

Despite HUD funding recall, Catholic agencies say services continue as planned

By Maria Wiering

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St. Vincent de Paul of Baltimore does not expect its programs to be affected by the recall of federal funding Baltimore City distributed to the agency, said John Schiavone, St. Vincent de Paul CEO.

"The city has accepted full responsibility and has confirmed to the providers, including St. Vincent de Paul, that they will not be asking us to pay back any funds," he said.

The Baltimore charity was among those a 2012 federal audit found unable to properly document the spending of federal monies administered by the City of Baltimore for homelessness prevention and intervention.

As a result of the audit, Baltimore has been asked by the U.S. Department of Housing and Urban Affairs to repay \$3.7 million of a \$9.5 million grant it received as part of the 2009 federal stimulus program. Mayor Stephanie Rawlings-Blake said in a press conference Feb. 26 that the city, not the homeless-serving agencies, will repay HUD.

St. Vincent de Paul received \$523,000 from the city through the grant. It was one of 11 Baltimore agencies found to have inadequate documentation.

Marian House, a Catholic organization that serves homeless women in northeast Baltimore, was also cited for \$51,964 in undocumented spending.

The public should not interpret the repayment as an accusation of fund mismanagement on the part of the city or its sub-grantees, Schiavone said.

"HUD is not alleging misuse or abuse or fraud. It's nothing about that. What it is is, 'Were the proper documentation procedures followed?' In cases where they didn't think there were, they're assessing a penalty against the city."

Catholic Charities of Baltimore received \$1.4 million from the grant, but was not accused of incomplete bookkeeping.

"Fortunately, because we've had so many other HUD grants, from an accounting perspective we were maybe a little more experienced in terms of our accounting practices," said Mary Anne O'Donnell, Catholic Charities director of community services who has been appointed to the organization's No. 2 spot, beginning April 1.

O'Donnell said she didn't want the public to lose sight of the good the grant did by helping agencies house homeless in Baltimore. Catholic Charities housed about 116 people with the funding, she said.

St. Vincent said it used the money to rapidly re-house more than 100 homeless families, Schiavone said.

The audit and grant recall has resulted in "lessons learned" by St. Vincent, other providers, HUD and Baltimore City, he said.

"When you have government funds that involve a lot of regulations, as most federal money does, it's really essential that those regulations are clearly communicated all the way down the line," Schiavone said. "By the time we got the information, it wasn't clear, it wasn't complete and we were trying to do our best to honor the intent of the program, but in some cases, we didn't have the clear guidance we needed."

Schiavone said that some of the rules for the grant's use came out well after the funds had been administered to sub-grantees.

Schiavone said St. Vincent de Paul is better prepared to meet HUD funding expectations in the future.

He added: "They're getting the city's attention for the future, and they certainly got it."

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