

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



May 14, 2020

Susan Vanderbilt, Board Chair
Nashville Black Chamber of Commerce
PO BOX 331671
Nashville, TN 37203

Dear Ms. Vanderbilt:

Please find attached the monitoring report of the Nashville Black Chamber of Commerce 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 Direct Appropriations from Metropolitan Nashville Government to any nonprofit organization. Staff from the Office of Financial Accountability conducted the review on March 27, 2020.

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: Carolyn McHaney-Waller, President/CEO Nashville Black Chamber of Commerce
Karen Anderson, Treasurer, Nashville Black Chamber of Commerce
Kevin Crumbo, Director, Department of Finance
Talia Lomax-O'dneal, Deputy Director, Department of Finance
Kim McDoniel, Deputy Director, Department of Finance

OFFICE OF FINANCIAL ACCOUNTABILITY

Tom Eddlemon, Deputy Director, Department of Finance
Mary Jo Wiggins, Deputy Director, Department of Finance
Phil Carr, Chief of Accounts, Department of Finance
Lauren Riley, Metropolitan Auditor, Office of Internal Audit
Fred Adom, CPA, CGMA, CICA, Director, Division of Grants & Accountability
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

NASHVILLE BLACK CHAMBER OF COMMERCE

◆ Monitoring Report ◆

Conducted by



Office of Financial Accountability

May 14, 2020

MONITORING REPORT

TABLE OF CONTENTS

INTRODUCTION	5
OBJECTIVES, SCOPE AND METHODOLOGY	6
RESULTS OF REVIEW	7
FINDINGS AND RECOMMENDATIONS.....	11

INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of Nashville Black Chamber of Commerce. 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 Black Chamber of Commerce 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 Direct Appropriation 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	Contract Term	
L-4183	Direct Appropriation	\$25,000	July 1, 2018	June 30, 2019

Agency Background

Per the Nashville Black Chamber of Commerce website, their mission is to “empower and encourage prosperity for Nashville’s African-American businesses by connecting businesses and business professionals with worthwhile partnerships that lead to economic advancement; developing businesses that are successful, sustainable, and scalable; providing businesses with economic opportunities that allow them to create jobs and wealth; and leading on policy initiatives that cultivate an economic environment for businesses to thrive.”

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 contract L-4183. 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 test work 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, the agency incurred costs and services during the period which were not allowable or eligible for reimbursement. See Finding #1 in the Findings and Recommendation section for additional details.

3. Program and Performance Objectives

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

RESULTS OF REVIEW

1. To serve approximately 200 minority owned business/owners and minority business professionals with no less than eight networking events that include twelve social media events, print media, and other media campaign engagements, twelve vendor recruitment events, and six promotion campaigns.
2. To serve approximately 200 minority owned business/owners and minority business professionals with no less than eight forums and/or trainings focused on business strength, organizational capacity, or business strategy.
3. To serve approximately 200 minority owned business/owners and minority business professionals with no less than two forums and trainings focused on financial capacity.
4. To serve approximately 200 minority owned business/owners and minority business professionals with no less than two forums on diversity certification, vendor registration, and/or procurement compliance with Metro's Office of Minority and Women Business Assistance (BAO).

Based on our review of program documentation and discussions with staff, the 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.

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.

FINDINGS AND RECOMMENDATIONS

1. Nashville Black Chamber of Commerce incurred Questioned Cost

Finding

The Nashville Black Chamber of Commerce reported costs of a fundraising event under its grant from Metro Nashville government for reimbursement. Attendees at this event were required to have tickets at the cost of \$75.00/ticket. The purpose of the event is confirmed in the agency's financial statements and documented in the agency's audit report issued on May 17, 2019 for the year ending December 31, 2018. Note 1 in the Notes to Financial Statement section refers to the agency's annual luncheon as one of the agency's fundraising events. Per the Metro Grants Manual Chapter 6, Unallowed Cost, states *"Fundraising cost may include personnel expenses, consulting fees, occupancy costs, printing, postage, telephone, fax, mailing lists, costs of attending workshops on fundraising, expenses for kick off campaigns etc. which are expended to increase awareness of the agency and raise money for the grantee. No Metro funds should be used for the purpose of fundraising."* Based on the information reviewed this event qualifies for the chamber's annual fundraiser, therefore, the cost incurred to host the event has been deemed unallowable and the OFA has determined the cost of **\$16,250.10** to be questioned costs. See details below.

Organization	Invoice	Amount
Westin DT Hotel	12607	\$ 14,788.72
Westin DT Hotel	12607	\$ 1,461.38
Total Questioned Cost	-	\$ 16,250.10

Recommendation

The Nashville Black Chamber of Commerce should:

- Immediately refund the questioned cost of \$16,250.10 to the Metropolitan Government of Nashville and Davidson County.

FINDINGS AND RECOMMENDATIONS

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 Grants and Accountability
700 2nd Avenue South, Suite 201
P.O. Box 196300
Nashville, TN 37219-6300
Attn: Vaughn Wilson