

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



January 15, 2019

Joe Burchfield, Board President
Nashville CARES
633 Thompson Lane
Nashville, TN 37204

Dear Mr. Burchfield:

Please find attached the monitoring report of the Nashville CARES relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2018.

The Office of Financial Accountability is charged with the responsibility of monitoring grant funds, including Community Partnership Funds, from Metropolitan Nashville Government to any nonprofit organization. Staff from the Office of Financial Accountability conducted the review on September 20, 2018.

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, CMFO, CICA, CFE
Finance Manager

cc: Joseph Interrante, Executive Director, Nashville CARES
Talia Lomax-O'dneal, Director of Finance, Department of Finance
Brian Kelsey, Chief Strategy Officer, Office of the Mayor
Kim McDoniel, Deputy Director of Finance, Department of Finance
Gene Nolan, Deputy Director of Finance, Department of Finance

OFFICE OF FINANCIAL ACCOUNTABILITY

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Phil Carr, Chief of Accounts, Department of Finance
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Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability
Dolly Cook, Office of Financial Accountability



Metropolitan Government of Nashville and Davidson County

NASHVILLE CARES

◆ Monitoring Report ◆

Conducted by



Office of Financial Accountability

January 15, 2019

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of Nashville CARES. 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 Nashville CARES 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 Partnership 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-3900 | Community Partnership Funds | \$47,500 | July 1, 2017 | June 30, 2018 |

Agency Background

Nashville CARES is a non-profit agency that promotes and participates in a comprehensive response to HIV/AIDS in Middle Tennessee. The agency was established in 1985 by a group of volunteers who recognized the need for community education about AIDS and for services to help those living with HIV/AIDS survive with independence and dignity.

Nashville CARES mission statement “is to end the HIV/AIDS epidemic in Middle Tennessee.” The agency works to achieve its mission through education, advocacy and support for those at risk of, or living with HIV. Per the agency’s website, they offer services to 70,000 Middle Tennesseans infected and affected by HIV/AIDS, including HIV prevention education to more than 53,000 youth and adults; more than 10,600 confidential HIV test; and essential support services to 3,000 men, women and children living with the disease.

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, 2017 through June 30, 2018.

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-3900. 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, costs and services during the period were allowable and eligible.

3. Program and Performance Objectives

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

1. A minimum of 375 (unduplicated) Davidson County residents living with HIV/AIDS (PLWHA) who are at risk of homelessness, will be provided

RESULTS OF REVIEW

- case management services including housing and transportation assistance
2. At least 63 clients experiencing economic crisis will receive direct financial assistance related to housing and or transportation needs. Direct assistance averaging \$400 will be available per PLWHA. The list of direct assistance services that may be accessed, based on documented need, include payment of mortgage, rent, deposits, utilities (electricity/gas/water) and/or transportation resources Metro bus passes or gas cards).
 3. Of the 63 PLWHA provided direct financial assistance, 85% will improve their health status and HIV disease management by achieving one or more of the following:
 - Maintained or improved housing stability.
 - Maintained medical and /or social service appointments.
 - Maintained adherence to HIV medical treatment plan.

Based on our review of program documentation and discussions with staff, program performance objectives were met and the agency is 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 failed to comply with all financial and programmatic reporting requirements. See finding #1 in the Findings and Recommendations section of the report for more details.

RESULTS OF REVIEW

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. Reliability of Financial and Programmatic Reporting Not Met

Finding

The Nashville CARES failed to adhere to the reporting requirements as stated in the grant contract. Section C.4 of the grant contract states, “The recipient must submit a final grant annual expenditure report, to be received by Mayor’s Office, within 45 days of the end of the grant contract.” Therefore, the required final annual expenditure report was due no later than August 15, 2018. At the time of grant review, September 20, 2018, the Nashville CARES had not submitted the required report.

Recommendation

Management should take the necessary steps to ensure that the required final annual expenditure report is submitted to the Mayor’s Office within the required time frame.

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:

Office of the Mayor
1 Public Square, Suite 100
Nashville, TN 37201
ATTN: Brian Kelsey