

Module 2: BFZ Flex Fund Guide

Preparing for Implementation

Overview + Acknowledgements

Purpose of the Guide

This dynamic guide is designed to assist communities that have recently obtained or are considering applying for Flexible Funding through Community Solutions. Its purpose is not to dictate the use of flexible funding but to provide insights, learnings from other communities, and best practices. Communities are encouraged to think creatively about how flex funding can enhance their local initiatives to fill critical gaps, drive local progress, and achieve their unique goals. Though this guide speaks largely to the use of Flexible Funding granted through Community Solutions, the guidance and strategies can be applied in any community with any combination of private or public funding. Community Solutions encourages all communities to explore flexible funding opportunities to supplement local strategies to prevent and end homelessness.

Orientation to the Guide

This Guide is broken into separate modules

- Background & Introduction to Flex Funds
- Module 1: Planning for Flexible Funding
- Module 2: Preparing for Implementation
- Module 3: Implementation: Putting Your Community Flex Fund to Work
- Module 4: Understanding & Amplifying Impact for Ongoing Sustainability

Acknowledgements

Thank you to the many Built for Zero (BFZ) communities who were interviewed and shared their process and learnings implementing flexible funding. Those insights have been instrumental in shaping this guide.

Thank you to: Boulder County, Charlotte/Mecklenburg County, Hennepin County, Washington DC, Maine Statewide, MS Gulf Coast Regional CoC, Pikes Peak, and Nashville.

2.1 PREPARING FOR IMPLEMENTATION

Once you have determined the “what” (need) and the “who” (target population) and you’ve secured flexible funding, you need to figure out the “how.” Implementation planning should include identifying a Fiscal Agent, building an outreach plan, and determining how to reach the intended audience. It should also include determining who will provide services and engage with participants, what specific needs are most likely to emerge, what limitations need to be set, and what communication strategy is needed.

Identifying a Fiscal Agent & Defining Roles

The Fiscal Agent is the person/organization in your community who will administer (distribute and manage) the funding. To identify the Fiscal Agent (FA) and their role in relation to BFZ and flexible funding planning, communities should consider the capacity, experience, and community relationships needed to carry out the core FA responsibilities.

Organization Type and Connection to the Homelessness System: The FA should ideally be an organization with a strong understanding of the local homelessness system and experience in financial management. Consider if access to HMIS or experience with financial assistance programs is necessary.

A strong connection between the FA and the broader homelessness system is crucial for several reasons:

- **Understanding the Needs:** It ensures the FA has a deep understanding of the specific challenges and needs of the population experiencing homelessness, enabling them to make informed decisions about fund allocation and utilization.
- **Collaboration and Coordination:** It fosters collaboration and coordination between the FA and various stakeholders in the homelessness system, such as service providers, housing agencies, and community organizations. This coordination helps to streamline processes, avoid duplication of efforts, and maximize the impact of the flexible funding.
- **Efficient Resource Allocation:** It allows the FA to leverage existing resources and expertise within the homelessness system, ensuring that the flexible funds are used efficiently and effectively to address the most pressing needs.
- **Data-Driven Decision Making:** It enables the FA to access and utilize relevant data from the homelessness system, such as HMIS data, to inform decision-making and measure the impact of the flexible funding.
- **Community Buy-in:** It promotes transparency and accountability in the management of flexible funds, fostering trust and support from the broader community.

Specific Roles and Expectations of an Effective Fiscal Agent: To ensure the Fiscal Agent is well-prepared to manage the flexible funding program effectively, it is crucial to define their responsibilities, expectations, capabilities, and the time commitment required. This clarity will enable the FA to handle the administrative and financial aspects of the program

efficiently. As the Fiscal Agent is a central role to administering flexible funding, be mindful of the support this organization will need from other community partners. To support effective administration, it is important not to overload any one organization with more than their capacity can sustain.

Key Responsibilities of the FA may include:

- **Financial Management:** Receive, manage, and disburse funds in accordance with established guidelines and regulations.
- **Record Keeping and Reporting:** Maintain accurate and transparent financial records, and provide regular reports on fund utilization and program outcomes.
- **Compliance and Accountability:** Ensure compliance with all relevant rules, regulations, and reporting requirements.
- **Collaboration and Communication:** Work closely with community partners, service providers, and stakeholders to ensure effective coordination and communication.
- **Evaluation and Monitoring:** Monitor program performance, track outcomes, and make data-driven adjustments as needed.

Expectations and Capabilities

- **Financial Expertise:** Possess strong financial management skills and experience in handling grants or funding programs.
- **Organizational Capacity:** Have the necessary infrastructure and staffing to manage the administrative and financial aspects of the program.
- **Community Knowledge:** Understand the local context, needs, and resources related to homelessness.
- **Commitment to Transparency:** Maintain transparency and accountability in all financial transactions and decision-making processes.

Time Commitment

- The time commitment required will vary depending on the size and scope of the flexible funding program. However, the FA should be prepared to dedicate sufficient time and resources to ensure effective program management.

Ongoing support for the FA

- **Provide Training and Support:** Offer training on program guidelines, financial procedures, and data management to enhance the FA's capabilities.
- **Establish Clear Communication Channels:** Maintain open communication and collaboration between the FA and other stakeholders for effective coordination and issue resolution.
- **Monitor and Evaluate Performance:** Regularly review the FA's performance, including financial management, compliance, and program outcomes, to ensure accountability and identify areas for improvement.

By clearly outlining the FA's role and responsibilities, communities can ensure that the flexible funding program is implemented efficiently and effectively, ultimately contributing to the goal of preventing and ending homelessness.

Community Spotlights:

In **Nashville, Tennessee**, to ease in getting assistance issued quickly, the community's FA identified a set of common types of payments (security deposits, securing IDs, and transportation, etc.) and "pre-approved" those items so partners could act quickly to support participants in getting into housing. Other costs were likely to be approved, but required approval before moving forward. **See Nashville's process and workflow [here](#).** They used this guide to inform providers and front-line staff about the funding opportunity and process.

Outline and Document the Process

Establishing a streamlined and efficient process for flexible funding requests and payments is crucial.

- **Fiscal Processes:** Determine the necessary financial procedures, including how and where to submit requests, documentation required, etc.
- **Turnaround Time Expectations:** Set clear expectations for how quickly requests will be reviewed and approved, aiming for a rapid response to address urgent needs (set a community standard).
- **FA Requirements for Check Issuance:** Identify the specific information and documentation the FA needs to process payments promptly, such as vendor invoices, recipient eligibility verification, and supporting documentation (keeping documentation requirements as minimal as possible).
- **Approval Process:** Designate who will be responsible for reviewing and approving requests, ensuring a streamlined process with appropriate checks and balances.
- **Documentation and Reporting:** Clearly define the required documentation, including vendor verification, data collection, and reporting requirements, while minimizing unnecessary paperwork to expedite the process.

Community Spotlights:

Administration of Flex Funding may take different forms depending on how funds are being targeted, what type of payments are being issued, and the types of partners engaged in requesting assistance and supporting participants. For example, **Hennepin County, Minnesota**, chose a centralized administration model. In a centralized model, the county managed a central pool of funds, received requests from providers through a web-based form, and approved and processed those requests. **See their online form [here](#).**

The **Gulf Coast, Mississippi**, region took a similar approach when first implementing their Flex Fund program, but in their experience, found that, based on how they were

using funds and who was submitting requests, they could be much more efficient and increase system-wide capacity by subcontracting those funds out to service providers directly.

Establishing a Decision-Making Process

Beyond the Fiscal Agent's role, a clear decision-making and communication structure is vital for effective Flex Fund management. You will need to determine who/where/how decisions about the flex fund will be made (eligibility, process, allowable costs, timeline, etc.) and how communication will happen between the decision-maker (or decision-making body) and other key partners.

Key Points:

- **Decision-Making Body:** Determine if decisions will be made by a group or an individual. If a group, define its composition, meeting frequency, and decision-making procedures. If an individual, establish clear communication channels for transparency and feedback.
- **Parameters and Policies:** Clearly document eligibility criteria, processes, allowable costs, timelines, and other relevant parameters. Ensure these are accessible and communicated to all stakeholders.
- **Transparency and Communication:** Foster open communication between the decision-maker(s) and key partners. Regularly share progress updates, challenges, and outcomes to ensure alignment and collaboration.
- **Adaptability and Continuous Improvement:** Design a decision-making process that can be adjusted as needed. Regularly review and update policies and procedures based on data, feedback, and evolving community needs. This may involve removing unnecessary restrictions or adding new parameters to better target specific populations or address emerging challenges.

A well-defined and transparent decision-making process promotes accountability, efficiency, and effectiveness in flexible funding allocation, ultimately maximizing its impact on addressing homelessness in the community.

Tips from Flex Funding Recipients:

- Plan for data collection and capacity needs early on! Many communities operating flex funding programs are still struggling with data collection/tracking as well as time and capacity needed to successfully implement their flex fund.
- All communities coordinated their flex fund with other system resources to varying degrees, some embedded within coordinated entry (CE), some set up

partnerships with longer-term assistance should that be needed (Youth Homelessness Demonstration Project (YHDP), vouchers, mental health services)

Designing a Referral Process

When planning for the implementation of flexible funding, it's essential to design a referral process that is efficient, equitable, and aligned with your community's needs and goals.

Key Considerations:

- **Collaboration:** Work with partners and providers to determine the most effective and expedient referral pathways for your target population and intended use of funds.
- **Eligibility:** Clearly outline eligibility criteria and any restrictions, ensuring they are communicated effectively to all partners involved in the referral and application process.
- **Streamlined Process:** Keep the referral and eligibility process simple and user-friendly. Avoid unnecessary complications or stipulations that could hinder access to funds.
- **Documentation:** Outline the steps and procedures in a clear and accessible document for both those referring individuals and those administering the funds.
- **Integration:** Explore opportunities to integrate flex funding referrals with existing systems like coordinated entry or case conferencing, depending on your specific use and desired outcomes.

By incorporating these considerations, communities can develop a referral process that maximizes the impact of flexible funding and facilitates timely and equitable access to resources for individuals experiencing homelessness.

Community Spotlights:

The **Hennepin County** Office to End Homelessness took on the role of the centralized administrator of their flex funding, leaning on their role as the backbone agency for addressing homelessness in the region and their partnerships with service providers across the continuum. They created a simple Google form which providers used to submit funding requests and leveraged that form to also educate service providers on the use and availability of funds, ensuring equitable access to funds for all service providers and fidelity to serving the target population of people experiencing literal homelessness.

Community Spotlight: Leveraging Existing Referral Systems

Charlotte/Mecklenburg County utilized their flex funding to shift their eviction prevention efforts to a targeted homelessness prevention approach. ***See their eviction prevention and diversion referral workflow [here](#).*** Key in making this shift was the development of a targeting tool, to identify households most likely to experience homelessness without assistance, which was incorporated into their coordinated entry assessment and referral processes. The tool was developed collaboratively with local partners and outside experts, and was continuously improved over time.