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Communities Foundation of Oklahoma Responds to 2022 State Audit

The following statement can be attributed to Teresa Rose, Executive Director of Communities Foundation of Oklahoma:

“Communities Foundation of Oklahoma was honored to serve the state, the city of Oklahoma City and Cleveland County by distributing the Emergency Rental Assistance monies to over 83,000 households through payments totaling \$334 million.

During the first global public health emergency in over 100 years, we undertook this project staying in strict compliance with federal guidelines and Treasury guidance in executing this program. Knowing what was happening nationally, the federal government explicitly encouraged organizations to distribute as much money as quickly as possible all with one goal in mind: to keep people housed.

As we were setting up CARES (the first iteration of federal dollars received), we worked to stay in alignment with the state of Oklahoma and the guidance they provided to ensure compliance and transparency while allocating as much money, as quickly as possible.

We remain proud of the work we accomplished as an organization and the amount of people we were able to help in such a desperate time of need.”

Below you will find an overview of the State’s management responses to all questioned costs in the Audit.

2022-032: The State disagrees with this finding. Recognizing that actual utility bills might not always accurately reflect the total amount owed by the tenant, we proactively collaborated with the specific utility companies. Using the bills to establish an account, we were able to ensure accurate payments through verification from the utility companies. Any suspected policy violations that were paid went through a recapture process. Additionally, there is no prohibition to a single applicant receiving services from more than one grantee so long as the payments were not for the same service, which has been verified. No state residency requirement existed in the federal guidelines and the Treasury Department advised these funds could be used for relocating refugees who were misplaced in Oklahoma.

2022-046: The State disagrees with this finding. Throughout the challenging times of the pandemic, we strategically engaged with organizations whose client base were potentially eligible for rental and utility assistance ie. YWCA and Homeless Alliance. This collaborative effort aimed to not only identify additional potential applicants but also to increase awareness about the federal assistance program. Each of our partners entered into contracts with us and the scope of work included identifying potential applicants, assisting them in the application process and ensuring they understood the steps necessary to receive the federal aid. It is noteworthy that this collaborative relationship was approved by the federal government and our partner organizations executed their contractual obligations.

2022-085: The State disagrees with this finding. Employees of Community Cares Partners recorded their daily activities through time sheets, subject to weekly review and approval. The entire scope of their work was CCP tasks, unlike a staff who is working on multiple projects at once. Because of this singular focus, we opted not to itemize individual tasks.

Within the contractual agreements with each contractor, provisions were made for bonuses tied to various completion goals, strategically designed to enhance retention. The nature of the contractors' responsibilities was profound, involving tasks such as addressing level two trauma and engaging in daily conversations with individuals facing homelessness or contemplating suicide. Acknowledging the challenging nature of this work, we intentionally incorporated opportunities for retention bonuses, understanding the significance of recognizing and incentivizing their dedication. It is imperative to note that both the structure of the bonuses and the overall approach were not only reasonable but also fully compliant with federal program regulations.

2022-086: The State partially agrees with this finding. All the credit card expenses conform to the federal government's guidelines for administrative fees pertaining to contractors. The State agrees with the finding on the credit card expenses for which no receipt was provided. The primary concern arises from the State Auditor's reclassification of our organization as a subrecipient rather than a contractor—an assertion we contest and elaborate on in finding 2022-087.

202-087: The State disagrees with this finding. The current matter is a discrepancy between the State Auditor and the State of Oklahoma, despite adherence to the contracted terms and fulfillment of our obligations. Treasury Guidelines FAQ 21 outlines that Grantees (the State of Oklahoma) have the flexibility to engage in contracts for services, without being confined or obligated to categorize sub-awardees as subrecipients. In accordance with FAQ 21, the State has consistently regarded CFO as a contractor rather than a subrecipient. This approach aligns with the monthly and quarterly reporting, which details the utilization of ERA funds—ensuring that a minimum of 90% of the funds goes towards direct financial assistance and no more than 10% is allocated for administrative purposes.