

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



March 26, 2020

Dianne Spencer, Board Chair
Operation Stand Down Tennessee
1125 12th Ave. South
Nashville, TN 37203

Dear Ms. Spencer:

Please find attached the monitoring report of the Operation Stand Down Tennessee relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2019.

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 December 16, 2019.

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: John Krenson, CEO, Operation Stand Down Tennessee
Kevin Crumbo, Director, Department of Finance
Renee Pratt, Director, Metro Social Services
Lee Stewart, Metro Social Services
Talia Lomax-O'dneal, Deputy Director, Department of Finance

OFFICE OF FINANCIAL ACCOUNTABILITY

Kim McDoniel, Deputy Director, Department of Finance
Tom Eddlemon, Deputy Director, Department of Finance
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William Walker, Interim Metropolitan Auditor, Office of Internal Audit
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Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability
Dolly Cook, CICA, Office of Financial Accountability
Nicole Whitlock, Office of Financial Accountability



Metropolitan Government of Nashville and Davidson County

OPERATION STAND DOWN TENNESSEE

◆ Monitoring Report ◆

Conducted by



Office of Financial Accountability

March 26, 2020

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of Operation Stand Down Tennessee. 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 Operation Stand Down Tennessee 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 contracts with Metro Government:

Resolution Number	Type	Amount	Contract Term	
RS2018-1333	Community Partnership Funds	\$40,000	July 1, 2018	June 30, 2019

Agency Background

Operation Stand Down Tennessee (hereinafter referred to as OSDT) assists veterans and their families so they can be self-sustaining and better connected to the community. The OSDT operates two service centers providing and/or coordinating a variety of services to veterans and their families with special emphasis on those who are homeless, at-risk, or in transition. The agency provides employment training and counseling, technical assistance, job training, placement assistance, computer training, and job retention to veterans with the focus of helping them find sustainable employment and the OSDT operates a transitional housing program for veterans, providing the necessary social and support services to ensure a successful return to responsible living.

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, 2018 through June 30, 2019.

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 the grant contract between Metro Social Services and the Operation Stand Down Tennessee as authorized by resolution RS2018-1333. 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 the core compliance areas identified by 2 CFR Part 200: *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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 emergency shelter to homeless Veterans and/or their family members in hotels when shelter beds at other community shelters are not available. This will get the Veteran off the streets or out of living in their car while the Veteran works with a case manager to develop a service plan to locate and obtain permanent, affordable housing. Measurable outcomes will include the number of Veterans served, the number of

RESULTS OF REVIEW

emergency shelter bed nights provided, and the number of Veterans who obtain permanent housing while receiving assistance. The estimated number of unduplicated Veterans to be served during the course of one year is 100.”

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

FINDINGS AND RECOMMENDATIONS

1. Program Performance Goals Not Met

Finding

The Operation Stand Down Tennessee (OSDTN) failed to meet the program performance goal as stated in the grant contract. Based upon documentation provided, the Operation Stand Down Tennessee provided emergency shelter to 28 unduplicated veterans and 14 family members, not 100 unduplicated veterans as required by the grant contract. Per the scope of services, “funding provided by the CPF will be used to provide emergency shelter to homeless Veterans and/or their family members in hotels when shelter beds at other community shelters are not available.” The contract further states, “The estimated number of unduplicated Veterans to be served during the course of one year is 100.”

The OFA noted that while the Operation Stand Down did not meet the program objective as stated in the contract, the agency provided assistance to 396 unduplicated veterans through their case management activities.

Recommendation

Operation Stand Down Tennessee should take the necessary steps to ensure that the program objectives are met and documentation to support program outcomes are maintained for review. Management should further review the objectives to make sure the objectives 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 finding identified in this report. The corrective action plan should be submitted within 14 days from the report date to the address below:

Metro Social Services
Community Partnership Fund Coordinator
PO Box 196300
Nashville, TN 37219
Attn: Renee Pratt