CASE STUDY: STATE AND LOCAL GOVERNMENT

New scorecard process helps housing finance agency validate grants of nearly $5 million annually

Overview

A state housing finance agency invested nearly $4 billion in rental housing developments, preservation of affordable rental housing, home mortgages and improvement loans, grants to neighborhood housing groups and other programs. Functioning like a bank, it provides financing directly to borrowers through a network of private lending institutions. A state statute also charges the agency with managing the state’s housing trust fund, created to help meet the housing needs of very low income families or individuals.

After joining the agency, the new director of operations wanted to ensure the grant decision-making process—selecting recipients for more than $4.7 million annually—was consistent. She immediately began evaluating whether all decisions were backed-up with thorough documentation. In reviewing the existing procedures, her staff identified multiple areas they believed could benefit from a thorough process analysis.

Deciding who to call for help wasn’t an issue. RSM had previously performed an IT engagement for the agency and was already a trusted partner.

RSM’s approach

RSM professionals quickly realized the agency thoroughly grasped the criteria for distributing the funds. What they needed were tools to better control the application/decision process and make the final decision clear. RSM’s solution, an application score sheet and scoring process, would provide the consistency the agency wanted, complete with specific questions, blind scoring and a final raw score to serve as the deciding factor.

“We appreciate the consistency and partnership of the professionals at RSM. They probed with valuable questions and allowed us to take part in the entire process.

The due diligence in trying to get us to where we needed to be was above and beyond our expectations, and they continue to support any needs as they arise.”

—The agency’s director of operations
Outcomes

The score card allowed the agency to be upfront and confident in their decisions regarding the trust fund. It allowed the leadership team to effectively answer questions imposed by various agencies on why they did or did not receive funding. Now, agencies are able to ask what their score is and what changes are needed to arrive at a different outcome.

With the help of the RSM team, the agency’s grant process was streamlined from end-to-end. Working closely with agency staff, they refined the initial application, re-defined staff roles and responsibilities, developed the scoring sheet and scoring model, updated policies, forms and procedures, modified the audit process for reviewing how grant monies are spent and identified key performance measures for management.