

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



November 2, 2017

Tim Sinks, Board Chair
Martha O'Bryan Center
711 South 7th Street
Nashville, TN 37206

Dear Mr. Sinks:

Please find attached the monitoring report of Martha O'Bryan Center relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2017.

The Office of Financial Accountability is charged with the responsibility of monitoring grant funds, including Community Enhancement Funds, from Metropolitan Nashville Government to any nonprofit organization. Staff from the Office of Financial Accountability conducted the review on September 21, 2017.

We appreciate the assistance provided by your agency during the course of the review. If you have any questions, please call me at 615-862-6712.

Sincerely,

Kevin Brown,

Kevin Brown, CMFO, CICA, CFE
Finance Administrator

cc: Marsha Edwards, CEO, Martha O'Bryan Center
Vickeeta Coleman, COO, Martha O'Bryan Center
Talia Lomax-O'dneal, Director of Finance, Department of Finance

Gene Nolan, Deputy Director of Finance, Department of Finance
Kim McDoniel, Deputy Director of Finance, Department of Finance
Phil Carr, Chief of Accounts, Department of Finance
Tony Neumaier, Budget Officer, Department of Finance
Mark Swann, Metropolitan Auditor, Office of Internal Audit
Fred Adom, CPA, CGMA, CICA, Director, Office of Financial Accountability
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability
Matthew Fouad, Office of Financial Accountability



Metropolitan Government of Nashville and Davidson County

Martha O'Bryan Center

◆ Monitoring Report ◆

Conducted by



Office of Financial Accountability

November 2, 2017

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of Martha O’Bryan Center. A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Martha O’Bryan Center or any of its component units. The OFA is responsible for the internal monitoring of Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”) agencies that receive federal and state financial assistance, including cooperative agreements and non-profit organizations that receive appropriations and Community Enhancement Funds from Metro government. In summary, any agreement(s) that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

The purpose of this review was to assess the agency’s compliance with contractual requirements set forth in the following contract with Metro Government:

Contract	Type	Amount	Contact Term	
L-3635	Community Enhancement Funds	\$75,000	July 1, 2016	June 30, 2017

Agency Background

Martha O’Bryan Center is a faith-based family resource center founded in 1894, when Miss O’Bryan, a retired teacher, organized the Gleaners Society at First Presbyterian Church to work with the needy of North Nashville. In 1948, the group began operating at the current site in Cayce Place in east Nashville, where it continues to serve those struggling in poverty. Throughout its history, it has worked to address immediate and long-term needs to help Nashville’s most vulnerable families more fully realize their potential.

The Martha O’Bryan Center assists children, youth, and adults in poverty to transform their lives through work, education, employment and fellowship. Its history reflects a model of service with deep roots in the past and wide vision for the future to address poverty and individual need, while transforming a distressed community into a better place to live.

OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of our review were:

- 1) To determine whether the agency had the resources and capacity to administer the grant funds.
- 2) To determine if costs and services were allowable and eligible.
- 3) To verify that program objectives were met.
- 4) To test the reliability of the financial and programmatic reporting.
- 5) To verify contractual compliance.

The scope of our review was limited to the contract term July 1, 2016 through June 30, 2017.

The monitoring review procedures included meeting with agency management and staff, reviewing board minutes and obtaining written representations from management. In addition, we examined certain financial records and supporting documentation necessary to ensure compliance with contractual requirements set forth in contract L-3635. Specific procedures included:

- Interviewing the employees responsible for grant management, financial reporting and accountability.
- Reviewing supporting documentation of expenditures for allowability, necessity and reasonableness.
- Reviewing the agency's general ledger and verifying the accuracy of all invoices submitted to Metro.
- Reviewing documentation to determine that funds were used for intended beneficiaries and expended in accordance with the spending plan of the contract.
- Reviewing documentation to support program activities for consistency with grant requirements.
- Assessing the financial stability of the agency and its ability to continue to administer the grant program funded by Metro.

RESULTS OF REVIEW

SUMMARY OF RESULTS

Criteria	Yes	No
Sufficient Resources and Capacity to Administer Funds?	✓	
Costs and Services Allowable and Eligible?	✓	
Program Objectives Met?		✓
Reporting Requirements Met?	✓	
Compliance with Civil Rights Requirements?	✓	

RESULTS OF REVIEW

The overall results of the monitoring review are provided in this section. Results are based on testwork performed and include conclusions regarding specific review objectives and, if applicable, recommendations for improvement and an action plan for implementation. Where applicable, the Findings and Recommendations section of this report provides more insight into any issues identified below.

1. Sufficient Resources and Capacity to Administer Grant Funds

Our review of the agency's accounting system and the qualifications of the individuals assigned to manage the accounting records indicate that the agency possesses the necessary resources and professional expertise to effectively administer the grant funds.

2. Allowable and Eligible Costs and Services

Our review covered all of the core compliance areas identified by 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Additionally, the Metro Grants Manual requires separate accounting of the Metropolitan Nashville Government grant funds to prevent co-mingling of Metro Funds with other sources of funding. The agency was in compliance with this requirement. Different revenue classes as well as expenditure classes have been established to separately track the sources and amounts of funding. Also, the agency can easily and accurately report their expenses supported by the Metro grant.

Based on our test work, there were no allowable and eligible costs.

3. Program and Performance Objectives

The contract stipulates that the agency shall use the funds to achieve the following outcomes:

- 1) At the minimum, 300 unduplicated youth will be served through THRIVE, RAP and Academic Student Union (ASU) Programs.

RESULTS OF REVIEW

- 2) At least 85% (255 of 300) of THRIVE K-8 youth will increase their academic achievement in reading or math skills by one grade level, measured by the STAR Early Literacy, STAR Reading or STAR Math assessment, dependent.
- 3) 100% (250 of 250) core ASU participants will develop actions plans that build academic skills and support post-secondary pursuits.
- 4) At least 95% (238 of 250) ASU seniors will graduate from high school.

Based on our review of program documentation and discussions with staff, program performance objective #2 was not met and the agency was not in compliance with contractual program objectives. See Finding #1 in the Findings and Recommendation section for more details.

4. Reliability of Financial and Programmatic Reporting

The contract requires submission of an annual audit report performed by a Certified Public Accountant. The contract also requires the agency to submit to Metro year end reports of the program outcome and a final expenditures report, no more than 45 days after the close of the contract.

We reviewed all applicable financial and programmatic reports required by the contract, including audited financial statements. Based on our review, the agency complied with all financial and programmatic reporting requirements.

5. Civil Rights Requirements

Our review did not reveal anything to indicate that the agency was noncompliant with civil rights requirements. The agency also has necessary written policies and procedures relating to civil rights. The agency has not received any complaints regarding any form of discrimination. Further, civil rights and ADA postings are publicly displayed.

1. Program Performance Goals Not Met

Finding

The Martha O'Bryan Center failed to meet one of the agency's contractual program objectives. Per the scope of services of the grant contract, the agency was required to demonstrate that "At least 85% (255 of 300) of THRIVE K-8 youth will increase their academic achievement in reading or math skills by one grade level, measured by the STAR Early Literacy, STAR Reading or STAR Math assessment, dependent". Based upon documentation provided, the OFA determined that only 52% (156 of 300) of THRIVE K-8 youth increased their academic achievement in reading or math skills by one grade level, measured by the STAR Early Literacy, STAR Reading or STAR Math assessment, dependent. Such low performance level could potentially lead to questioned costs and the request for refund to Metro for failure to meet the minimum requirements of the grant.

Recommendation

Management should take the necessary steps to ensure that program objectives are met and documentation to support program outcomes are maintained for review. Management should further review their objectives to make sure they are reasonable and obtainable.

Corrective Action Plan Required

Please submit a corrective action plan indicating the actions the agency intends to take to correct the findings identified in this report. The corrective action plan should be submitted within 14 days from the report date to the address below:

Division of Grants Coordination
PO Box 196300
Nashville, TN 37219
ATTN: Vaughn Wilson