

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



August 5, 2024

Gene Manning
Room In The Inn
705 Drexel St.
Nashville, TN 37203

Dear Ms. Gene Manning:

Please find attached the monitoring report of the Room In The Inn relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2023.

The Office of Financial Accountability is charged with the responsibility of monitoring grant funds, including Direct Appropriations Funds, from the Metropolitan Nashville Government to any nonprofit organization. Staff from the Office of Financial Accountability initiated the review on March 26, 2024.

We appreciate the assistance provided by your agency during the course of the review. If you have any questions, please call me at 615-880-1725.

Sincerely,

A handwritten signature in cursive script that reads "Jane Dozier".

Jane Dozier, CIA, CFE
Director Office of Financial Accountability

cc: Rachel Hester, Executive Director, Room In The Inn
Paul Spivey, Finance Director, Room In The Inn
Martina Condron, Director of Operations, Room In The Inn
Renee' Pratt, Executive Director, Metro Social Services
Andrew Sullivan, Metro Social Services

April Calvin, Office of Homeless Services
William Clendenning, Office of Homeless Services
Dave Craven, Office of Homeless Services
Kevin Crumbo, Director, Department of Finance
Lauren Riley, Metropolitan Auditor, Office of Internal Audit
Kimery Grant, Office of Financial Accountability
Brittany Bryant, Office of Financial Accountability
Kara Waters, Office of Financial Accountability
Michael Delk, Office of Financial Accountability
Camile Crutcher, Office of Financial Accountability
Metro Finance Leadership Team



Metropolitan Government of Nashville and Davidson County

ROOM IN THE INN

◆ Monitoring Report ◆

Conducted by



Office of Financial Accountability

August 5, 2024

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of the Room In The Inn. 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 Room In The Inn 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 Direct 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 contract with Metro Government:

Contract	Type	Amount	Contract Term	
L-5427	Direct Appropriation	\$450,000	July 1, 2022	June 30, 2023

Agency Background

Room In The Inn began in the winter of 1985, when the Founding Director, Father Charles Strobel, opened the doors of his parish to individuals seeking sanctuary in the church parking lot. This simple act of kindness marked the beginning of Room In The Inn. In December 1986, four congregations committed to sheltering people experiencing homeless through March 1987. By the end of that winter, 31 congregations had joined. Now, there are nearly 200 congregations from a wide variety of traditions and over 7,000 volunteers who shelter almost 1,500 men and women from November 1 through March 31 each season.

In 1995, the downtown Campus was opened, which offers emergency services, transitional programs, and long-term solutions to help people rebuild their lives. The opening of a 45,000 square foot facility in 2010 greatly enhanced the ability to support people through programs that emphasize health, education, employment, and housing. This work is completed through building one-on-one relationships and offering hospitality to all who call the streets of Nashville home.

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 1, 2022, through June 30, 2023.

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 contract L-5427. 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 test work 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 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 agency shall use the funds to achieve the following outcomes:

RESULTS OF REVIEW

Scope of Services for General Guest House Program:

1. Use the Guest House Funds to provide a location that will serve as a safe, stable environment for people experiencing homelessness that face barriers to traditional shelters and safe spaces. The program shall provide shelter, food, clothing, and connection to other programs offered by the Agency.
2. Guest House Funds shall be expended for the following services:
 - A. Provide Guest House clients (both male and female) with basic shelter, food, hygiene, and clothing needs.
 - B. Provide opportunity for Guest House clients to recover from drug and alcohol addiction by providing an opportunity for them to stay at the Guest House and/or connecting them with outside treatment programs.
3. Hold an average of fifty (50) persons in the residential program each month (approximately 600 for the year) to ensure safe space due to COVID-19, per CDC guidelines.
4. Work with the Homeless Impact Division (HID) of Metro Social Services on sharing community data. This includes coordinating with HID to provide specific aggregate data of individuals accessing Guest House services and collaborating on the goal of having a system established to enter all reasonable and appropriate data into the Homeless Management Information System (HMIS) by the time in this contract period ends (ending June 30, 2023).
5. Provide an opportunity for clients to attend in-house Alcoholics Anonymous (AA) meetings or connect them with community AA meetings.
6. Provide referrals to community resources.
7. Provide navigation and support for health services including behavioral and occupational health services.
8. Provide clients the opportunity to participate in services offered by the Educational Day Center.
9. Utilize Guest House Funds only for the residents of Davidson County.
10. Submit monthly invoices no later than 30 days after the close of each month.
11. Collect data on the primary county of residence of the guests served and provide that data to MSS along with the final program and expenditure reports.

RESULTS OF REVIEW

Scope of Services for Day Shelter Program:

1. Use the Day Shelter Funds to provide operational support for a Day Shelter for people experiencing homelessness to Room In The Inn. Support services include: day shelter, showers, hygiene items, housing navigation services, access to telephones, and access to mainstream services such as food stamp services and other as they apply.
2. Work with the Homeless Impact Division (HID) of Metro Social Services on sharing community data. This includes coordinating with HID to provide specific aggregate data of individuals accessing Guest House services and collaborating on the goal of having a system established to enter all reasonable and appropriate data into the Homeless Management Information System (HMIS) by the time in this contract period ends (ending June 30, 2023).
3. Utilize Day Shelter Funds only for the residents of Davidson County.
4. Collect data on the primary county of residence of the guests served and provide that data to MSS along with the final program and expenditure reports.
5. Submit monthly invoices no later than 30 days after the close of each month.

Based on our review of program documentation and discussions with staff, the program performance objectives were met, and the agency was in compliance with contractual program objectives.

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 Social Services a final expenditure 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 did not comply with all financial and programmatic reporting requirements. The final expenditure report was due no later than August 14, 2023, and was received on March 29, 2024. See finding #1 in the Findings and Recommendations section for additional details.

RESULTS OF REVIEW

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.

1. Reporting Requirements Not Met

Finding

Room In The Inn did not adhere to the reporting requirement per the grant contract. Section D of the grant contract requires the submission of an annual expenditure report within 45 days after the end of the fiscal year, June 30, 2023. During our review the final report was submitted on March 29, 2024.

Recommendation

Room In The Inn should take the necessary steps to ensure that the required annual expenditure report is submitted to Metro Social Services within the required time frame.

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 addressed to Metro Social Services and submitted within 14 days from report date, via email to Andrew Sullivan at Andrew.sullivan@nashville.gov. In addition, a copy of the corrective action plan will also need to be submitted to the Office of Financial Accountability, Jane Dozier via email at jane.dozier@nashville.gov.