



Metropolitan Government of Nashville and Davidson County

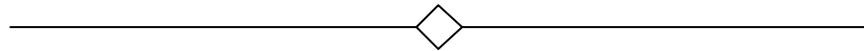
222 3rd Ave. N.
Suite 650
Nashville, TN 37201

615-862-6170 office
615-862-6175 fax

www.nashville.gov/finance

◆ Monitoring Report of ◆

Cumberland Region Tomorrow



Issued by

Division of Grants Monitoring

November 14, 2002



Fred Adom, CPA
Director

Kevin Brown,
Lead Auditor

To be excellent and proficient in monitoring and management services.

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

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METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

November 14, 2002

Mr. DeWitt Ezell, Co-Board Chair
&
Mr. Julius Johnson, Co-Board Chair
Cumberland Region Tomorrow
2525 West End Ave., Suite 1430
Nashville, TN 37203

Dear Board Chairs:

Please find attached the Monitoring Report of Cumberland Region Tomorrow relating to the contract it has with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2002.

The Division of Grants Monitoring (DGM) is charged with the responsibility of monitoring grant funds from Metropolitan Nashville Government to any nonprofit organizations. DGM is also responsible for monitoring the federal and state grants to departments within the Metropolitan Nashville Government. Staff from the DGM conducted the review on June 25, 2002.

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: Ed Cole, Executive Director
David Manning, Director of Finance
Nancy Whittemore, Assistant Director of Finance
Mitzi Martin, Division of Accounts
Kim McDoniel, Internal Audit
Kevin Brown, Division of Grants Monitoring

MONITORING REPORT FOR CUMBERLAND REGION TOMORROW

Table of Contents

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

OBJECTIVES, SCOPE AND METHODOLOGY

The Division of Grants Monitoring (herein after referred to as DGM) 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. DGM 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 Cumberland Region Tomorrow for the year ended June 30, 2002. A monitoring review is substantially less in scope than an audit. DGM did not audit the financial statements and accordingly, does not express an opinion or any assurance regarding the financial statements of Cumberland Region Tomorrow, Inc. 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
- 7) To verify that civil rights requirements are being met

The review was limited to the Metropolitan Nashville & Davidson County Government grant #L-442 to Cumberland Region Tomorrow for the year ending June 30, 2002. The Metro grant supports approximately seventeen percent (17%) of the funding for Cumberland Region Tomorrow's Visioning Project. 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 Cumberland Region Tomorrow and its compliance with the intended beneficiaries of the grant funds.
- Reviewed Cumberland Region Tomorrow's compliance with Civil Rights and ADA requirements regarding accessibility of the services to handicapped clients and measures taken to accommodate the needs of such clients.
- Reviewed Cumberland Region Tomorrow's compliance with the reporting requirements imposed by Metro.
- Reviewed the financial stability of Cumberland Region Tomorrow and its ability to continue to administer the grant program funded by Metro.

RESULTS OF MONITORING

Our review did not reveal any findings of noncompliance. The Results of Monitoring section presents brief summaries of results of the testing performed including conclusions regarding the key objectives, recommendations for improvement and an action plan for implementing the conclusions. The results of the monitoring are listed 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, indicate that the Cumberland Region Tomorrow possesses the necessary resources and expertise to administer the grants funds. The staff at Cumberland Region Tomorrow consists of an Executive Director and an Executive Assistant. The agency's Board of Directors are actively involved in the daily operations of Cumberland Region Tomorrow. The Board meets three times per year. The Executive Director meets monthly with the Executive Committee, which consists of several board members to discuss the progress and financial status of the agency.

2. Allowable and Eligible costs and services

DGM normally reviews for the agency's compliance with any specific requirements outlined in the grant contract. The contract between Metropolitan Nashville Government and Cumberland Region Tomorrow for the year ended June 30, 2002, did not hold the Cumberland Region Tomorrow to any specific requirements and/or compliance with grants manual with the exception of submission of an annual audited financial statements. Our review determined that Cumberland Region Tomorrow was in compliance with this requirement.

Also the contract did not specify for the separate accounting of the Metropolitan Nashville Government grant funds or prohibit comingling of the Metro Funds with other sources of funding, however Cumberland Region Tomorrow was accounting for the Metro funds separately by using the funds to assist in the agency's visioning project. The visioning project funds are used to pay consultants for planning the efficient use of land as the area population continues to grow. **We were able to segregate and account for the expenditures funded with Metro dollars.** Our review covered all of the core areas compliance areas identified by OMB Circular 133 Audits of States, Local Government and Non-Profit Organizations.

3. Program objectives being met

The contract between Metropolitan Nashville Government and Cumberland Region Tomorrow for the year ended June 30, 2002, did not hold Cumberland Region Tomorrow to any specific Program objectives rather than for the benefit of Residents of Metro Davidson County. The agency's operations generally benefit Metro Nashville residents. Due to the lack of specific program objectives, we could not conclude whether the Program objectives were met.

4. Reliability of financial and programmatic reporting

There were no financial and/or programmatic reporting requirements placed on Cumberland Region Tomorrow. The contract only called for submission of an annual audit report performed by a Certified Public Accountant. There was no monthly, quarterly or annual reporting of the uses of the expenditures back to Metro Government or any program reports of the program outcome. Due to the lack of specific requirements on the Cumberland Region Tomorrow, we were unable to determine whether Metro Funds were used for any unauthorized purposes or not. However, nothing came to our attention to indicate the funds were used for any unintended purposes or any thing that would indicate non-compliance with OMB Circular 122, Cost principles for Non profits.

RESULTS OF MONITORING

5. Reliability of internal controls

Our review of the internal controls of Cumberland Region Tomorrow did not indicate any weaknesses in their internal controls. The agency has policies and procedures in place to account for the funds. The agency has good segregations of duties and approval processes in place. The agency's internal control mechanisms allow for proper accounting and safeguarding of agency assets.

6. Contractual compliance

The agency's operations generally benefit Metro Nashville residents as required in the contract. Due to the lack of other specific contractual requirements, we could not test for any specific contractual compliance.

7. Civil rights requirements

Our review did not reveal anything to indicate that Cumberland Region Tomorrow was not in compliance with civil rights requirements. The agency shares office space with private law firms that do not want non-discrimination posters posted in the office. Also the agency had a non-discrimination policy and an identified compliance officer for any complaints

RECOMMENDATIONS

- 1) Metropolitan Government of Nashville and Davidson County should revise the provisions of the contract with Cumberland Region Tomorrow to include but not limited to the following:
 - a) Specific provisions for program outcomes
 - b) Specific financial reporting requirements, including format, frequency and type of cost.
 - c) Specific programmatic reporting requirements, including format, frequency and type of information
 - d) Reference to compliance requirements that Cumberland Region Tomorrow will be subject to.
- 2) Metropolitan Government of Nashville and Davidson County should develop a Grants Manual that will outline the minimum and general expectations and requirements of all grant recipients of Metro Funds. This manual should address allowable and unallowable costs and cost principles to be followed by all nonprofit recipients of Metro funds.
- 3) Metropolitan Government of Nashville and Davidson County should define and communicate the process by which Cumberland Region Tomorrow and other Nonprofits can request and receive the authorized funds to administer their programs.