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MAYOR



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

November 18, 2005

Jim Fleming, Chairman of the Board of Directors
Campus for Human Development
P.O. Box 25309
Nashville, TN 37202

Dear Dr. Fleming:

Please find attached the Monitoring Report of the Campus for Human Development/Guest House relating to the contract it has with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2005.

The Office of Financial Accountability (OFA) is charged with the responsibility of monitoring grant funds from Metropolitan Nashville Government to any 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 September 29, 2005.

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: Charles Strobel, Executive Director, Campus for Human Development
David Manning, Director of Finance
Talia Lomax-O'dneal, Deputy Director of Finance
Kim McDoniel, Assistant Director of Finance
Don Dodson, Internal Audit
Bill Walker, Office of Financial Accountability



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◆ Monitoring Report of ◆

Campus for Human Development



Issued by



Office of Financial Accountability

November 18, 2005

Fred Adom, CPA
Director

Bill Walker, CPA
Lead Auditor

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

Monitoring Report
for the
Campus For Human Development

Table of Contents

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

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 Campus for Human Development for the year ended June 30, 2005. 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 Campus for Human Development. Our objectives were 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 review was limited to the Metropolitan Government of Nashville and Davidson County grant L-1184 in the amount of \$133,280 to the Campus for Human Development for the fiscal year ending June 30, 2005. Grant funds were to be used specifically for salaries and supplies. The Campus for Human Development is a religious non-profit organization, which was formed in 1995 by the merger of three other organizations. The three organizations that merged in 1995 included Room in the Inn, the Guest House, and FOCUS (Faith Organizations in Covenant for Understanding and Service). The Campus for Human Development mission is to emphasize the spiritual ideals of love and community through services to the homeless, the Campus provides faithful people of Nashville an opportunity to respond directly to the broken and disenfranchised. Funds from grant L-1184 were to be used specifically for the Guest House Program. The purpose of the Guest House program is to serve as an alternative to incarceration for the publicly intoxicated. Each participant can stay at the location for up to 5 days. After the 5 days, the participant may enter either the Guest House residential treatment program or enter an outside treatment program. The Guest House operates 24 hours a day 7 days a week. The Guest House has helped in reducing the high cost Metro incurs by incarcerating those participants. During the past fiscal year, the Guest House provided 18,930 beds and 56,790 meals to participants.

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 Campus for Human Development and its compliance with the intended beneficiaries of the grant funds.
- Reviewed the financial stability of the Campus for Human Development 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 Campus for Human Development 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 the Campus for Human Development possesses the necessary resources and expertise to administer the grants funds. The agency's fiscal staff has several years of grant accounting experience. The OFA obtained and reviewed a copy of the agencies Board Minutes. The OFA noted that the Board of Directors met several times during the grant period and appeared to provide sufficient oversight to the agency.

2. Allowable and Eligible costs and services

The contract between Metropolitan Nashville Government and the Campus for Human Development for the year ended June 30, 2004, required the Campus for Human Development to use the grant funds to provide a location that will serve as an alternative to incarceration for the publicly intoxicated. This location shall provide individuals with a safe place to stay, sleep and provide a shower and clean clothes. Our review determined that the Campus for Human Development was in compliance 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 between Metropolitan Nashville Government and the Campus for Human Development for the year ended June 30, 2005, stipulates that the Grantee is to provide a location that will serve as an alternative to incarceration for the publicly intoxicated. Each guest may stay at the location for up to 5 days and then may enter the Guest House residential program or an outside treatment program. The grant contract further stipulates that the Guest House residential program shall serve homeless substance abusers by providing them with a residential program that gives them assistance and the time necessary to become independent. The residential programming includes onsite AA meetings as well as the opportunity to attend outside meetings. The Campus for Human Development holds an average of 30 persons in the residential program per day and up to 15 others per day with a stay ranging from 1 week to 6 months with an average of stay being 3 months. Based on interviews with the Grantee's staff and the review of the agencies documentation, the Campus for Human Development appears to be in compliance and program objectives are being met.

4. Reliability of financial and programmatic reporting

The contract called for submission of an annual audit report performed by a Certified Public Accountant. The Campus for Human Development is required to submit to Metro reports of the program outcome and a final expenditures report 45 days after the close of the contract. Our review determined that the Campus for Human Development was not in compliance with this requirement. The Findings and

Recommendations section provides further discussion of the agency's need to improve its financial and programmatic reporting procedures.

5. Reliability of internal controls

Our review of the internal controls of the Campus for Human Development revealed that the agency appeared to be well managed and incorporate strong internal controls. The Board of Directors provides sufficient oversight and there appears to be adequate segregation of duties in the implementation of grant funds.

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6. Civil rights requirements

Our review did not reveal anything to indicate that the Campus for Human Development was not in compliance with civil rights requirements. The agency has not received any complaints regarding any form of discrimination and the agency has civil rights and ADA posting in public places. The Campus for Human Development's employee handbook addresses the agency's civil rights policy as well.

FINDINGS AND RECOMMENDATIONS

Financial and programmatic reporting efforts needs improvement.

Finding

Tests performed on 100% of the financial and programmatic reports to Metro revealed that the agency did not complete and submit the Final Expenditures Report or the Final Program report within 45 days of the close of the grant as required by the contract. On page 2 of the grant contract under C.4 it states, “the recipient shall submit a final grant expenditures report within 45 days of the end of the grant contract. On page 3 under D.9 the grant contract also states, “the recipient shall submit a final program report within 45 days of the end of the grant contract.” At the time of the review the Campus for Human Development had not submitted either the final expenditures report or the final program report.

Recommendation

The Campus for Human Development should review the grant contract and ensure that all financial and programmatic reports required by the grantor and complete accurately and submitted within the required time.