

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



December 15, 2017

Daphne Butler, Board Chair
Teach for America
220 Athens Way, Suite 300
Nashville, TN 37228

Dear Ms. Butler:

Please find attached the monitoring report of Teach for America relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2017.

The Office of Financial Accountability is charged with the responsibility of monitoring grant funds, including Community Enhancement Funds, from Metropolitan Nashville Government to any nonprofit organization. Staff from the Office of Financial Accountability conducted the review on October 24, 2017.

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, CFE
Finance Administrator

cc: Benjamin Schumacher, Executive Director, Teach for America
Talía Lomax-O'dneal, Director of Finance, Department of Finance

Gene Nolan, Deputy Director of Finance, Department of Finance
Kim McDoniel, Deputy Director of Finance, Department of Finance
Phil Carr, Chief of Accounts, Department of Finance
Tony Neumaier, Budget Officer, Department of Finance
Mark Swann, Metropolitan Auditor, Office of Internal Audit
Fred Adom, CPA, CGMA, CICA, Director, Office of Financial Accountability
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability
Matthew Fouad, Office of Financial Accountability



Metropolitan Government of Nashville and Davidson County

TEACH FOR AMERICA

◆ **Monitoring Report** ◆

Conducted by



Office of Financial Accountability

December 15, 2017

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of Teach for America. 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 Teach for America 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:

Contract	Type	Amount	Contact Term	
L-3657	Community Enhancement Funds	\$77,000	July 1, 2016	June 30, 2017

Agency Background

Teach for America (“TFA”) is dedicated to building a national corps of outstanding recent college graduates of all academic majors who commit two years to teach in under-resourced urban and rural public schools and who become lifelong leaders in pursuit of expanding educational opportunity. TFA recruits and selects recent college graduates who meet high standards, trains them in an intensive summer program, places them in urban and rural school districts, and coordinates a support network for them during the two years they commit to teach. TFA also works to alumni connected to each other and to its mission.

Teach for America’s mission is “to continue Nashville legacy of disrupting inequity, Teach for America recruits, develops, and mobilizes a diverse coalition of high impact education leaders who support schools to provide a limitless education to students.”

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, 2016 through June 30, 2017.

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-3657. 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 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 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, costs and services during the period were allowable and eligible.

3. Program and Performance Objectives

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

RESULTS OF REVIEW

- 1) Students will grow an average of 1.5 years or more based on student reading assessments similar to Gates-McGinitie, reading A-Z and Developmental Reading Assessments.
- 2) The 40 teachers' classrooms will be on track for more typical growth as evaluated by out teacher coaches using our Teaching As Leadership rubric.

Based on our review of program documentation and discussions with staff, program performance objective #1 was not met and the agency was not in compliance with contractual program objectives. See Finding #1 in the Findings and Recommendation section for more details.

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 did not comply with all financial and programmatic reporting requirements. See Finding #2 in the Findings and Recommendation section for more details.

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.

1. Program Performance Goals Not Met

Finding

The Teach for America failed to meet one of the agency's contractual program objectives. Per the scope of services of the grant contract, "Students will grow an average of 1.5 years or more based on student reading assessments similar to Gates-McGinitie, reading A-Z and Developmental Reading Assessments". Based upon documentation provided, the OFA determined that students grew an average of 1.33 years based on student reading assessments similar to Gates-McGinitie, reading A-Z and Developmental Reading Assessments.

Recommendation

Management should take the necessary steps to ensure that program objectives are met and documentation to support program outcomes are maintained for review. Management should further review their objectives to make sure they are reasonable and obtainable.

2. Reliability of Financial and Programmatic Reporting Not Met

Finding

The Teach for America failed to adhere to the reporting requirements as stated in the grant contract. Section C.4 of the grant contract states, "The recipient must submit a final grant annual expenditure report, to be received by Metro's Division of Grants Coordination (DGC), within 45 days of the end of the grant contract." The grant contract further states under section D.9 Reporting, "The recipient must submit a Final Program Report, to be received by Metro's Division of Grants Coordination (DGC), within 45 days of the end of the grant contract." Therefore, the required final reports were due no later than August 15, 2017. Teach for America submitted the final program and final expenditure reports to the Division of Grants Coordination on August 23, 2017.

FINDINGS AND RECOMMENDATIONS

Recommendation

Management should take the necessary steps to ensure that the required final annual expenditure and final program reports are submitted to the Division of Grants Coordination within the required time frame.

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:

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