

BILL PURCELL
MAYOR



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DEPARTMENT OF FINANCE
OFFICE OF FINANCIAL ACCOUNTABILITY
222 THIRD AVENUE NORTH, SUITE 315
NASHVILLE, TENNESSEE 37201

May 7, 2004

Angela Mitchell-Hill
Jefferson Street United Merchants Partnership, Inc.
1215 9th Avenue South, Suite 201
Nashville, TN 37208

Dear Ms. Mitchell-Hill:

Please find attached the Monitoring Report of Jefferson Street United Merchants Partnership, Inc. relating to the contracts it has with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2003.

The Office of Financial Accountability (OFA), formerly known as the Division of Grants Monitoring, 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 May 13, 2003.

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: David Manning, Director of Finance
Sharon Hurt, Executive Director Jefferson Street United Merchants Partnership, Inc.
Talia Lomax-O'dneal, Deputy Director of Finance
Mitzi Martin, Division of Accounts
Kim McDoniel, Internal Audit
Kevin Brown, Office of Financial Accountability



Metropolitan Government of Nashville and Davidson County

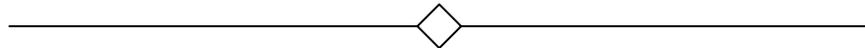
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◆ Monitoring Report of ◆

Jefferson Street United Merchants Partnership, Inc.



Issued by



Office of Financial Accountability

May 7, 2004

Fred Adom, CPA
Director

Kevin Brown,
Lead Auditor

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

Monitoring Report
for the
Jefferson Street United Merchants Partnership, Inc.

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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 Jefferson Street United Merchants Partnership, Inc. (herein after referred to as JUMP) for the year ended June 30, 2003. 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 Jefferson Street United Merchants Partnership, Inc. 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
- 7) To verify that civil rights requirements are being met

The review was limited to the Metropolitan Government of Nashville and Davidson County grant to the JUMP for the fiscal year ending June 30, 2003. Jefferson Street United Merchants Partnership, Inc.'s primary objective is to restore historic Jefferson Street. The agency holds informative rallies at Fisk University to make the community aware of the historical value of Jefferson Street.

To accomplish the objectives of the monitoring review we:

- Interviewed the officials responsible for the grant management, financial reporting, and accountability.
- Reviewed a randomly selected sample of the expenditures charged to the Metro grant.
- Reviewed controls and supporting documentation of expenditures for allowability, necessity and reasonableness of the costs incurred.
- Reviewed operations and activities offered by the JUMP and its compliance with the intended beneficiaries of the grant funds.
- Reviewed JUMP'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 the financial stability of the JUMP 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 qualifications of the individuals assigned to manage the accounting records, and other available resources, indicate that the JUMP possesses the necessary resources and expertise to administer the grants funds. The agency's board members meet approximately twelve times per year and take a very active role in the agency's operations. The agency's fiscal staff possesses over ten years of experience dealing with government grant contracts. The agency's Executive Director and Board Treasurer approve invoices and vouchers for payment. The agency uses QuickBooks accounting software.

2. Allowable and Eligible costs and services

The OFA normally reviews for the agency's compliance with any specific requirements outlined in the grant contract. The contract between Metropolitan Nashville Government and JUMP for the year ended June 30, 2003, required JUMP to use the grant funds as a provision for image building and marketing services for historic Jefferson Street. Our review determined that JUMP 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 in 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. Also, the agency can easily and accurately report their expenses supported by the Metro appropriation. 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 JUMP for the year ended June 30, 2003, did not hold the agency 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 JUMP. The contract only called for submission of an annual audit report performed by a Certified Public Accountant. There was no monthly or quarterly reporting of the uses of the expenditures back to Metro Government or any program reports of the program outcome except for a final expenditures report due 45 days after the close of the contract. Due to a lack of specific financial and programmatic requirements in the contract, we were unable to determine whether Metro Funds were used for any unauthorized purposes. 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 the JUMP did not reveal anything to indicate any weaknesses in their internal controls. The agency requires the Executive Director and the Board to approve invoices for payment. The Board Chair, Treasurer, and Financial Secretary can sign checks.

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 JUMP was not in compliance with civil rights requirements. The agency has a written policy on discrimination in the employee handbook.