

BILL PURCELL  
MAYOR



**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

DEPARTMENT OF FINANCE  
222 THIRD AVENUE NORTH, SUITE 650  
NASHVILLE, TENNESSEE 37201

September 20, 2005

Jeff Kuhn, Board of Directors  
**Domestic Violence Intervention Center**  
P.O. Box 280420  
Nashville, TN 37228

Dear Mr. Jeff Kuhn:

Please find attached the Monitoring Report of the Domestic Violence Intervention Center relating to the contract it has with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2005.

The Office of Financial Accountability (OFA) is charged with the responsibility of monitoring grant funds from Metropolitan Nashville Government to nonprofit organizations. The OFA is also responsible for monitoring the federal and state grants to departments within the Metropolitan Nashville Government. Staff from the OFA conducted the review on September 15, 2005.

We appreciate the assistance provided by your agency during the course of the review. If you have any questions, please call me at 615-880-1035.

Sincerely,

Fred Adom  
Director

cc: Adonis Phillips, Domestic Violence Intervention Center  
David Manning, Director of Finance  
Talia Lomax-O'dneal, Deputy Director of Finance  
Mitzi Martin, Division of Accounts  
Kim McDoniel, Internal Audit



**Metropolitan Government of Nashville and Davidson County**

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◆ Monitoring Report of ◆

# Domestic Violence Intervention Center



**Issued by**



## **Office of Financial Accountability**

September 27, 2005

Fred Adom, CPA  
Director

Bill Walker, CPA  
Lead Auditor

*Our Vision: To be excellent and proficient in monitoring and management services.*

Monitoring Report  
for the  
Domestic Violence Intervention Center

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**Table of Contents**

	Pages
Monitoring Objectives, Scope and Methodology	4
Results of Monitoring	5
Findings and Recommendations	7

## **OBJECTIVES, SCOPE AND METHODOLOGY**

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The Office of Financial Accountability (herein after referred to as OFA) is charged with the responsibility of monitoring grant funds from Metropolitan Nashville Government to any nonprofit organizations, which receive appropriations from the Metropolitan Nashville and Davidson County government. The OFA is also responsible for monitoring the federal and state grants to departments within the Metropolitan Nashville Government.

We have completed a monitoring review of the Metropolitan Nashville Government grant to the Domestic Violence Center for the year ended June 30, 2005. 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 assurance regarding the financial statements of the Domestic Violence Center. Our objectives for this review were:

- 1) To determine whether the agency has the resources and capacity to administer the grant funds
- 2) To test if costs and service are allowable and eligible
- 3) To verify that program objectives are being met
- 4) To test the reliability of the financial and programmatic reporting
- 5) To test the reliability of internal controls
- 6) To verify contractual compliance

The review was limited to the Metropolitan Government of Nashville and Davidson County grant L-1184 in the amount of \$144,200 to the Domestic Violence Intervention Center for the fiscal year ending June 30, 2005. The Domestic Violence Intervention Center is a nonprofit organization chartered in the State of Tennessee. The purpose of the agency is to provide domestic violence intervention programs that work to end domestic violence. The agencies primary way of doing this is by providing counseling and education services to both the batterer and the victim. Grant funds from contract #L-1184 were used to help fund salaries & benefits, certain professional fees & agency rent. The agency is supported primarily through public support from Metro. According to the agencies audited financial statements, approximately 43% of the organizations support for each of the years ended June 30, 2004 and 2003 came from grants awarded by Metro.

To accomplish our objectives of the monitoring review we:

- Interviewed the officials responsible for the grant management, financial reporting, and accountability.
- Reviewed controls and supporting documentation of expenditures for allowability, necessity and reasonableness of the costs incurred.
- Reviewed operations and activities offered by the Domestic Violence Intervention Center and its compliance with the intended beneficiaries of the grant funds.
- Reviewed the financial stability of the Domestic Violence Intervention Center and its ability to continue to administer the grant program funded by Metro.
- Reviewed the agencies General Ledger to verify the accuracy of the agency's invoices submitted to Metro.

## **RESULTS OF MONITORING**

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The overall results of the monitoring review for the Domestic Violence Intervention Center are provided in this section. The results are based on tests performed and include conclusions regarding the specific review objectives and, if applicable, recommendations for improvement and an action plan for implementing the conclusions. Where applicable, the Findings and Recommendations section of the report provides more insight into the problem identified in the results below.

### **1. Possess necessary resources and capacity to administer the grant funds**

Our review of the agency's accounting system, the qualification of the individuals assigned to manage the accounting records, and other available resources, indicates that the Domestic Violence Intervention Center possesses the necessary resources and expertise to administer the grants funds. The agency's fiscal staff has several years of grant accounting experience. The Domestic Violence Intervention Center's Board of Directors is comprised of over 15 plus members with diverse professional backgrounds. The OFA reviewed the agencies board minutes and noted it appeared the board was actively involved in the oversight of the agency.

### **2. Allowable and Eligible costs and services**

The OFA normally reviews for the agency's compliance with any specific requirements outlined in the grant contract. The contract between Metropolitan Nashville Government and the Domestic Violence Intervention Center for the year ended June 30, 2005, required the Domestic Violence Intervention Center to use the grant funds to provide assistance in funding the administrative rolls of the agency. Specifically, the funds were to be used toward salary and benefits, certain professional fees, and rent. The OFA reviewed and conducted testwork on 100% of the invoices charged to the Domestic Violence Intervention Center for occupancy. The OFA also tested a sample of the payroll expenses paid during the grant period. The OFA determined that the Domestic Violence Intervention Program appeared to be in compliance with the specific requirements set forth in the Grant Contract regarding allowable and eligible cost and services.

The grants manual specifies for the separate accounting of the Metropolitan Nashville Government grant funds to prohibit co-mingling of the Metro Funds with other sources of funding. The agency is compliance with this requirement of the grants manual. The agency has established different revenue classes as well as expenditure classes, so the agency can accurately track the sources and amounts of their funding. Our review covered all of the core compliance areas identified by OMB Circular 133 Audit of States, Local Government, and Non-Profit Organizations.

### **3. Program objectives being met**

The contract between Metropolitan Nashville Government and the Domestic Violence Intervention Center for the year ended June 30, 2005, stipulates that the Grantee is to use grant funds to help end domestic violence by delivering a variety of programs to the local community. Our tests reveal that it appeared that program objectives were being met.

### **4. Reliability of financial and programmatic reporting**

The contract called for submission of an annual audit report performed by a Certified Public Accountant. The Domestic Violence Intervention Program is required to submit to Metro reports of the program outcome and a final expenditures report 45 days after the close of the contract. Our review determined that the Domestic Violence Intervention Program was in compliance with this requirement.

## **5. Reliability of internal controls**

Our review of the internal controls of the Domestic Violence Intervention Center revealed that the agency appeared to be well managed and incorporate strong internal controls. The Board of Directors provides sufficient oversight and there appears to be adequate segregation of duties in the implementation of grant funds.

## **6. Civil rights requirements**

Our review did not reveal anything to indicate that the Domestic Violence Intervention Center appeared to be in compliance with civil rights requirements. The agency had not received any complaints regarding any form of discrimination and the agency had civil rights and ADA posting in public places. The Domestic Violence Intervention Center employee handbook addresses the agency's civil rights policy as well.

## **7. Going Concern**

The OFA obtained and reviewed a copy of the agencies most recent audited financial statements (year ended 06/30/04). The OFA noted that the agencies Current and Quick Ratio equaled .475. Cash Flow equaled negative 15,653. Based on a review of the financial statements and the agencies board minutes, a risk exist regarding the entities ability to continue operations. The Domestic Violence Center incurred a substantial loss in it's operations for the year ended June 30,2004. The primary cause for this loss was a significant reduction in the number of clients served and an increase in the amount of occupancy expense. This number of adults served was reduced due to increased competition from certain for profit companies. Higher rent expense occurred due to the agency moving to a location that charged a higher rate for rent. Based on a review of the Board Minutes, the OFA noted that subsequent to 06/30/04 management staff at the agency had taken significant steps and had appeared to be working diligently to help alleviate these concerns. The OFA noted that on 03/01/05, the Domestic Violence Intervention Center relocated their office space, thereby reducing their monthly rent from \$3,931.25 a month to \$1,033 a month. Management has also reduced its workforce and taken steps to reduce other program cost.