

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



March 17, 2016

Rev. William Harris – Board Chair  
In Full Motion, Inc.  
4121 Clarksville Pike  
Nashville, TN 37218

Dear Mr. Harris:

Please find attached the monitoring report of In Full Motion, Inc. relating to the contract with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2015.

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 December 1, 2015.

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*

Kevin Brown, CMFO, CICA  
Finance Administrator

cc: Maurice Fitzgerald Sr., Chief Executive Officer, In Full Motion, Inc.  
Cynthia Fitzgerald, Vice President, In Full Motion, Inc.  
Talia Lomax-O'dneal, Director of Finance  
Gene Nolan, Deputy Director of Finance  
Kim McDoniel, Chief of Accounts

Mark Swann, Internal Audit  
Fred Adom, CPA, CGMA, CICA, Director, Office of Financial Accountability  
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability  
Aaron Davis, CICA, Office of Financial Accountability



Metropolitan Government of Nashville and Davidson County

# **IN FULL MOTION INC.**

◆ **Monitoring Report** ◆

Conducted by



**Office of Financial Accountability**

March 17, 2016

# 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 In Full Motion Inc. 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 In Full Motion Inc. 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 Enhancement 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:

<b>Contract</b>	<b>Type</b>	<b>Amount</b>	<b>Contact Term</b>	
L-3261	Direct Appropriations	\$30,000	July 1, 2014	June 30, 2015

### **Agency Background**

In Full Motion, Inc. is a non-profit organization that provides assistance to inner city/at risk youth with the goal of helping them become “productive citizens, while empowering young people with the necessary tools to be academically successful.” They primarily provide ACT college placement exam preparation services. Per the agency’s website, the goal of In Full Motions is to “ensure that every student has the opportunity to graduate from high school college-ready and enroll in the college, trade school, or university of his or her choice.”

## OBJECTIVES, SCOPE AND METHODOLOGY

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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, 2014 through June 30, 2015.

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-3261. 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

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### 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**

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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 all of the core compliance areas identified by 2 CFR Part 200: *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Additionally, 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 is 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 Appropriation.

Based on our test work, the agency failed to adhere to the approved grant spending plan. See finding #1 for more details.

### **3. Program and Performance Objectives**

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

Provide 100 Middle School students with 20 hours of training, mostly designated as economically disadvantaged.

## **RESULTS OF REVIEW**

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- 1) 75% of the 7th and 8th grade participants who complete the program will improve 20% by the end of the period; based on the pre and post test using the ACT and the ACT ASPIRE national assessment.

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.

Based on our review, the agency did not comply with all financial and programmatic reporting requirements. See finding #2.

### **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**

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### **1. Failure to Submit a Budget Revision**

In Full Motion Inc. failed to submit a grant budget revision. Tests revealed that the agency was using contracted personnel rather than actual employees. The approved grant spending plan included budgeted grant funds for salary and wages, which is for actual employees of the organization and is not intended for contracted personnel. Therefore, expenditures to contracted personnel required the submission and approval of a budget revision request prior to incurring any grant expenditures for contracted services. If there is more than a 10 percent increase in a budget line item or funds need to be utilized under a new budget line item, a revised spending plan must be submitted to the Department of Grants Coordination and approved.

#### **Recommendation:**

In Full Motion Inc. should take the necessary steps to request a budget revision in the event grant expenditures deviate from the grant budget more than 10 percent or if spending needs to be approved under a new budget line item.

### **2. Inaccurately Reported Grant Expenditures**

#### **Finding**

In Full Motion Inc. inaccurately reported program expenditures on the final expenditures report. Test revealed that actual expenditures deviated from those on the final expenditures report. The agency inappropriately reported professional services (1099 contract workers) as salaries and wages. This resulted in salaries and wages cost being overstated and professional fees cost being understated.

#### **Recommendation**

The In Full Motion, Inc. should take the necessary steps to ensure the reported expenditures on its final expenditures report reflect actual cost of the program.

## FINDINGS AND RECOMMENDATIONS

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### **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:

Division of Grants Coordination  
PO Box 196300  
Nashville, TN 37219  
ATTN: Vaughn Wilson