

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



November 27, 2018

Roosevelt Walker, Board Chair  
Preston Taylor Ministries  
4014 Indiana Avenue  
Nashville, TN 37209

Dear Mr. Walker:

Please find attached the monitoring report of the Preston Taylor Ministries 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: Chan Sheppard, Executive Director, Preston Taylor Ministries  
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

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



*Metropolitan Government of Nashville and Davidson County*

# **PRESTON TAYLOR MINISTRIES**

◆ **Monitoring Report** ◆

**Conducted by**



**Office of Financial Accountability**

November 27, 2018

# MONITORING REPORT

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## INTRODUCTION

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The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of Preston Taylor Ministries. 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 Preston Taylor Ministries 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:

<b>Contract</b>	<b>Type</b>	<b>Amount</b>	<b>Contact Term</b>	
L-3915	Community Partnership Funds	\$6,100	July 1, 2017	June 30, 2018

### **Agency Background**

Preston Taylor Ministries is a nonprofit organization founded in 1998 to confront many of the problems that were present in the Preston Taylor public housing area that included drug use, gang involvement, teenage pregnancy, illiteracy, poor school performance and crime. The Community Partnership Funds provided funding to assist the Preston Taylor Ministries in providing a program focused on literacy.

## OBJECTIVES, SCOPE AND METHODOLOGY

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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-3915. 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

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### 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**

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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 is 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 Appropriation.

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. Provide afterschool program to 44 unduplicated students (K-12th grade) who live in the Nations neighborhood.



## **RESULTS OF REVIEW**

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2. At least 50% of the student participating in the reading instruction will increase their reading fluency as measured by curriculum based measure administered every nine (9) weeks.
3. Number of the enrolled students reading at grade level will increase by 10% over a one-year period, as measured by curriculum-based measure administered every nine (9) weeks.
4. Each student enrolled will attend at least 80% of the time.

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 was not in compliance with all financial and programmatic reporting requirements. See Finding #1 for additional details.

### **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 Preston Taylor Ministries 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.” Additionally, section D.9 of the grant contract states, “The recipient must submit a final program report, to be received by the Mayor’s Office, within 45 days of the end of the grant contract.” Therefore, the required final reports were due no later than August 15, 2018. It was noted that the agency submitted the final program report on September 10, 2018 and submitted the final expenditure report on September 21, 2018.

#### **Recommendation**

Management should take the necessary steps to ensure that the required final program and expenditure reports are 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