
- Benefits and Taxes
  - Benefits and taxes are 22.5% of personnel salaries, which is All Chicago’s current rate.
- Travel and Meetings
  - $1,800 per FTE
- Information Technology
  - All Chicago is working with a national CPA firm to research grants management software applications. We are estimating an annual cost of $71,875.
- Rent, Utilities, Phone
  - $6,200 per FTE
- Materials and Supplies
  - $1,600 per FTE
- Indirect Costs
  - All Chicago uses the 10% de minimis rate which is applied to all costs, excluding IT and occupancy costs.

Budget Contingencies

With the expanded UFA funding and based on our research to date with existing UFAs, All Chicago is confident that we can effectively fulfill the UFA responsibilities with this budget. We do have a contingency plan for the following scenarios:

- **What if the $1,250,000 is not enough, especially in the early years?** All Chicago is already informing its funders of the need for capacity-building funding for the UFA, especially in the transition year leading up to the actual UFA contract. As stated above, this budget does not include a direct allocation of CEO time. Any direct time spent by the CEO on the grant will be counted as match. The CFOO position and the Director of Finance positions are allocated at 25% each to the UFA grant.
to provide up to $312,500 of its match for UFA costs. Also, because some of the UFA responsibilities overlap with planning grant responsibilities, we will have some flexibility to supplement the UFA team with resources from the planning grant.

- **If the funding remains flat at $1,250,000 and costs go up over time, how will All Chicago sustain operations?** As time goes on, we expect to gain efficiencies with the UFA and stay within the funding constraints. If not, as stated in the answer above, All Chicago will add matching resources or supplement with planning grant resources.

- **If All Chicago does not receive the full funding, how will All Chicago be able to fulfill the UFA responsibilities with lower funding?** All the current UFAs surveyed by the committee are receiving maximum UFA and planning grant funding. We believe the possibility of receiving less than full funding is remote. However, it is possible that HUD will reduce UFA funding in the future. All Chicago did prepare an initial budget based on $750,000 in UFA funding. In this scenario, All Chicago was committing to providing direct UFA match in the amount of $187,500, for a total budget of $937,500. To reduce the budget to this amount, we would eliminate at least 1 team and the administrative support person, as well as lower the time allocations of the management team. We could also shift some of the monitoring and technical assistance costs to the planning grant, to the extent allowable. While not ideal, we do think the UFA can be effectively managed under this scenario.

**UFA Benefits**

The UFA Committee has validated the following benefits of the UFA:

- A UFA provides greater opportunity for the CoC community to achieve a vision that maximizes both quality and resources and makes significant progress towards ending homelessness in Chicago.
- The CoC community and the CoC Board retain decision-making authority in all local policy and funding decisions.
- Funds can be managed and reallocated internally without having to get HUD approval, ensuring that all funds are used rather than having unspent funds. Underspending in the Chicago CoC has ranged from $4 mil - $6 mil per year.
- Providers can consolidate contracts with the same project type and all contracts can have the same contract period.
- Budget modifications are approved by the UFA rather than HUD and most modifications are expected to be below the 10% required approval threshold. For modifications above 10%, the UFA will collect the appropriate documentation and submit it to HUD for approval.
- Monitoring and technical assistance will be provided more consistently and will improve overall system compliance.
- One HUD Annual Performance Report (APR) is prepared for each project type, rather than one APR for each project. The UFA will compile and submit this data on behalf of all providers.
- The 25% matching contribution is a system-wide match. Organizations providing excess match can support organizations having difficulty meeting the match.
The UFA will continue to receive its full planning grant funding and will receive up to an additional $1,250,000 to provide UFA contract and payment administration, system-wide compliance monitoring and technical assistance.

UFA Capacity Risks and Challenges

The UFA Committee considered several challenges and risks encountered by other UFAs. While risk cannot be completely eliminated, All Chicago and the committee have taken significant steps to reduce the risks to an acceptable level. The following is a summary of the risks and the steps taken to mitigate these risks.

• The UFA is responsible for the financial liability of the entire system.
  ▪ **Steps Taken:** The UFA Committee governance workgroup has developed a draft Memorandum of Understanding and reallocation policies that will promote system oversight and compliance and provide for the timely reallocation of funds. These procedures will minimize overall compliance risk and the give the UFA the ability to quickly reallocate funds in the case of financial or compliance issues with an individual provider.

• CoC providers rely on the HUD two-day payment turnaround. None of the existing UFAs currently match this two-day turnaround.
  ▪ **Steps Taken:** All Chicago will utilize the following techniques to replicate the HUD two-day turnaround:
    o All Chicago has confirmed with HUD that it may utilize advance payment procedures allowed under Uniform Guidance 200.305, so cash will be on hand to pay draw requests immediately.
    o Draws will (normally) be processed for payment on the same day received.
    o All Chicago’s bank has approved 1-day wire transfer capabilities. Payment could possibly be received the next day.
    o Providers with an account at All Chicago’s bank can receive same day transfers.

• The surveyed UFAs all indicated that they have had Line of Credit Control System (LOCCS) issues. How can the UFA sustain payments to providers if it has a problem with LOCCS?
  ▪ **Steps Taken:** All Chicago has received tentative approval from its bank for an $8 million line of credit collateralized by the HUD contract. This line of credit will provide at least one month of payment cushion in the event of a LOCCS issue.

• The UFA has to develop comprehensive program and financial monitoring protocols that are more thorough and frequent (annually) than HUD’s current monitoring protocols. This monitoring could be an additional burden for providers and may uncover compliance issues that will need to be addressed.
  ▪ **Steps Taken:** All Chicago has been implementing program and financial monitoring protocols and technical assistance over the past two years. Last year, All Chicago formed a CFO workgroup to review the administrative aspects of the UFA and the
group was able to develop sensible policies that should not overburden providers. Overall system compliance continues to improve, and the goal is that most of the significant compliance issues will have been resolved by the time the UFA contract is in place.

- Will the UFA be able to fulfill the responsibilities of the UFA with the UFA funding currently available?
  - **Steps Taken:** All Chicago has prepared this business plan to discuss the UFA operational budget and its contingency plan for various funding scenarios.

- The CoC providers who negotiate an indirect cost rate with a federal agency may no longer have HUD as their cognizant agency due to the change to the UFA contracting model.
  - **Steps Taken:** Based on our survey of CoC providers, we have identified at least 4 agencies who have a negotiated indirect cost rate through HUD. These agencies are advised to assess the potential impact of the UFA contracting model on their negotiated indirect cost rate.

### Transitioning Contracts to the UFA

Based on the UFA Committee’s survey of existing UFAs, the contract transition process is summarized as follows:

- The UFA and the CoC work closely with HUD to determine the best grant year for the new UFA contract.
- Once that grant year is determined, HUD works with the existing providers to transition their grants to coincide with the UFA grant year.
- During this transition year, grants that do not align with the UFA grant year will either be renewed/amended for less than 12 months or extended beyond 12 months, depending on where the provider grant year ends in relation to the UFA grant year.
- If desired, multiple projects of the same model type and with the same provider will be consolidated into a single grant.
- The UFA will then have two grants with HUD, one for renewal projects and one for new projects.
- Some Chicago CoC providers have reported contracting delays with HUD, which have resulted in payment delays during the beginning of the grant year. All Chicago would begin the contract renewal process with HUD and with the subrecipients well in advance of the renewal date to ensure that the grant is operational before the start date.

Budget modifications would go through the UFA and would only need to be approved by HUD if the modification results in a 10% change in a budget category. The budget category thresholds are system wide and will be much higher under the UFA, so we expect most, if not all, budget modifications would not require HUD approval. This process should make the budget modification process quicker and easier. Providers will need to inform All Chicago of any budget changes and providers will be expected to be efficient with these requests. The UFA is not required to have the same grant year for all projects, however all surveyed UFAs adopted the single contract year. We surveyed our CoC providers and of the 21 responses, 2/3 indicated a preference for the single contract year.
Based on the 2019 NOFA, the highest frequency of contract end dates by far is June 30 (38 contracts), followed by January 31 (26), and March 31 (16).

We do think significant project consolidation can occur. Grant consolidation will potentially reduce contract administration and reduce the need for reallocation of funds between grants.

All Chicago is currently working with a national CPA firm to help us identify the appropriate technology to effectively and efficiently administer the grants. Before making a final product selection, we will seek input from community subject matter experts.

Governance Issues
The governance workgroup has developed three draft documents:

- UFA Memorandum of Understanding
- Temporary Reallocation of Funding Due to Underspending Policy
- Permanent Reallocation of Funding Policy

- **UFA Memorandum of Understanding (MOU) overview**
  - The MOU only covers the specific tasks of the UFA. This MOU would be in addition to the Collaborative Applicant MOU, which covers the tasks specific to the CA. The specific UFA tasks are:
    - Contracting with HUD
    - Contracting with subrecipients
    - Payment of subrecipients
    - Monitoring of and technical assistance to subrecipients
    - Reallocation of funds
    - Matching funds
    - Annual performance reports
  - The document references three other policy documents that also govern UFA operations:
    - CoC Financial Policies and Procedures
    - Temporary Reallocation of Funding Due to Underspending Policy
    - Permanent Reallocation of Funding Policy
  - The four major provisions addressed in this document are:
    - **Oversight:** Two existing bodies and two new bodies will have authority and oversight over the UFA:
      - The CoC Board will have final authority over UFA activities.
      - The Project Prioritization workgroup will be responsible for ranking project applications, which lead to the awarding of contracts with subrecipients.
      - A newly formed UFA Oversight Committee will be designated by the CoC Board to oversee, monitor and evaluate the performance of the UFA under the MOU.
      - A newly formed CEO Advisory Group will consist of CEOs of subrecipient partners to provide a high-level assessment of the impact of the UFA model on subrecipient operations and to the overall system and its performance.
The UFA will retain the legal right to authority to take any actions it deems necessary with respect to its obligation to perform its contracts with HUD, including the imposition of subrecipient sanctions in accordance with 24 CFR 578.107(c).

**Term:** The term will coincide with the effective date of the first UFA contract with HUD and will terminate with the lapse of the final UFA contract with HUD. The CoC Board has the right to discontinue operating under the UFA model and the right to replace the UFA/CA.

**Performance Reporting and Monitoring:** The UFA Oversight Committee will monitor system performance monthly and report to the Board bi-monthly.

**Budget:** An approved UFA budget will be attached as an exhibit to the MOU.

- **Temporary Reallocation of Funding Due to Underspending Policy** overview
  - The workgroup drafted a separate reallocation policy for underspending, which is temporary in nature and needs to be rapidly redistributed, and a separate policy for all other funding reallocations, which are permanent in nature and may not require rapid redistribution.
  - The underspending policy imposes specific spending expectations on the subrecipients and permits the UFA to reallocate funds if a project does not meet expectations. If spending is below the target, the subrecipient must present a plan to spend the funds by the end of year, otherwise the funds will be reallocated to another project. Much of the language was borrowed from the Cincinnati UFA reallocation policy. The spending expectation (based on a June 30 year-end) is as follows:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Review Date</th>
<th>Expected % spent</th>
<th>Recapture of funding if actual spending:</th>
<th>Discussion with UFA about spending plan in following Quarter if actual spending between:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter 1: July-Sept</td>
<td>October 15</td>
<td>25%</td>
<td>&lt; 15%</td>
<td>15-24.9%</td>
</tr>
<tr>
<td>Quarter 2: Oct-Dec</td>
<td>January 15</td>
<td>50%</td>
<td>&lt; 40%</td>
<td>40-49.9%</td>
</tr>
<tr>
<td>Quarter 3: Jan-March</td>
<td>April 15</td>
<td>75%</td>
<td>&lt; 70%</td>
<td>70-74.9%</td>
</tr>
<tr>
<td>Quarter 4: April-June</td>
<td>Final billings are due 40 days after the close of the operating year</td>
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</tbody>
</table>

- When recaptured funds are identified, UFA does not need to obtain approval provided it follows the policy. The UFA will issue a Funding Request to the community and will try to quickly match the reallocated funds to an appropriate project.
- Reallocated funds will be restored to the original subrecipient in the following grant year (unless permanently reallocated under the “permanent” policy).
- Reallocation decisions will be documented and reviewed by the UFA Oversight Committee (after the fact) as part of its ongoing monitoring of UFA performance.
• **Permanent Reallocation of Funding Policy** (overview)
  
  o This reallocation policy addresses reallocations which are permanent in nature, both voluntary and involuntary. The policy lists likely scenarios where funds may be permanently reallocated, including chronic underspending, and capacity and compliance issues with the subrecipient.
  
  o A voluntary reallocation is either initiated by the subrecipient or the subrecipient agrees to a recommendation to reallocate by the UFA or CoC. The reallocation process is straightforward as the subrecipient agrees to the reallocation.
  
  o An involuntary reallocation is a reallocation that is contested by the subrecipient. The policy details the procedure for making a final determination to reallocate. The recommendation is initially reviewed by the UFA Oversight Committee and the final decision rests with the CoC Board.
  
  o Once funds are permanently recaptured, the process for reallocating the fund varies based on the timing of the reallocation:
    - If the funds need to be reallocated within a grant year, the reallocation process will be similar to the underspending policy process.
    - If the funds will be reallocated in the following grant year, reallocated funds will either be added to the funding pool for new project applications, or a separate Funding Request can be issued, with expanded notice provisions that align with the availability of the funds.

**Additional Resources and Comments**

The documents referenced in this business plan and other information regarding the UFA are available on the All Chicago website at the following link: [https://allchicago.org/continuum-care/unified-funding-agency-ufa](https://allchicago.org/continuum-care/unified-funding-agency-ufa).
Exhibit A – Job Descriptions

To be added after receiving community input.