

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



January 30, 2020

John Rodgers, Board Chair
Catholic Charities of Tennessee
2806 McGavock Pike
Nashville, TN 37214

Dear Mr. Rodgers:

Please find attached the monitoring report of the Catholic Charities of Tennessee relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2019.

The Office of Financial Accountability is charged with the responsibility of monitoring grant funds, including Community Partnership Funds, from Metropolitan Nashville Government to any nonprofit organization. Staff from the Office of Financial Accountability conducted the review on December 11, 2019.

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, CMFO, CICA, CFE
Finance Manager

cc: Judy Orr, Executive Director, Catholic Charities of Tennessee
Kevin Crumbo, Director of Finance, Department of Finance
Renee Pratt, Director, Metro Social Services
Lee Stewart, Metro Social Services
Talia Lomax-O'dneal, Deputy Director of Finance, Department of Finance

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Metropolitan Government of Nashville and Davidson County

CATHOLIC CHARITIES OF TENNESSEE

◆ **Monitoring Report** ◆

Conducted by



Office of Financial Accountability

January 30, 2020

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of the Catholic Charities of Tennessee. 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 Catholic Charities 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 Partnership 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 Resolution with Metro Government:

Resolution Number	Type	Amount	Contract Term	
RS2018-1333	Community Partnership Funds	\$40,000	July 01, 2018	June 30, 2019

Agency Background

Catholic Charities of Tennessee provides an array of social services to vulnerable residents of Middle Tennessee. The agency currently provides service to 38 Middle Tennessee counties through more than 40 initiatives to 11,000+ unduplicated clients. Services offered include emergency housing assistance, case management, workforce development, adoption placement, crisis pregnancy counseling, employment placement, financial literacy training, emergency basic needs, and mental health counseling.

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 01, 2018 through June 30, 2019.

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 the grant contract between Metro Social Services and the Catholic Charities of Tennessee as authorized by resolution RS2018-1333. 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 funds shall be used to achieve the following outcomes:

1. Assist at least 20 new families with their direct assistance needs.

RESULTS OF REVIEW

2. 100 % of clients will be able to maintain housing through the prevention of the eviction by being able to pay and stay by ensuring that the utilities remain intact and therefore will not lead to an eviction.
3. 100% of clients develop a budget as part of case management at time of case opening. The budget will be reassessed on a quarterly basis and with change in income.
4. 100% of clients will be referred to the United Way Financial Empowerment Center for free one on one budget counselling.
5. 100% of clients served will have a stable source of income. Opportunities for securing and maintaining goals will be planned as part of individual action plans.

Based on our review of program documentation and discussions with staff, one of the five (20%) program performance objectives was not met and the agency was not in compliance with contractual program objectives. See finding #1 in the Findings and Recommendations section for additional 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 complied with all financial and programmatic reporting requirements.

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

1. Program Performance Goals Not Met

Finding

Catholic Charities of Tennessee failed to meet one of the five agency's contractual program objectives. Per the scope of services, the agency failed to meet the following outcome:

1. 100% of clients served will have a stable source of income and opportunities for securing and maintaining employment goals will be planned as part of individual action plans

Based upon the provided program documentation, and discussions with the staff, only 81% of the clients served reported having a stable source of income and opportunities for securing and maintaining employment goals as part of individual action plans.

Recommendation

Catholic Charities of Tennessee should take the necessary steps to ensure that the program objectives are met. The management should also review the objectives to make sure they are reasonable and attainable.

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:

Metro Social Services
Community Partnership Fund Coordinator
P.O Box 196300
Nashville, TN 37219
Attn: Lee Stewart