

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



December 11, 2017

Rebecca Wells Demaree, Board Chair
Tennessee Coalition to End Domestic and Sexual Violence
2 International Plaza Dr. Suite 425
Nashville, TN 37217

Dear Ms. Demaree:

Please find attached the monitoring report of the Tennessee Coalition to End Domestic and Sexual Violence relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2017. The report also includes determinations made in response to the Comptroller of Treasury's report that impacted the results of the agency's contract with Metro for the year ended June 30, 2016.

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 November 13, 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: Kathy Walsh, Executive Director, Tennessee Coalition to End Domestic and Sexual Violence

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
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Metropolitan Government of Nashville and Davidson County

TENNESSEE COALITION TO END DOMESTIC AND SEXUAL VIOLENCE

◆ **Monitoring Report** ◆

Conducted by



Office of Financial Accountability

December 11, 2017

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of the Tennessee Coalition to End Domestic and Sexual Violence. 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 Tennessee Coalition to End Domestic and Sexual Violence 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-3666	Community Enhancement Funds	\$51,000	July 1, 2016	June 30, 2017

Agency Background

The mission of the Coalition is “to end domestic and sexual violence in the lives of Tennesseans and to change societal attitudes and institutions that promote and condone violence, through public policy advocacy, education and activities that increase the capacity of programs and communities to address such violence.”

The Coalition originated in 1983 as the Tennessee Task Force on Family Violence. On June 1, 2000, the Task Force merged with the Tennessee Coalition Against Sexual Assault to become the Tennessee Coalition Against Domestic and Sexual Violence. The merger resulted as an effort to better serve victims of domestic and sexual violence. In 2010, the Coalition changed its name to the Tennessee Coalition to End Domestic and Sexual Violence to better reflect its mission.

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-3666. 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.

We also reviewed documentation relating to the invoices, employee employment termination records and other documentation for the contract year that ended June 30, 2016.

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, the Tennessee Coalition to End Domestic and Sexual Violence did not incur enough allowable and eligible expenses to fully earn the grant funds. See Finding #1 in the Finding and Recommendation section.

3. Program and Performance Objectives

The contract stipulates that the funds shall be used to achieve the following outcomes:

RESULTS OF REVIEW

- 1) A minimum of 30 (unduplicated) immigrant victims of domestic violence in Davidson County will be served.
- 2) A minimum of 26 of 30 (87%) clients receiving services from the Clinic will report increased safety as a result of the services.
- 3) A minimum of 26 of 30 (87%) clients will report that they are satisfied with the way the attorney explained their immigration matter and any available legal options.
- 4) A minimum of 26 of 30 (87%) clients receiving services from the Clinic will report that the agency helped them learn how to access benefits and community resources.

Based on our review of program documentation and discussions with staff, program performance objectives were met and the agency was in compliance with contractual program objectives.

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.

FINDINGS AND RECOMMENDATIONS

1. Unallowable Costs and Services

Finding

Results of the review of the FY 2017 contract

Based on our review of the TN Coalition and discussions with agency personnel, the agency invoiced and sought reimbursement for the total FY 2017 CEF grant award of \$51,000. However, test revealed that the agency over reported salaries and benefits by \$56.00 and \$1,085.00 respectively and underreported insurance expense by \$63.00. As a result, the agency received \$1,078.00 in CEF funding in which it did not earn. Per C.3 of the grant contract, “the recipient shall be compensated for actual costs based upon the grant spending plan, not to exceed the maximum liability established in Section C.1.”

Results of the review of the FY 2016 contract

The OFA also performed a follow-up review of the Tennessee Coalition’s FY16 CEF grant to determine if the Coalition allocated the unearned leave and benefits to the program as determined by an investigative report issued by the Tennessee Comptroller’s Office dated November 14, 2017. Per Finding 2 of the Comptroller’s report, ***“A former employee received unearned leave and benefits from local, state, and federal grants totaling \$13,524 that were not authorized by the coalition’s personnel policies.”*** ***The report indicated the Tennessee Coalition claimed personnel costs from grantors for employees past the end of their service at the agency.*** Based upon the documentation provided by the agency it appears that the unearned leave and benefits were for a legal counsel position that was allocated to the CEF grant. While the agency’s personnel policy states under 6-4 Extraordinary Leave that “in extraordinary circumstances, the Executive Director may grant extraordinary leave.” As noted in the Comptroller’s report, the agency’s personnel policy did not provide a definition of this leave or any other criteria for granting such leave nor did the policy clarify if the leave was paid or unpaid.

From March to May 2016 it appears that the Tennessee Coalition allocated \$1,011.08 of unearned leave and benefits to the FY 2016 Metro CEF grant. While the agency’s personnel policy appears to grant the Executive Director

FINDINGS AND RECOMMENDATIONS

the authority to grant such leave, the use of the FY 2016 CEF grant funds to compensate such leave is un-allowable; and consequently becomes questioned cost.

The results of the FY 2017 review and follow up of the Comptrollers audit results for the FY 2016, resulted in a combined questioned cost of \$2,089.08.

Recommendation

The Tennessee Coalition to End Domestic and Sexual Violence should immediately reimburse Metro \$2,089.08. This amount represents the unearned revenue of \$1,078.00 from FY 2017 CEF grant and the \$1,011.08 questioned cost from the FY 2016 CEF grant.

In addition, the agency should also implement a procedure of reconciling all accounts before seeking reimbursement to ensure that invoices and financial reports are based upon allowable and actual cost.

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