

BILL PURCELL
MAYOR



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

March 12, 2007

Lucia Folk, Board Chair
Hands On Nashville
4302 Nevada Avenue
Nashville, TN 37209

Dear Ms. Folk:

Please find attached the monitoring report of the Hands On Nashville relating to the contract it has with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2006.

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 October 18, 2006. Please review and respond to the corrective action plan as requested in the report.

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

Fred Adom
Director

cc: Susannah Shumate, Interim Chief Executive Officer, Hands On Nashville
Margaret Bean, Chief Financial Officer, Hands On Nashville
David Manning, Director of Finance
Talia Lomax-O'dneal, Deputy Director of Finance
Kim McDoniel, Chief Accountant
Don Dodson, Internal Audit
Bryan Gleason, Office of Financial Accountability



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◆ Monitoring Report of ◆

Hands On Nashville



Issued by



Office of Financial Accountability

March 12, 2007

Fred Adom, CPA
Director

Bryan Gleason
Lead Auditor

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

Monitoring Report
for the
Hands On Nashville

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OBJECTIVES, SCOPE AND METHODOLOGY

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 Hands On Nashville for the year ended June 30, 2006. 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 Hands on Nashville. 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 Hands on Nashville was founded in 1991 to develop a way to make volunteering accessible and meaningful to busy working people. The agency offers volunteers opportunities to participate in short-term or long-term community projects. The grant to Hands On Nashville, in the amount of \$150,000.00 was to support its general operations.. Besides supporting its operations, the grant was to be used to pilot an assessment/training program to help Metro departments utilize volunteer resources more effectively by providing planning, staff training, coaching, and system/program design. The initial phase of the grant was intended to assist the Metro Parks and Recreation and Public Works departments. The second phase was to assist to departments in volunteer management and to develop best practices for those departments. The third phase was to assist with volunteer recruitment and to offer ongoing technical support. This monitoring review was limited to the Metropolitan Government of Nashville and Davidson County grant **L-1406** to the Hands on Nashville for the fiscal year ending June 30, 2006.

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 Hands On Nashville and its compliance with the intended beneficiaries of the grant funds.
- Reviewed the financial stability of the Hands On Nashville 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

The overall results of the monitoring review for the Hands On Nashville 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 Hands On Nashville possesses the necessary resources and expertise to administer the grants funds. The Hands On Nashville staffs have several years of grant experience. The agency follows the State of Tennessee's accounting policies and uses Quick Books software. Hands On Nashville has a very active Board of Directors that meets approximately nine to ten times a year.

2. Allowable and Eligible costs and services

The contract between Metropolitan Government of Nashville and Davidson County and Hands On Nashville, was for Hands On Nashville to "pilot an assessment/training program for targeted departments of Metro government that work with volunteers to help them utilize volunteer resources more effectively through a program of planning, staff training, coaching, and system/program design." The award to Hands on Nashville was for \$150,000; the agency however expended and claimed only \$138,708.22 during the year. The agency did not incur sufficient expense to claim the total award. Our review did not reveal any issues of noncompliance with this requirement.

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 required Hands On Nashville "to pilot an assessment/training program for targeted departments of Metro government that work with volunteers to help them utilize volunteer resources more effectively through a program of planning, staff training, coaching, and system/program design". Our review determined that Hands on Nashville was in compliance with the program objectives.

Hands on Nashville exceeded its target by recruiting 4,848 volunteers, over 1,800 more than its goal of 3,000 recruits. These recruits provided 15,263 volunteer hours in the community in regular service projects. The volunteers were engaged in 1,222 projects, instead of the 1500 projects planned. The agency also referred an additional 5,000 students and youth groups to volunteer opportunities in the community. It also assisted 203 nonprofits, agencies and schools in leading volunteer projects; at least 25% of which were metro funded entities such as Metro Schools, Libraries, Parks, etc. Overall the agency provided 12,514 volunteer project opportunities for adults; at least 15% of which were within Metro efforts such as tornado relief, education, and Metro General Hospital support.

Specifically, Hands on Nashville worked with both Parks and Public Works departments to meet objectives outlined in the grant. Hands On Nashville staff conducted program audits including interviews and focus groups with Parks and Public Works employees, outside "friendly" groups, and existing volunteers that worked with those departments in the past. The agency conducted research on model municipal volunteer programs and made recommendations to Metro Parks and Public Works departments. The Hands on Nashville staff also worked with both teams to finalize volunteer job descriptions and began to implement the volunteer recruitment plan.

OFA randomly selected the tested the results reported by Hands on Nashville; our tests confirmed the results reported. Our review determined that the Hands on Nashville was in compliance with the program objectives outlined in the grant contract.

RESULTS OF MONITORING

4. Reliability of financial and programmatic reporting

The contract called for submission of an annual audit report performed by a Certified Public Accountant. Additionally, the Hands On Nashville was required to submit to program outcomes and a final expenditure report to Metro within 45 days after the close of the contract. **Our review determined that the Hands on Nashville was not in compliance with these requirements.**

5. Reliability of internal controls

Our review of the Hands On Nashville's internal controls over grants management did not reveal any major weakness. The Board of Directors provides oversight and there appears to be adequate segregation of duties in the implementation of the grants funds.

6. Civil rights requirements

Our review did not reveal anything to indicate that the Hands On Nashville was not in compliance with civil rights requirements. The OFA noticed the necessary postings of the Non Discrimination posters. Also the agency had a non-discrimination policy.

FINDINGS AND RECOMMENDATIONS

1. Financial and programmatic reporting efforts need improvement.

Finding

Test of reporting requirements revealed that the Hands On Nashville failed to complete and submit the final expenditure report and final program report within 45 days of the close of the grant as required by the contract. Page 2 Section C.4 of the grant contract states, “the recipient shall submit a final grant expenditure and program report within 45 days of the end of the grant contract.” The Hands On Nashville did not submit the required reports within the required period.

Recommendation

The Hands On Nashville should review the grant contract and ensure that all financial and programmatic reports required by the grantor are completed and submitted with the required time.

Corrective Action Plan Required

Please submit a plan within 30 days from the report date, indicating the actions the agency intends to take to correct the finding identified in the report to Ms. Tiffy Barnett at the address below:

Ms Tiffy Barnett
Metro Finance Department
Division of Grants Coordination
222 Third Avenue North, Suite 650
Nashville, TN 37201