

BILL PURCELL
MAYOR



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

August 31, 2005

Mr. Sumter Camp
Reconciliation Ministries
702 51st Avenue North
Nashville, TN 37209

Dear Mr. Camp:

Please find attached the Monitoring Report of the Reconciliation Ministries, Inc. 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 August 16, 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
Director

cc: Alice Arceneaux, Executive Director Reconciliation Ministries, Inc.
David Manning, Director of Finance
Talia Lomax-O'dneal, Deputy Director of Finance
Mitzi Martin, Division of Accounts
Kim McDoniel, Internal Audit
Kevin Brown, Office of Financial Accountability



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◆ Monitoring Report of ◆

Reconciliation Ministries



Issued by



Office of Financial Accountability

August 31, 2005

Fred Adom, CPA
Director

Kevin Brown,
Lead Auditor

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

Monitoring Report
for the
Reconciliation Ministries

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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 the Reconciliation Ministries 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 Reconciliation Ministries. 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

The review was limited to the Metropolitan Government of Nashville and Davidson County grant L-1264 in the amount of \$34,000.00 to the Reconciliation Ministries for the fiscal year ending June 30, 2005. The Reconciliation Ministries, Inc. serves families and children of Tennessee Prisoners. The agency provides individual and family support, as well as advocacy and assistance in an attempt to create an environment where families can support each other and aid in readjustment upon release of a family member. Reconciliation provides these services free of charge to anyone who has a close friend or family member in a Tennessee Prison or to anyone who is a recently released offender. The services that the agency offers include; weekly family support groups for adults and children, complementary visitors lodging, Christmas sponsorship, summer camping trips, professional publications and resources, advocacy, counseling partnerships, information and referrals as well as other youth events. 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 Reconciliation Ministries and its compliance with the intended beneficiaries of the grant funds.
- Reviewed the financial stability of the Reconciliation and its ability to continue to administer the grant program funded by Metro.
- Reviewed the 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 Reconciliation Ministries 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 Reconciliation Ministries possesses the necessary resources and expertise to administer the grants funds. The agency's staff has two to three years of grant accounting experience. The Reconciliation Ministries' Board of Directors is comprised of several members with diverse professional backgrounds.

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 the Reconciliation Ministries for the year ended June 30, 2005, required the Reconciliation Ministries to use the grant funds to support the general operations of its activities. Specifically, the agency shall seek to serve families and children of Tennessee prisoners. Our review determined that the Reconciliation Ministries 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.

3. Program objectives being met

The contract between Metropolitan Nashville Government and the Reconciliation Ministries for the year ended June 30, 2005, stipulates that the Grantee is to provide individual and family support, advocacy and assistance in an attempt to create an environment where families can support each other and aid in readjustment upon release of a loved one. The grant also stipulates that the Grantee shall utilize this Metro funding for services which the grantee provides to documented residents of Davidson County only. The agency could only provide family survey sheets to document the addresses of the program participants. The family survey forms were not completed by 100% of the program participants. Therefore, the agency was unable to provide documentation that 100% of the program participants were residents of Davidson County. The Reconciliation Ministries should ensure that program participants are residents of Davidson County and should also develop a tracking system that the agency could use to readily provide a list of all program participants. The OFA will issue a finding on the next monitoring review of Reconciliation Ministries if this discrepancy is not corrected.

4. Reliability of financial and programmatic reporting

The Reconciliation Ministries 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 Reconciliation Ministries complied accordingly.

5. Reliability of internal controls

Our review of the internal controls of the Reconciliation Ministries did not reveal any weaknesses in their internal controls.

6. Contractual compliance

Overall, the OFA found the agency in compliance with the contract requirements. The purpose of the Metro grant funds was to be used in the general operations of its activities. Specifically, the grantee shall seek and serve families and children of Tennessee prisoners. Based on our inquiries and review of supporting documentation, Reconciliation Ministries, Inc. complied with the scope of services and documentation of expenditures.

7. Civil rights requirements

Our review did not reveal anything to indicate that the Reconciliation Ministries 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.