



Institute for Senior Professionals
Northwest Florida State College

ISP Study Report

Prepared for

Crestview Area Shelter for the Homeless

(3 August-2021)

Organization Needs and Future

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Crestview Area Shelter for the Homeless Organization Needs and Future

Introduction

On March 4, 2021 Ann Sprague sent a memo to C.R. Coleman, Chairman requesting “assistance to develop a business plan for our organization, and perhaps to help us find some land” (see Appendix A). The membership of ISP accepted this request as a project in the meeting of March 16, 2021. The project was assigned to the Liaison Committee, Director Richard Comer who appointed Director Neville Edenborough as Chairman.

This is the third study of Homelessness in Okaloosa/Walton County undertaken by ISP. The first two were:

- ISP Study on the Needs of the Homeless Population of Okaloosa & Walton Counties for Okaloosa Walton Homeless Continuum of Care/Opportunity, Inc., Sept. 2012
- Options for Managing and Reducing Homelessness in Crestview, May 2018

Both reports recognized the need for homeless support. There have been improvements since the initial study. The One Hopeful Place in Fort Walton provides much needed county support. Up to 50 men are accommodated as well as 11 homeless single women. There are a number of soup kitchens providing lunches in both Fort Walton and Crestview. CASH has grown substantially since 2018.

Homelessness is a continuing problem in the United States. HUD estimated that seventeen out of every 10,000 people in the United States were experiencing homelessness on a single night in January 2019. Homelessness increased by 3 percent in the 2019 Point-In-Time Count. That count showed 151,278 homeless in Florida.

As Crestview Chief of Police McCosker has stated, Crestview is a “perfect storm” for homeless people. The principal reason is the location of the Okaloosa County Jail. This location means that homeless from anywhere in the county who are incarcerated will still be homeless when they get out. Released, homeless people typically stay for at least a while and draw support from CASH. The CASH Executive Director estimates that over 50% of the homeless they feed at CASH are from the jail. Chief McCosker estimated that there may be over 120 homeless people in the Crestview area.

Crestview Area Shelter for the Homeless (CASH)

The Crestview Area Shelter for the Homeless (CASH) began in 2008 by Ann Sprague, a retired teacher. CASH now utilizes a 6000 sq. ft. facility providing

showers, laundry, clothing, mail service and food. There is a nurse on site. They provide three services:

- A residential emergency shelter
- A street outreach program
- Cold night shelters

They are about to provide a fourth service, Rapid Rehousing

Persons Contacted for this Study

CASH Board of Directors

President and Executive Director: Ann Sprague

Vice President: David Hill

Board Secretary-Treasurer: Gayle Fredenburg

Board Member, Shelter Director, Volunteer Coordinator: Sharon Wood

Board Member Social Security Liaison: Karolyn Berardi

C.A.S.H. Staff & Volunteers

Dana Clan, Outreach Case Worker

Jim Gaylord, Outreach Case Worker

Jane Shaw, Shelter Case Worker

Community Leaders

Lisa Ausley, Missions Pastor, Crosspoint South Crestview Campus

Tyler Fuller, Missions Pastor, Crosspoint All Crestview Campuses

John Lennon, Chaplin Good News Jail and Prison Ministries

Stephen McCosker, Crestview Chief of Police

J B Whitten, Mayor, Crestview, FL

ISP Team Members

Richard Comer

Neville Edenborough

Wayne Fair

Mack Gay

Rodney Gerdes

Tom Voelkel,

Executive Summary

This study was instituted at the request of CASH management to develop a Business Plan. However, upon investigation the ISP team determined that a Business Plan was not practical at this time due to exponential growth of the organization which places extraordinary pressures on the existing organization. Extensive organizational changes are required to meet this growth.

Six recommendations are presented.

Findings

The ISP project team has interviewed the Board of Directors, a number of key employees (paid and unpaid) and some representative civic leaders. They found CASH to be made up of people that are extremely dedicated to helping the homeless.

However, when the team conducted the initial interviews and tours it became obvious to all that CASH was not ready for a Business Plan. CASH has undergone almost exponential expansion of grant funds, facility size and client numbers. CASH had grown from a budget of \$67,479 to \$587,000 in four years (see Figure 1). The size of their facility had jumped from a small residential house to a structure over 6000 sq. ft. CASH assisted 322 Households in 2016-2017 it is now well over 1500 households. The organization structure has been extremely stressed to keep up with these massive changes.

The pressing problems are:

Financial Concerns

CASH has grown very rapidly over the last two years in programs, facilities, staff and budget. This rapid growth has created significant challenges and has caused CASH to be operating in a catch-up mode. New facilities called for new protocols, staffing and budget. New funding from the Emergency Support Grant (ESG) has already stressed the financial accounting system. The new ESG CARES Grant level of funding has brought on a higher magnitude level of financial tracking requirements/issues.

Elements of a good fiscal process require:

- Detailed Budgets with projected Income and expenses
- Good financial accounting system
- Well established purchase approval process
- Purchase Request and invoice system rigorously enforced
- Each Grant must be documented individually

CASH has some of these elements but none are completely available. CASH utilizes several checking accounts and a credit card which makes strict accounting difficult

Based on best information available, primarily furnished by CASH and the Homeless Housing Alliance (HHA) and as shown in Figure 1, CASH has potential grants for fiscal year 2021 – 2022 (July 1st – June 30th) of \$587,000. The largest grant is a one-year grant of \$440,000, to be allocated to Rapid Housing, Outreach and Shelter expenses.

In addition, there could be additional funds of an estimated \$90,000. from Okaloosa County, local fund raising and other sources available for fiscal year 2021-22.

If the estimated funds revenue of \$587,000. for the fiscal year beginning July 1, 2021 is realized CASH would experience a 231% increase in funds over the

2020-2021 fiscal year. It is difficult to visualize that, based on current staff and facilities, that CASH could effectively manage an increase of funds of this magnitude.

None of the estimated sources of funds reflected above contain any commitment beyond the coming fiscal year and funds for future years are dependent on writing successful grant applications, request for county allocations, local fund raising and other contributions. Available national government funds in the form of grants have increased dramatically due to government efforts to stem the impact of covid. It would be advisable to anticipate a significant reduction in this type grant funding in future years.

The majority of funds to operate CASH are presently generated by grants. A comprehensive plan to develop other sources of funds will be a critical factor in the sustainability of CASH.

In the immediate future, CASH is facing significant management financial decisions necessary to manage unprecedented issues in very unsettled times.

Management Concerns

The Organization Chart is shown in Figure 2. Presently the organization is very “flat” in that all employees and volunteers take directions from Mrs. Sprague. There are some middle managers identified, but their decisions are sometimes appealed to Mrs. Sprague who sometimes overrides the middle manager. This brings about management issues.

Continuing the CASH operations is dependent on a number of factors. The major factor in the ability to continue, presently, is the leadership of Ann Sprague. She is the guiding force and manager of this operation. There is currently no backup person identified to step in should/when Ann decides to retire. Mrs. Sprague has stated that she intends to retire in two years.

Presently there is good support from the Mayor, J.B. Whitten. His leadership has led to the restoration program on West Bowers Avenue. Police Chief Steve McCosker has also been a supporter. The faith community presently supports CASH and the homeless through soup kitchens and sack lunches. The support comes from:

- Church of the Nazarene
- Our Savior Lutheran Church
- Life Point Church
- First Presbyterian Church
- United Methodist Church

Community support will be very important to the well-being and future of the CASH operation

Lack of an Independent Board of Directors

The present Board of Directors is principally made up of Employees and working Volunteers. This is typical of Start-Up Non-Profit organizations. As organizations mature the Board of Directors becomes a governing board, independent of the day-to-day organization's operations.

Independent Governing Boards are typically responsible for:

- Selecting and directing the Executive Director
- Establishing and over-seeing policies and procedures
- Fund-raising
- Strategic planning
- Oversight of the operations

The present Board of Directors is hampered in performing these functions since most take directions from the Executive Director.

Recommendations

The following recommendations are placed in order of immediacy need.

1 a Management of Monies

1. An immediate review of all accounting practices of CASH should be undertaken as soon as practical. The increased flow of funds from grants and other sources makes it critical that established general accounting principles should be followed in all fund transactions. The use of multiple bank accounts should be examined to determine if multiple accounts are the most effective way to handle funds. Financial policy and procedures need to be in place to ensure efficient operations along with proper bookkeeping. The Financial Policy and Procedures benefits the organization's day-to-day operations and the ability to pass any associated audits.

1 b Implementation Plan for 2021-22 Emergency Shelter Grant

The ESG totals \$440,000 this year which is eight times the amount last year. An immediate spending plan must be developed and implemented, including considering some return of funds if the full expenditure is not deemed possible.

The spending plan would document and project the amount, time, source and purpose of the expenditure.

1 c Obtain Workers Compensation Insurance

The State of Florida statutes mandates all employers with more than three employees must provide workers compensation coverage for all employees. The statutes provide penalties for any employer not in

compliance with the requirement to provide this coverage that are severe financially and can result in an order to cease doing business.

When this project began CASH did not have a Workers Compensation policy of insurance, covering employees. CASH now has instituted this insurance with the aid of one of the ISP team members. It is important that CASH retain this coverage.

1 d Reorganization of Management Structure

CASH should organize for its future and the growth it has experienced in its finances. CASH's current basically flat organization places the Executive Director as supervisor of every function, employee, and volunteer. CASH should appoint/find intermediate supervisors for each of its functions: Finances, Outreach, Shelter, and Rapid Re-housing. Each of these intermediate supervisors should then become the supervisor of their function and its subordinate employees, volunteers, and clients. Such delegations of authority and responsibilities will serve CASH by giving experience and maturity to a growing set of leaders, fully knowledgeable of all aspects of their areas of CASH operations. Over time, the Executive Director can move one or two of these individuals across the positions, giving them additional knowledge and experience — eventually giving CASH alternative leaders and options in its plans for succession.

2 Revamp the Board of Directors with membership outside the CASH paid staff.

Members should be targeted to needed expertise and come from Legal, Financial, Local Government, Faith Community, Business Segments, etc. Board members must share in the Vision and Ownership.

3 Institutionalize Fund Raising

The bulk of the monies available are presently based on grants. The problem with grants is that they are usually for a fixed time and purpose. They do not contribute to longevity of an organization.

Consider a more organized approach to develop a consistent revenue stream. There are numerous resources available on the internet to help guide this process. Develop partnerships with Community, Faith, Business, City Government and others to support fund raising events.

4 Continue to Develop Policy & Procedure Manuals for the Staff, Financial, Outreach, Shelter and Rapid Re-housing

5 Identify Existing Affordable Housing and Advocate for Additional Housing

A major problem of combating homelessness in the Crestview area is the lack of affordable housing. This is a common issue in most areas of the country.

Conclusion

Addressing the above needs will set the stage for the development of a Business Plan. The first step in business planning is to develop a vision statement and near-term and long-term goals. A typical vision statement period and business planning cycle is 10 years.

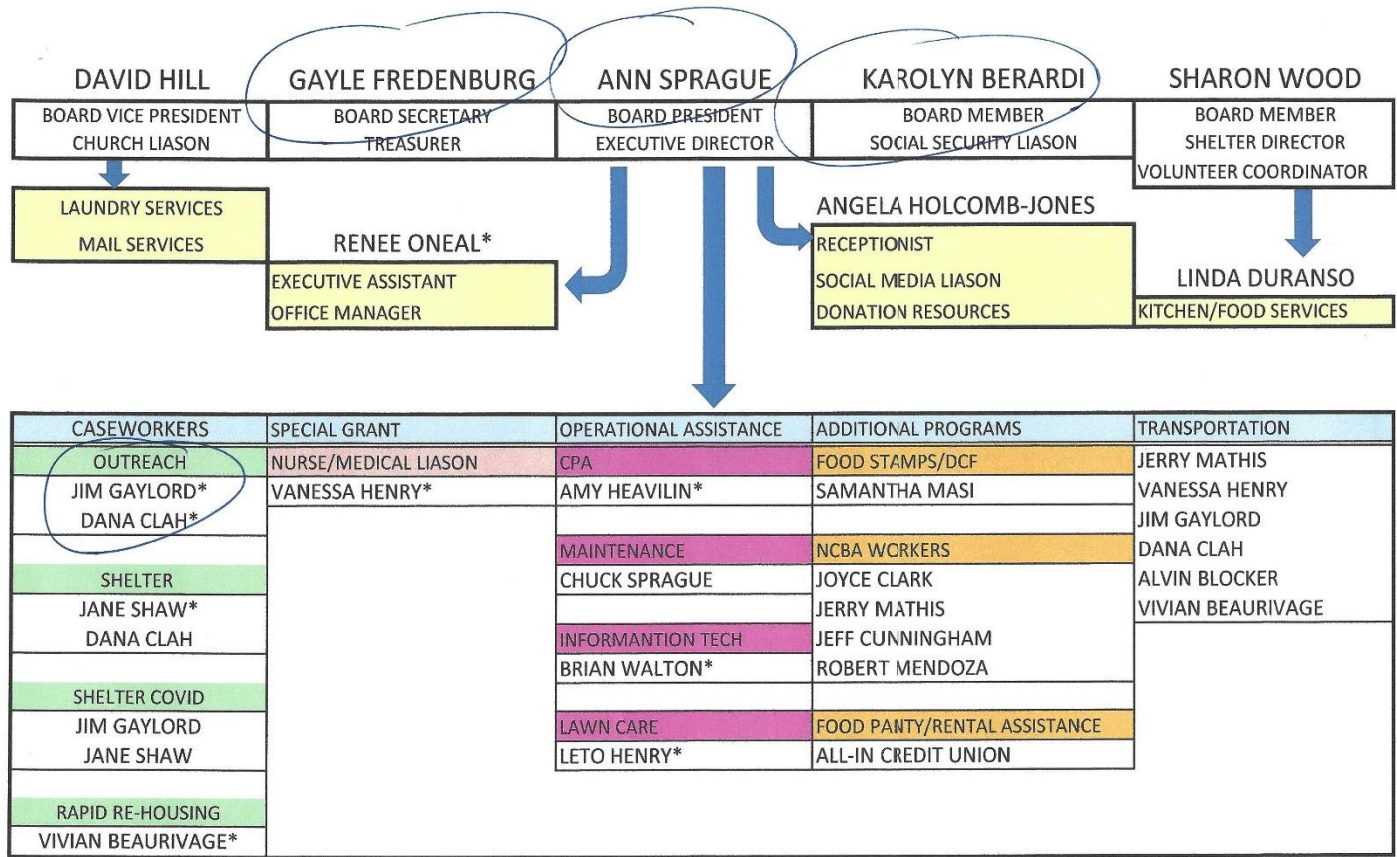
According to the National Council of Nonprofits a business plan explains the “who/what/how/where/when” and is an action plan. The business plan identifies the tasks, milestones and goals for the operation to reach the desired goals.

The business plan is the tool the organization will use to move the organization on to continued success. The ISP is prepared to support CASH in the generation of a Business Plan at the appropriate time.

Funding Source	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2021-22 Notes
ESG; Outreach	\$24,082	\$48,500	\$48,500	\$48,500	
ESG; Shelter	\$24,082	\$48,500	\$48,500	\$48,500	
ESG (CARES); Shelter			\$20,000	\$150,000	\$150,000 must be spent in 14 mo.
ESG (CARES); Outreach				\$50,000	
ESG (CARES); Rapid Rehousing (New Service)			\$30,000	\$240,000	.
Subtotal Outreach	\$24,082	\$48,500	\$48,500	\$98,500	
Subtotal Shelter	\$24,082	\$48,500	\$68,500	\$198,500	\$150,000 must be spent in 14 mo.
Subtotal Rapid Rehousing			\$30,000	\$240,000	Total NEW service for CASH
TOTAL ESG	\$48,164	\$97,000	\$147,000	\$537,000	
Ok County Front Line Helping Hands: Nurse			\$30,000		Renewal likely
Ok County COVID Grant			\$1,219		No renewal
All in Credit Union Grant: Food, Deposits			\$10,000		Renewal likely
Contributions/Fund Raising	\$19,315	\$65,650	\$65,650	\$50,000	Estimate from Gayle
TOTAL BUDGET	\$67,479	\$162,650	\$253,869	\$587,000	

Data Sources: Crestview Area Shelter for the Homeless (CASH) & Homeless Housing Alliance (HHA)

Figure
CASH Income by Year



* C.A.S.H. EMPLOYEE

^BUILDING IS OWNED BY THE UNITED METHODIST CHILDRENS HOME

Figure 2
CASH Organization Chart

APPENDIX A
CASH REQUEST LETTER

Memo to Mr C R Coleman
2021

4 March,

Chair
Institute for Senior Professionals
Northwest Florida State College

Dear Mr. Coleman,

My name is Ann Sprague. I am President and CEO of Crestview Area Shelter for the Homeless, a 501(3)(c) non-profit organization operating in Crestview, Florida.

I am seeking your assistance to develop a business plan for our organization, and perhaps to help us find some land.

We are a group of dedicated people who are trying to help the homeless in Okaloosa and Walton Counties. We currently have a 6,000 ft facility at 120 Duggan Ave., in Crestview, FL.

We currently are supporting three programs:

1. **A residential emergency shelter** – has currently about 25 people of all ages. We have bunk beds in 10 rooms where people sleep. They may stay from 2 nights to one year.
We transport these people to doctor appointments and pay for their medicines. We get them ready to be re-housed. We feed them 3 meals per day. We accept people who have just been released from the hospital or a Baker Act program, as well as, some recently released people from jail, and others who have just been evicted, or even families who have been found sleeping in cars or behind bushes, etc.
2. **A street outreach program** – clients who are literally homeless and living on the street may come to the shelter 3 days per week (Mon., Wed., and Fri) from 9 – 4 for showers, clothing, help with food stamps, case management, food, to set appointments for ordering birth certificates and to go to the DMV for ID's. We take them to the doctor, purchase their medicines, get them enrolled with Bridgeway, connect them with Veteran's organizations, and basically just help them with whatever they need (tents, tarps, flashlights, coolers, phone minutes). We also provide them sack lunches or canned foods (with pop lids) whenever anyone comes to our door hungry.

3. **Cold night shelters** – We provide cold night shelters when the temp is 40 degrees or below at night. For these nights, we take down our dining tables and set up cots for them to sleep on.

We are just about to begin with a fourth program: **Rapid re-housing**

With this program we hope to have the funds to pay deposits on a rental, the first months rent, deposits on utilities, and even 6 months in arrears to get them re-housed and stabilized.

One problem we have run into is the lack of rentals, especially affordable rentals for housing.

One of our goals is to build a village of tiny houses where the homeless, the elderly, the handicapped, or the poor, can rent a place for \$250 - \$300 per month.

We are searching for land for this. We speculate we need 7 – 12 acres of land. The land would be used for a building for case management and other services like seeing a nurse and locating the tiny houses. We also would use the land for gardening, both vegetable and other plants, which could be used for feeding the residents, or even sold.

I would love to speak to your group and talk about all this! These are just some of the details.

We need your assistance to develop a business plan. I have a background in teaching and guidance counseling in Okaloosa County. I am not a very good businessperson.

I have been encouraged by others to work on a business plan first, so I am asking for your help.

Please feel free to contact me to get clarification, or to ask questions for more information. Thank you for taking the time to read this and consider how you can help us.

Sincerely,

Ann Sprague

chuckandannsprague@gmail.com or 850-826-1770.

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