

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



November 19, 2020

Dr. Cynthia Croom, Executive Director  
Metropolitan Action Commission  
800 2nd Avenue North  
P.O. Box 196300  
Nashville, TN 37201

Dear Dr. Croom:

Please find attached the final grants monitoring report for the Metropolitan Action Commission. This report explains the results of the review of your agency's federal and state grants and other financial assistance for fiscal year 2019 listed in the Appendix A. Staff from the Office of Financial Accountability concluded the fieldwork for this review in October 2020. You previously reviewed and responded to the preliminary report. Your responses to that report have been incorporated into this final report.

We appreciate the assistance provided by your department 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  
Director, Office of Financial Accountability

cc: Benita Davis, Administrative Services and Operations Director, Metropolitan Action Commission  
Robert Wright, Finance and Operations Director, Metropolitan Action Commission  
Marvin Cox, Community Programs Director, Metropolitan Action Commission  
Kevin Crumbo, Director, Department of Finance  
Talia Lomax-O'dneal, Deputy Director, Department of Finance  
Kim McDoniel, Deputy Director, Department of Finance  
Tom Eddlemon, Deputy Director, Department of Finance  
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Dolly Cook, CICA, Office of Financial Accountability  
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*Metropolitan Government of Nashville and Davidson County*

# **METRO ACTION COMMISSION**

**◆ Monitoring Report ◆**

Conducted by



**Office of Financial Accountability**

November 19, 2020

# 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 the federal and state grants and contracts administered by the Metro Action Commission (hereinafter referred to as “Metro Action Commission”). The monitoring process included a review of the contracts in effect during the fiscal year ending June 30, 2019. The contracts reviewed are listed in Appendix A. The OFA conducted the monitoring review along the major compliance areas identified in the Office of Management and Budget (hereinafter referred to as “OMB”) 2 CFR 200, “*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*”

### Department Background

According to Metropolitan Action Commission’s website, The Metropolitan Action Commission partners with families in poverty using a Whole Family/2Gen Approach. This approach meets the needs of both the child and the adult in their lives building a system of care around the entire family. Our programs and services break the cycle of poverty by addressing the root causes by increasing family economic security, educational success, and health and well-being from one generation to the next. With the vision of "Breaking the Cycle of Poverty in our Community-one child, one person, one family at a time".

Per the FY 2020 Operating budget book, the Metropolitan Action Commission had an operating budget of \$34,837,400.00 with three hundred and ninety-five (395) budgeted positions. The Metropolitan Action Commission’s mission is to “change people's lives, embodies the spirit of hope, improves communities and makes Nashville and Davidson County a better place to live. We care about the entire community and we are dedicated to helping people help themselves and each other.”

### Grants Reviewed:

The purpose of this review was to assess the Metro Action Commission compliance with contractual requirements set forth in the following grant contracts that provided approximately \$24,283,064.99 of financial assistance to Metro Action Commission.

#### Head Start/Early Head Start 19

Metro Action Commission was awarded the Head Start/ Early Head Start 19 grant in the amount of \$13,385,237.00 with a required match of \$3,126,600.00 from the Department of Health and Human Services. The purpose of the Educational Child Development Program is to provide readiness and life skills products to eligible children ages three to five years so they can demonstrate proficiency in educational and social skill outcomes at the end of one year.

## **INTRODUCTION**

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### **Low Income Home Energy Assistance Program (LIHEAP) 18-19**

Metro Action Commission was awarded the LIHEAP grant in the amount of \$6,322,453.00 from Tennessee Housing Development Agency. The objectives of the Low-Income Home Energy Assistance Program (LIHEAP) is to provide household counseling and financial assistance products to low income households of Davidson County so they can maintain independent living and improve self-sufficiency. Services are targeted toward the elderly, disabled, veterans, and households with children under the age of six years.

### **Child and Adult Care Food Program 17-18**

Metro Action Commission was awarded the Child and Adult Care Food Program 17-18 grant in the amount of \$1,164,142.00 from Tennessee State Department of Human Services Child and Adult Food Program (CACFP) and Summer Food Services Program (SFSP). The purpose of the Nutrition Services Program is to provide individualized assessment, meal planning, educational and wellness products to children enrolled in Head Start and Early Head Start and their families so they can make food choices that benefit them and facilitate a healthy lifestyle.

### **Community Service Block Grant (CSBG) 2018**

Metro Action Commission was awarded the Community Service Block Grant (CSBG) 2018 grant in the amount of \$1,295,900.00 from the State of Tennessee Department of Health and Human Services. Metro Action Commission shall use the funds to provide a range of services designed to assist low income and homeless individuals achieve self-sufficiency.

### **Community Service Block Grant (CSBG) 18-19**

Metro Action Commission was awarded the Community Service Block Grant (CSBG) 18-19 grant in the amount of \$1,284,000.00 from the State of Tennessee Department of Health and Human Services. Metro Action Commission shall use the funds to provide a range of services designed to assist low income and homeless individuals achieve self-sufficiency.

### **Community Service Block Grant (CSBG) Special Project 18-19**

Metro Action Commission was awarded the Community Service Block Grant (CSBG) Special Project 18-19 grant in the amount of \$781,232.99 from the State of Tennessee Department of Health and Human Services. Under the Special Project Contract, the Grantee will provide unique services and strategies to address the causes and conditions of poverty that meet the needs of individuals, families, and the communities they serve, and align with federal, state, and local initiatives, which are not otherwise provided through the annual CSBG contract.

## INTRODUCTION

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### Community Services Poverty Fund (CSPF) 18

Metro Action Commission was awarded the Community Services Poverty Fund (CSPF) 18 grant in the amount of \$25,050.00 from the State of Tennessee Department of Health and Human Services. Funds through this program will be used to support Head Start services by providing educational materials, curricula, and technology to enhance the early childhood education experience for children 0-5. Also, funds will be used for a Head Start/Early Head Start family well-being study and a family and child outcomes correlational study so that decision-making can be based upon actual data. Additionally, funds will be used for a youth employment initiative as part of the MAC4JOBS program. Lastly, funds through this program will be used to provide air conditioners and fans through the Fan & Cooling program.

### Community Services Poverty Fund (CSPF) 19

Metro Action Commission was awarded the Community Services Poverty Fund (CSPF) 19 grant in the amount of \$25,050.00 from the State of Tennessee Department of Health and Human Services. Funds through this program will be used to support Head Start services by providing educational materials, curricula, and technology to enhance the early childhood education experience for children 0-5. Also, funds will be used for a Head Start/Early Head Start family well-being study and a family and child outcomes correlational study so that decision making can be based upon actual data. Additionally, funds will be used for a youth employment initiative as part of our MAC4JOBS program. Lastly, funds through this program will be used to provide air conditioners and fans through the Fan & Cooling program.

## OBJECTIVES, SCOPE AND METHODOLOGY

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A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements for the Metro Action Commission and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Metro Action Commission or the Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”). The OFA is responsible for the internal monitoring of Metro agencies that receive federal and state financial assistance, including cooperative agreements, and non-profit organizations that receive appropriations 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 overall monitoring objective was to determine the department’s compliance with grantors and Metro guidelines, policies, rules, and regulations. Specifically, we reviewed for the following objectives:

- To determine whether activities and costs of the program were made in accordance with OMB Circular 2 CFR 200; the minimum federal, state and local requirements; and grantor guidelines.
- To determine whether the minimum requirements for local matching contributions and/or adequate level of expenditures by other sources of funds are met.
- To determine whether grant funds were used exclusively during the period in which the funds were authorized.
- To determine the reliability and timeliness of the financial and programmatic reporting.
- To determine whether federal compliance requirements regarding sub-recipient oversight were met and whether the sub-recipient performed in accordance with the contract terms.
- To determine whether civil rights requirements are met.
- To determine whether program objectives were met.
- To determine whether the various Metro regulations were followed.

The scope of the work included the grants listed in Appendix A. The grant period reviewed included grants that were active during FY 2019. Although the review focused on this specific time period, certain analyses required the consideration of financial transactions outside of this time period.

The methodology adopted by the OFA encompassed various interviews and an objective review of fiscal and programmatic files, including:

- Financial transactions and supporting documentation
- Contract agreements and related amendments
- Federal and/or state financial reports
- Program reports and supporting documentation
- Correspondence between related parties.



## MONITORING RESULTS

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### Overall Findings and Major Review Highlights

Our review revealed two discrepancies with policies and grant requirement guidelines. The Metro Action Commission:

1. Efforts to seek grant reimbursement needs improvement.
2. Failed to adhere to programmatic and financial reporting requirements.

### **1. Metro Action Commission efforts to seek reimbursement of grant expenditures needs improvement.**

#### **Finding**

Metro Action Commission efforts in seeking reimbursement of grant expenditures needs improvement. MAC failed to submit its reimbursement request for expenditures incurred during July 2018 under the Community Service Block Grant (CSBG) 2018 in accordance with the terms and conditions of the grant contract. Per section C.5.4 of the grant contract, "An invoice under this Grant Contract shall be presented to the State within thirty (30) days after the end of the calendar month in which the subject costs were incurred or services were rendered by the Grantee. An invoice submitted more than thirty (30) days after such date will NOT be paid. The State will not deem such Grantee costs to be allowable and reimbursable by the State unless, at the sole discretion of the State, the failure to submit a timely invoice is warranted. The grantee shall submit a special, written request for reimbursement with any such untimely invoice. The request must detail the reason the invoice is untimely as well as the Grantee's plan for submitting future invoices as required, and it must be signed by a Grantee agent that would be authorized to sign this Grant Contract." The invoice for reimbursement of July expenditures, which was due no later than August 31, 2018, was dated September 24, 2018. Metro Action Commission received the reimbursement on October 3, 2018.

#### **Recommendation**

The Metro Action Commission should ensure that the reimbursement requests are submitted in accordance to the requirements of the grant contract and Metro Finance Policy #9: Grant Drawdown and Reimbursements.

#### **Management's Response**

We concur. While we concur that some billings were not submitted timely, all billings were reimbursed by the grantor. MAC ensures all requests for reimbursement are submitted per section C.5.4 of the grant contract, "An invoice under this Grant Contract shall be presented to the State within thirty (30) days after the end of the calendar month." This is accomplished by having established an internal deadline of 30 days. In the event there is an unforeseeable delay in submission due to factors beyond MAC's control, a written request for an extension of the time will be submitted to the grantor. MAC will be diligent to ensure that all future reimbursement requests are submitted timely according to the terms and conditions of the grantor and that they are done in compliance with Metro Finance Policy #9.

### **2. Metro Action Commission failed to adhere to programmatic and financial reporting requirements.**

#### **Finding**

Metro Action Commission failed to adhere to programmatic and financial reporting requirements for two grant programs. MAC failed to submit the quarterly expense and revenue reports for the quarters ending September 30, 2018 and December 31, 2018 in accordance to the grant requirements for the Community Service Block Grant (CSBG) 18-19 grant program. Per section A.18 of the grant contract, “the grantee shall submit quarterly expense and revenue reports in the format provided by the State, within forty-five (45) days after the end of the quarter. Failure to submit the quarterly reports fiscal report by the due date shall result in program reimbursements being held until the report has been received.” MAC submitted the quarterly fiscal report for the quarter ending September 30, 2018 on November 21, 2018 and submitted the report for the quarter ending December 31, 2018 on May 7, 2019; however, the reports were due no later than November 15, 2018 and February 15, 2019 respectively.

In addition, MAC failed to submit the required notarized expenditure and accounting report in accordance to the letter of agreement for the Community Services Poverty Fund (CSPF) 18 grant. Section 3 of the agreement states, “You agree to provide a notarized statement and accounting regarding actual expenditure of these funds must be provided to this State agency within ninety (90) days of the close of the fiscal year ending June 30th.” The report was due by September 30, 2018, however, MAC submitted the report on October 31, 2018.

#### **Recommendation**

The Metro Action Commission should ensure that all required programmatic and financial reports are completed timely and submitted in accordance to grant contract requirements.

#### **Management's Response**

We concur. MAC implemented internal procedures based upon recommendations of prior grantor's monitoring review identifying these same items. All future quarterly reports will be completed immediately after the last month's billing for that quarter has been submitted. The quarterly reports are reviewed and signed by the CFO or his designee before they are sent to the grantor.

We concur. The Notarized expenditure report for the CSPF 2018 (Community Services Poverty Fund) was submitted 31 days late. MAC implemented corrective internal protocols that ensure expenditures reports are notarized per CSPF 2018 letter of agreement Section 3. This is exemplified by the subsequent timely submission of both the CSPF 2019 and CSPF 2020 year-end notarized financial reports.

## APPENDIX A

Grant	Resolution # or Grant #	Grant Period		Award Amount	Findings
Head Start Early Head Start 19	04CH010156-04-02,04CH010156-04-01,04CH010156-04-02	7/1/2018	6/30/2019	\$13,385,237.00	No
Low Income Home Energy Assistance Program (LIHEAP) 18-19	RS2019-1552	7/1/2018	6/30/2019	\$6,322,453.00	No
Child and Adult Care Food Program 17-18	04CH010156-04-02	10/1/2018	9/30/2019	\$1,164,142.00	No
Community Service Block Grant (CSBG) 2018	Z-18-49110A	5/1/2018	9/30/2018	\$1,295,900.00	Yes
Community Service Block Grant (CSBG) 18-19	L-4106	10/1/2018	9/30/2019	\$1,284,000.00	Yes
Community Service Block Grant (CSBG) Special Project 18-19	Z-19-49110SP	10/1/2018	9/30/2019	\$781,232.99	No
Community Services Poverty Fund (CSPF) 18	L-3843	10/1/2017	9/30/2018	\$25,050.00	Yes
Community Services Poverty Fund (CSPF) 19	L-4109	10/1/2017	9/30/2019	\$25,050.00	Yes