

**KCD BOARD OF DIRECTORS BUSINESS MEETING
MARCH 16, 2022**

The meeting was called to order at 6:42 pm EDT at Knoxville Center of the Deaf.

Attendees:

Daniel Cobble	David Moore
Jimmy Smith	Becky Wood
Bryan Bowen	April Haggard
Anna Austin	Justine Hardin
Albert Owen	Meme Kerr
Susanna Bourgeois	Angela Simmons
Kristina Willicheva	Jennifer Dean
Fred Berry	Dawn Munroe

Not Present:

Alberto Gonzelez
Barry Swafford

Silent Prayer:

Jimmy Smith led the silent prayer and remembered our former Board member, Scott Bailey, who passed away recently.

Approval of Minutes:

The minutes from December 16th, 2021, April Haggard moved to accept the minutes as read with corrections, and Bryan Bowen seconded.

Jimmy Smith wanted to introduce the new 5 board members and asked them to stand and introduce themselves. Kristina Willicheva, Meme Kerr, Jennifer Dean, Angela Simmons, and Bryan Bowen were introduced to the public during the meeting.

Public comments: none.

Vice President's Report: Anna Austin had no report.

President's Report:

KCD Board President Jimmy Smith reported the exit interview with Terry Osborne to make sure the keys and assets were transferred to Jimmy before he left on his last day at KCD.

Transition:

April Haggard stated that Jennifer Dean and she had three meetings with Terry

Revised: June 13, 2022

Osborne to collect the documents for transition purposes related to KCD and She has the USB thumb drive in her hands. (Some meetings were successful and not so successful.) April Haggard will give the USB drive to the next Executive Director.

Jimmy Smith stated that KCD encountered internet and cable issues. Comcast and Celeris came here to look for the issue and could not find the problem. They could not pinpoint the issue for 1 to 1 and half weeks.

The President and the board members had an emergency board meeting regarding who would be running for KCD after Mr. Osborne retired. The board of directors can not run KCD. James Smith met with the KCD staff to discuss and pick a team leader. After the discussion, the team leaders were chosen: Daniel Cobble, business manager, Becky Wood, office manager, and Dawn Munroe, Interpreter coordinator to work together to run KCD until the next Executive Director is hired.

Jimmy stated that the cash flow problem at KCD since last January 2022, was brought to the board members' attention and he was concerned about this issue. The cash flow was running low. James Smith called an emergency board meeting about the cash flow issue and we were forced to withdraw \$50,000 from the USB account. We voted unanimously and moved \$50,000 from the USB account to the cash flow.

After the board meeting is adjourned, the board members will have a closed session.

Dawn Munroe arranged to host the retirement party for Terry Osborne on February 25th, 2022 from 1 pm - 6 pm at KCD.

In January 2022, Jimmy Smith received a letter (see attachment) from the Department of Human Services (DHS) about the preliminary findings. Daniel Cobble and Terry Osborne worked together to fix the preliminary findings and correspondence with the DHS back and forth. Daniel and Terry completed the fixing and sent it back to DHS. KCD received another letter from the DHS asking the center to provide the corrective action plan with the findings. Daniel Cobble, Randy Allen, Terry Osborned and Jimmy Smith as ex officio before Terry retired and worked on the corrective action plan since receiving the letter. The lengthy discussions were ongoing related to each audit findings.

KCD Team Leaders Report:

Daniel Cobble, business manager, reported the budget of February 2022:

<u>Feb. 2022</u>	<u>Year To Date</u>
\$55,956.85	\$113,126.71

The lengthy discussions were ongoing related to the budget.

Becky Wood, office manager, reported:

Billable hours:

January: 763.69 hours

February: 1,022.86 hours

March: scheduled hours 933.75

Pro Bono hours:

January: 3.84 hours

February: 10.45 hours

March: 19.50 hours scheduled for the month

Social work: still doing several Social Work issues with each other. Tax prep day set up for 6 individuals.

Referrals: still making referrals to Disability Rights of Tennessee (DRT), Vocational Rehabilitation (VR), mobile meals, KCDC, Hearing and Speech Foundation, etc.

Education: Monica Orr has one public ASL class going on right now. She also started a private class today, with plans for more classes throughout the year. A local organization has also asked for a “team building” exercise that would help them communicate with Deaf members.

Upcoming events:

Yard Sale May 21 - need DONATIONS. Anything left over will be donated to another local charity. Volunteers for May 20 for setting up, May 21 for sale and clean up. Please bring donations AFTER May 2nd, between 10 am and 3 pm, M-F. Also, check into a few food trucks for lunch to set up in the back parking lot.

Golf Tournament:

May 14 is canceled. Knoxville Municipal is available on these dates: October 1, 8, and 15 open. October 1st is NOT a TN Football game day! We need to confirm this ASAP

Revised: June 13, 2022

if we want it.

Current Struggles:

ER Program: KCD is struggling to get interpreters to commit to night/weekend hours. How can we get contract interpreters to take overnight hours?

Interpreters: we desperately need contract interpreters. If you know an interpreter, please tell them to contact Becky Wood or Dawn Munroe to set up an interview. We are turning down 6 to 10 appointments a week because we do not have enough interpreters, or APPROPRIATE interpreters, for the appointment.

Dawn Munroe, the interpreter coordinator, reported:

Vaccine Event:

Suzanne Johnson, RN with Knox County Health Department (KCHD) contacted Dawn. KCD will host with KCHD on Tuesday, March 29th at 1:30 pm - 4 pm, and Thursday, March 31st at 8:30 am - 11:30 am. KCHD needs 4 - 5 chairs, 16 chairs, and an outlet to set up. KCHD will develop the flyer and advertise the vaccine event. KCD should get the PDF flyer soon.

Knoxville Tennessee Registry for the Deaf (KTRID):

The meeting and Social will be on Tuesday, March 29th from 6 pm - 8 pm at KCD.

KCD will interview one contract interpreter tomorrow, March 18th, 2022. Contract interpreter openings on the KTRID's webpage. Staff interpreter position available??

Maryville College Interpreting Intern starting on March 28th, 2022. Christina, High Student, "job shadowing."

Business License - No reason for it! The recommendation is that KCD stops reimbursing the mileage for contract interpreters, but will still reimburse the staff for mileage. The contract interpreters can write it off as business expenses, set their own rate but can include mileage rate due to no benefits. They can set their own hours and work when they want to.

Interpreter meeting:

Interpreters may want new contracts because of drop mileage, parking cost, and still pay drive time.

Revised: June 13, 2022

Visual Communication Interpreting (VCI) was sold to the interpreting agency called Partners Interpreting from Massachusetts.

AdHoc Committee:

Search Committee:

Anna Austin stated the committee will move on and interview four candidates and already interviewed one candidate last Monday, March 15th, 2022. The committee will interview two candidates next week and the next three weeks will interview one candidate. Anna received another candidate's application but the search committee and board members have not looked at the candidate's application. She will share the information with the board members during the closed session. As far as the committee received 5 candidates for the position of Executive Director. Anna Austin explained the process with the candidates going through the first round and second round before being hired.

Restructure Committee:

Meme Kerr explained the restructure chart was shown at the last meeting and will wait on the bylaws to change to be aligned.

Committee Reports

Personnel - April Haggard explained about the business license that needs to be removed from the contract interpreter's contract, guidelines, and personnel policy. The lengthy discussions were ongoing related to the business license with the mileage and parking cost.

Fred Berry moved to the requirement of contract interpreters having a business license be removed from the contract interpreters guidelines and from the contract. Also remove mileage, parking costs from the guidelines and contract. Remove mileage and parking from personnel policy. Bryan Bowen seconded. The motion was tabled to vote electronically. Jennifer Dean seconded. The motion was unanimously carried.

Regulatory

Susanna Bourgeois shared the KCD Bylaws committee report:

1. First thoughts from the rest of the KCD Board members
2. Several meetings and reviews

Revised: June 13, 2022

- A. Current bylaws - too wordy, confusion, lack of clarity, & non-friendly for users
 - B. Seek for legal consultation
 - C. Suggestion of rewriting bylaws
3. Area of concerns
- A. Orientation sessions for board members, staff members, volunteers
 - B. Clarity of meeting times
 - C. Number of board members - reduce from 15 to 9
 - D. Term limits for board members
 - E. Meeting minutes to be shared with Board at least 14 days before the Board meeting
 - F. Lack of clarity on member application (this has not been followed upon for a long time...probably needs to revise for current capabilities and usage)
 - G. Conflict of Interest signed by each Board member requirement
 - H. Guidelines for Board training/retreat
 - I. Agenda with board members at least 10 days before meeting and then shared with the public at least 5 days before meeting (need to check/compare this with other organizations' bylaws)
 - J. Townhalls - Board and Community members
 - K. Variety of Board - gender, resident area, race, disability (intent to ensure we have a wide variety of viewpoints from our diverse community)
 - L. Develop ASL version on the website on Bylaws
 - M. Definitions of board member's duties/roles/responsibilities, need to define the purpose of the board which is to be given and make that crystal clear
 - N. Revise article 6: committees (information is confusing, wordy, or not adhered to in the past)
 - O. Expand purpose of membership and purpose of member meetings (not just to vote for new board members, but to discuss other areas of concern which will be followed up with board action)
 - P. Other revisions to be made ay bylaws committee's discretion

Albert Owen moved that the regular meetings of the board of directors shall be held quarterly. Bryan Bowen seconded. The motion is carried.

KCD building task force - on hold.

Program - none.

Fundraising - none.

Revised: June 13, 2022

Building - none.

Old Business: none.

New Business:

Kristina Willicheva moved to have the KCD Board establish Google Drive as the KCD Board's new centralized cloud storage. Meme Kerr seconded. The motion is carried.

Kristina Willicheva moves to have the Center implement efforts to track engagement (individual, day and time, purpose) within the Center, beyond interpreting affairs, for the purpose of data collection. The efforts will be summarized as a quarterly report. Bryan Bowen seconded. The motion is carried.

Kristina Willicheva moved to implement a day retreat for the board for the second quarter of the year. Meme Kerr seconded. The motion is carried.

Kristina Willicheva moves to create an updated community member database. Susanna Bourgeois seconded. The motion is carried.

New KCD Board Officers:

President: April Haggard

Vice President: Jennifer Dean

Secretary: Justine Hardin

Treasurer: Jimmy Smith

The meeting was adjourned at 11:22 pm EDT.

Sincerely,

Justine Hardin

KCD Board Secretary

Revised: June 13, 2022



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

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BILL LEE

GOVERNOR

CLARENCE H. CARTER

COMMISSIONER

February 17, 2022

Mr. Jimmy Smith, Board President
Knoxville Center of the Deaf, Inc.
3731 Martin Mill Pike
Knoxville, TN 37920

Dear Mr. Smith,

The Department of Human Services (DHS) – Division of Audit Services staff conducted a desk review of the Knoxville Center of the Deaf, Inc. (Grantee) Vocational Rehabilitation (“VR”) Grant Contract 49503 from July 27, 2021, through January 6, 2022. The purpose of this desk review was to determine if the Grantee complied with the Grant Contract agreement, as well as Federal and State rules and regulations.

Important COVID-19 note: Due to the current outbreak and the risk that COVID-19 poses to your organization personnel and our staff, all our staff are working from home with no or very limited access to the office. Therefore, we will not send a copy of this report via regular mail until further notice. Please confirm the receipt of this email as it is currently the option to communicate with you. If you need any assistance or have any questions, please do not hesitate to contact us via email.

We selected invoices, payroll records, and additional supporting documents for the period of January 2020 through June 2021 for our review.

Based on our review, we noted the following deficiencies:

- 1. The Grantee requested and received reimbursement from DHS VR program for salary expenses that were also paid with their Payroll Protection Program Loan**

Condition

Based on our review, we noted during March 2021 through June 2021, the Grantee requested reimbursement from VR for payroll expenses that were also paid through the Payroll

Protection Program (PPP) distributed by the Small Business Administration (SBA) for the same period. The Grantee records show they received two (2) PPP loans. The Second PPP Loan was approved on February 11, 2021, totaling \$126,348 and the amount was forgiven on May 5, 2021, totaling \$127,221. After reviewing the detailed general ledger received on August 3, 2021, the monthly reimbursement invoices, inquiry with management, and public information, we noted the following:

The paycheck totals recorded to the Grantee's GL account code 7000 - Salaries is the exact total of the 2nd PPP loan recorded to GL account code 6900 Miscellaneous Revenue - Other. The salaries expensed using the second PPP loan include all nine (9) employees whose salaries were also expensed to the DHS VR program from March 2021 through June 2021 totaling \$47,174.00. According to the Agency's Management on January 11, 2022, and public information, the second PPP loan was used to pay salary expenses. The payroll payment using DHS VR program funds appears duplicate and may not be allowed. **This has resulted in a questioned cost of \$47,174.00. (See Exhibit A)**

Records about the allocation of the FY2020 1st round PPP loan were not provided by the Grantee, although it was requested on January 6, 2022, and January 10, 2022. Therefore, we were unable to determine how the \$105,000 was used. However, the general ledger received on August 3, 2021, showed the \$105,000 PPP loan was recorded to the credit column in GL account code 25001 - PPP Loans Payable, there was no debit entry recorded or a general ledger posting date. The PPP Loan was approved on April 29, 2020, by the Small Business Administration (SBA), and the amount was forgiven by the SBA on October 26, 2021, totaling \$106,047. Per public information, the PPP Loan will be used to cover payroll for thirteen (13) employees. The Independent Audit Report issued by Allen & Company, CPA on July 15, 2021, also mentions the following:

- Pg. 7 - Cash Flow from Financing Activities shows the \$105,000 PPP Loan was received.
- Pg. 12 - Small Business Administration Loan section states "KCOD acquired a PPP Loan for \$105,000 to combat the business slowdown from COVID 19 pandemic. This loan was used to finance payroll, utilities, etc...."

Criteria

Section C.5.b. of the grant contract states, "The Grantee understands and agrees to all of the following. (1) An invoice under this Grant Contract shall include only reimbursement requests for actual, reasonable, and necessary expenditures required in the delivery of service described by this Grant Contract and shall be subject to the Grant Budget and any other provision of this Grant Contract relating to allowable reimbursements. (2) An invoice under this Grant Contract shall not include any reimbursement request for future expenditures. (3) An invoice under this Grant Contract shall initiate the timeframe for reimbursement only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5."

Section C.9. of the grant contract states, "Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of Department of Finance and Administration Policy Statement 03 or any amendments or revisions made to this policy statement during the Term."

Section C.10. of the grant contract states, "Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any reimbursement, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost."

Recommendation

The Grantee's Management should implement procedures to ensure they are not requesting reimbursement for salary expenses that have also been paid by other funding sources.

2. The Grantee did not accurately allocate each employee's approved salary expense percentage to DHS VR Program

Condition

We noted during our review of the sampled transaction for test months of February 2021 and April 2021, the Grantee did not accurately allocate each employee's approved salary expense percentage to DHS VR program based on the grant budget; after comparing the employees' check stub to the monthly reimbursement invoice and general ledger. According to the Grantee on January 6, 2022, 100% of each employee's salary was allocated to the program versus the approved percentage within the grant budget for each employee; also, any excess salary remaining from a termed employee is being used to cover other employees' salaries.

This has resulted in a question cost of \$3,226.72 for February 2021, questioned cost related to April 2021 is included in Finding 1. (See Exhibit B)

Criteria

Section C.3. of the grant contract states, "Payment Methodology. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget..."

Section C.9. of the grant contract states, "Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of Department of Finance and Administration Policy Statement 03, or any amendments or revisions made to this policy statement during the Term."

The Department of Finance and Administration - Policy 03 section – Allocable Direct Costs states, Allocable Direct Costs... Most likely, the appropriate time for allocation of allocable direct costs will be when they are recorded on the books. However, cost pools may be used for various categories of allocable direct costs for periodic allocation to programs and the administrative cost pool. Several different methods may be acceptable for the allocation of allocable direct costs. The following are specific examples...Salaries and benefits -- allocate on the basis of time records, records of the number of clients served, or other approved bases.

Recommendation

The Grantee's Management should implement procedures to ensure they are only allocating each employee's approved salary expense percentage to the VR program based upon the grant budget.

3. The Grantee did not have an internal control policy in place for approving employees' timesheets

Condition

The Grantee did not have a written internal control policy for approving employees' timesheets. The Grantee uses manual timesheets created by Microsoft Excel as its method for tracking employee time worked to allocate payroll expenses to DHS VR program. Although, the timesheets for February 2021 and April 2021 were signed by each Employee and their Supervisor, we were unable to determine the actual date they were signed due to no dates were written on the timesheets. Also, due to the employees being paid on the same day of the payroll ending period; we are unable to determine when the timesheets are submitted to the Supervisor for approval before payroll is disbursed.

Criteria

Section D.15. of the grant contract states, "...The Grantee shall establish a system of internal controls that utilize the COSO Internal Control-Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system. Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee."

CFR 200.302 Financial Management states, (a.) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. See also §200.450...(3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. (4) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See §200.303...(6) Written procedures to implement the requirements of §200.305. (7) Written procedures for determining the allowability of costs in accordance with Subpart E—Cost Principles of this part and the terms and conditions of the Federal award.

Recommendation

The Grantee's Management should develop written internal control procedures to document their process of approving employee timesheets before payroll is disbursed.

4. Hours work that are documented on the employee timesheets did not reconcile to the paycheck stubs for the pay period

For the nine (9) employees approved in the grant budget to allocate a percentage of their salary expense to DHS VR program (after comparing each employee's timesheet to the paycheck stubs for the sample pay periods), we noted differences in the hours' worked. According to the Grantee, all employees are expected to work 80 hours per pay period. When payroll is processed, the employees are paid their full salary regardless of what their timesheets states. We noted the following: **(See Exhibit C)**.

Pay Period February 1 - 15, 2021

- Seven (7) out of nine (9) employees' timesheets did not reconcile to their paycheck stubs for the pay period; the payroll records show the timesheets reported "more" hours than the check stubs.
- One (1) employee whose last day was on February 5, 2021, was paid eight (8) hours of holiday pay for Presidents Day that occurred on February 15, 2021.

Pay Period February 16 - 28, 2021

- Seven (7) out of nine (9) employees' timesheets did not reconcile to their paycheck stubs for the pay period; the payroll records show the timesheets reported "less" hours than the check stubs.
- One (1) out of nine (9) employee timesheets did not reconcile to their paycheck stubs for the pay period; the payroll records show their timesheet reported "more" hours than the check stub.

Pay Period April 1 -15, 2021

- One (1) out of nine (9) employees' timesheets did not reconcile to their paycheck stubs for the pay period; the payroll records show the timesheets reported "more" hours than the check stubs.

Pay Period April 16 - 30, 2021

- One (1) out of nine (9) employee timesheets did not reconcile to their paycheck stubs for the pay period; the payroll records show the timesheet reported "less" hours than the check stubs.

Criteria

Per Knoxville Center of the Deaf, Inc. Personnel Policy last revised July 19, 2018 section IV Compensation states, "A. Working Hours, Overtime and Paydays – 3 . KCD pays employee's salaries on the 15th and the 30th (or the Friday before if these dates occur on a weekend)."

Section D.15. of the grant contract states,...The records shall be maintained in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification, Public Company Accounting Oversight Board (PCAOB) Accounting Standards Codification, or Governmental Accounting Standards Board (GASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides. In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's Uniform Administrative Requirements, Audit Requirements, and Cost Principles for Federal Awards. The Grantee shall also comply with any record keeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury. The Grantee shall establish a system of internal controls that utilize the COSO Internal Control-Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system. Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.

Recommendation

The Grantee's Management should implement procedures to ensure employee timesheets reconcile to their paycheck stubs.

5. The Grantee incorrectly accrued compensatory time and overtime per the employee timesheets

Condition

For the nine (9) employees approved in the grant budget to allocate a percentage of their salary expense to DHS VR program, we noted that the accrual calculations for compensatory and overtime were incorrect for some of the sampled employees time sheets. According to the Grantee, when transferring the excel timesheets hours into quick books, there is a formula error for which they have contacted quick books to resolve. After reviewing each employee's leave balance per their timesheet for the sample payroll periods, we noted the following: **(See Exhibit D)**

Payroll Period February 1 - 28, 2021

- Employee 1 timesheet showed compensatory totaled 0.25 minutes for time worked on 2/25/21 but they accrued a total of 0.38 minutes which is a difference of (0.13 minutes)

Payroll Period April 1 - 30, 2021

- Employee 2 timesheet showed compensatory totaled 6.76 hours for time worked on 4/1/21, 4/5/21, 4/6/21, 4/7/21, 4/9/21, and 4/16/21 but accrued a total of 10.13 hrs. which is a difference of (3.37 hours)
- Employee 3 timesheet showed compensatory totaled 6.50 hours for time worked on 4/6/21, 4/12/21, 4/20/21, 4/21/21, and 4/29/21 but accrued a total of 9.75 hrs. which is a difference of (3.25 hours)
- Employee 4 timesheet showed compensatory totaled 5.0 hours for time worked on 4/21/21, 4/23/21, 4/28/21 but accrued a total of 7.50 hrs. which is a difference of (2.50 hours). Also, the timesheet showed overtime totaled 8.0 hours for time worked on 4/14/21, 4/15/21, 4/17/21 however, we are unable to determine if the employee is an exempt or non-exempt employee due to the employee being able to accrue both overtime and compensatory which is not in compliance with the Grantee's personnel policy.

Criteria

Per Knoxville Center of the Deaf. Inc. Personnel Policy last revised July 19, 2018 section III Employment Status and Benefits Eligibility states, "A. Exempt Employees - These employees do not receive overtime pay. To be exempt, at least 80% of a person's work must be executive, administrative, or professional...This includes work which is mainly managerial, supervisory, artistic, or intellectual in scope...B. Non-Exempt Employees - These employees perform work other than executive, administrative, or professional work as defined by the Fair Labor Standards Act and must receive extra pay for overtime work as required by law."

Per Knoxville Center of the Deaf. Inc. Personnel Policy last revised July 19, 2018 section IV Compensation states, "A. Working Hours, Overtime and Paydays - 2 . Overtime will be paid at the legally required rate of time and a half for work over 40 hours for non-exempt staff, provided the CEO or COO has given prior approval for such overtime work...Compensatory Time Off - All exempt employees will be awarded compensatory time for work in excess of 40 hours per week and may take this time off during the work week when the load permits...Compensatory time should be taken off within 30 days from the time earned."

Section D.15. of the grant contract states,"...The Grantee shall establish a system of internal controls that utilize the COSO Internal Control-Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system. Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee."

Recommendation

The Grantee's Management should implement procedures to ensure compensatory time is properly accrued, calculated, and documented as part of the approval of timesheets. Also, the Grantee should follow their personnel policies and procedures for distinguishing between an exempt and a non-exempt employee for accrued compensatory time and paying overtime.

6. The Grantees bylaws have not been updated to address how often the board must meet

Condition

The Bylaws of Knoxville Center of the Deaf, Inc. (last revised December 14, 2019), does not specifically address how often the board of directors must meet. Per their bylaws Section 4.03 Quarterly Board Meetings states,

"The Board shall hold an annual meeting soon after the annual meeting of members. The Board may also establish a schedule of additional regular meetings in which the Board may discuss any items of business. No Vote may be taken at such meeting. however, unless it is treated as a special meeting under section 4.04 and section 4.05. No written notice needs to be given of the annual meeting or of non-voting regular meetings. After the quarterly meeting, the Board shall elect officers of the Corporation."

Therefore, based on the wording of this section, we were unable to determine if the board meets Monthly, Quarterly, Yearly, etc. per the bylaws.

This is a repeat finding from the October 1, 2018, monitoring report

Criteria

According to page (3), paragraph (4) explained in WHAT EVERY BOARD MEMBER SHOULD KNOW: A Guidebook for Tennessee Nonprofits - 2019 Edition. published by the Tennessee Secretary of State. This publication states,

The duty of care means that you must act reasonably, as a prudent person in similar circumstances would, that you are familiar with the nonprofit's activities and financial condition, and that you participate regularly in board meetings. It is the job of the governing board to oversee the work of the chief executive officer of the nonprofit and to make sure that the organization is faithfully carrying out its charitable purpose without extravagance or waste.

Recommendation

The Grantee's Management should update its bylaws to address specifically how often the board of directors must meet.

7. Conflict of interest forms was not on file for the current board members nor was there a written conflict of interest policy within the By-laws

Condition

The Bylaws of Knoxville Center of the Deaf, Inc. (last revised December 14, 2019) did not include a written policy regarding their process in which board members must disclose in writing any potential conflict of interest to the Federal awarding or pass-through entity. Therefore, we were unable to determine if the board members have a potential conflict of interest due to fifteen (15) out of the fifteen (15) board members not having a signed Conflict of Interest Acknowledgement and Disclosure form on file.

This is a repeat finding noted in the monitoring report dated October 1, 2018.

Criteria

CFR 200.112 states, "The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding or pass-through entity in accordance with applicable Federal awarding agency policy."

According to page (13), paragraph (1) explained in WHAT EVERY BOARD MEMBER SHOULD KNOW: A Guidebook for Tennessee Nonprofits - 2019 Edition. published by the Tennessee Secretary of State. This publication states,

Board members owe their nonprofit organizations the duty of loyalty (see "Board Member Duties" on page 3), which means acting in the best interests of the nonprofit. Prior to joining a board, you must disclose any personal or business relationship that is in conflicts with this duty of undivided loyalty, whether direct or indirect, actual or potential. If a transaction is presented to the board in which you have a direct or indirect personal or business interest, you must disclose that conflicts of interest to the board, remove yourself from any board discussion, and not vote on the matter. Board chairs should ask their board members and officers to sign conflict of interest statements at the start of each year in order to document existing or potential conflicts...

Section D.6 of the grant contract states, Conflict of Interest. The Grantee warrants that no part of the total Grant Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Grantee in connection with any work contemplated or performed relative to this Grant Contract. The Grantee acknowledges, understands, and agrees that this Grant Contract shall be null and void if the Grantee is, or within the past six months has been, an employee of the State of Tennessee or if the Grantee is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.

Recommendation

The Grantee's Management should establish a board members conflict of interest policy and include it within their bylaws. Also, the Agency should implement procedures to ensure each board member has disclosed any potential conflict of interest.

8. The Grantee did not provide sufficient support documentation and did not adequately document the statistics reported in the monthly reports to DHS VR program management

Condition

The Grantee did not provide sufficient support documentation after several requests were made on 7/13/21, 7/28/21, 8/4/21, 8/13/21, and 8/18/21 for service deliverables noted in their monthly reports to VR for February 2021 and April 2021. Based on the support that was provided on 8/23/21, we were unable to determine the actual time spent (i.e., begin and end time) with each client or validate if the client was present and received the service provided (i.e., sign-in sheet, brochures, etc.). The only documents that were provided by the Grantee consisted of the Formstack reports submitted to DHS that includes a summary of the service deliverables provided. The summary page is created by the Grantee that includes the same descriptions noted on the Formstack reports and a KCD Bill/Invoice to Community Request which is an internal invoice created by the Grantee that only includes (i.e., date of service, interpreter name, client name, service details, and quantity/hrs.).

The monthly report for February 2021 reported 5 Outreach/Referrals Activities, 40 Pro Bono Interpreting Services Hours, 5 Client Advocacy Services, and 11 Education Programming Hours; and the statistics report for April 2021 reported 12 Outreach/Referrals Activities, 23 Pro Bono Interpreting Services Hours, 6 Client Advocacy Services, and 13 Education Programming Hours. However, on July 21, 2021, the Grantee sent an email request to VR management to make corrections to the totals they previously reported on the statistics report for February 2021 and April 2021. The Grantee requested the 40 Pro Bono hours for February 2021 be changed to 36 hours and the 6 hours reported for Client Advocacy in April 2021 be changed to 10 hours.

This is a repeat finding noted in the monitoring report dated October 1, 2018.

Criteria

Section D. 15. of the grant contract states, Records. The Grantee and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives...The Grantee shall establish a system of internal controls that utilize the COSO Internal Control-Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system. Any other required records or reports which are not contemplated in the above standards

shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.

Per the Committee of Sponsoring Organizations of the Treadway Commission (COSO) model they incorporate 17 principles for internal controls within these principles, there are five major components of internal controls in which Grantees shall establish: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities.

Section D. 16. of the grant contract states, "Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives."

Recommendation

The Grantee Management should establish and implement procedures to ensure that it gathers and maintains documents to support the statistics in the monthly reports to VR.

Questioned Cost

Based on our review, we determined that the Grantee's non-compliance with applicable grant contracts as well as Federal and State regulations that govern Vocational Rehabilitation resulted in questioned costs of \$50,400.72.

Corrective Action

Knoxville Center of the Deaf, Inc. must complete the following actions within thirty (30) days from the date of this report:

- Remit a check payable to the **Tennessee Department of Human Services** in the amount of \$50,400.72 for recovery of amounts disallowed in this report. **Please return the attached billing notice with your check to:**

Department of Human Services
Fiscal Services
James K. Polk Building, 16th Floor
505 Deaderick Street
Nashville, Tennessee 37243

- Since there is currently no contracting relationship between DHS and the Grantee, the Grantee may complete within thirty (30) days from the date of this report, a corrective action plan addressing the deficiencies noted in this report. Please return the corrective action plan to:

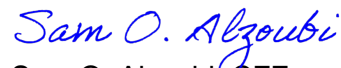
AuditServices.CAPS.DHS@tn.gov

If you have questions related to the corrective action plan, please contact:

Douglas Whitcomb, DHS Program Director 2, Vocational Rehabilitation Services
James K. Polk Building, 15th Floor
505 Deaderick Street
Nashville, Tennessee 37243
Douglas.Whitcomb@tn.gov
615-837-5050

We appreciate your assistance provided during this review. If you have any questions, please contact Patricia Tate-Smith, Audit Director 2, at 615-313-4816 or Patricia.Tate-Smith@tn.gov.

Sincerely,


Sam O. Alzoubi, CFE
Director of Audit Services

cc: Kevin Wright, Director of Operations, Vocational Rehabilitation Services
Douglas Whitcomb, DHS Program Director 2, Vocational Rehabilitation Services
Celena Miliken, Administrative 3, VR Contracts Division
Terry Osborne, Executive Director, Knox Center of the Deaf, Inc.
Daniel Cobble, Business Manager/Accountant, Knoxville Center of the Deaf, Inc.

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EXHIBIT A

**Provider: Knoxville Center of the Deaf, Inc.
Review Period: March 2021 through June 2021
FY 2021**

Finding 1

Payroll Month	Total Paid Per PPP Loan	Total Requested for Reimbursement from VR
March 2021	\$18,917.35	\$11,915.00
April 2021	\$17,425.55	\$11,843.00
May 2021	\$16,261.46	\$11,708.00
June 2021	\$16,276.32	\$11,708.00
Totals:	\$68,880.68	\$47,174.00

	Employee Name	March 2021	April 2021	May 2021	June 2021
1	Kaitlin G. Holt	\$2,607.40	\$2,484.80	\$2,573.15	\$2,574.96
2	Emily Yoder	\$64.66	\$0	\$0	\$0
3	Rebecca Wood	\$3,005.14	\$3,005.13	\$3,003.82	\$3,003.81
4	Daniel Cobble	\$2,140.00	\$2,140.00	\$2,138.68	\$2,138.68
5	Gabrielle Leonard	\$1,683.47	\$1,691.81	\$1,682.15	\$1,690.48
6	Arthur Clayton	\$2,710.28	\$1,397.40	\$0	\$0
7	Dawn Munroe	\$3,124.22	\$3,124.23	\$3,122.90	\$3,122.91
8	Paul Moore	\$2,320.24	\$2,320.24	\$2,478.80	\$2,483.55
9	Rebecca (Becky) Higdon	\$1,261.94	\$1,261.94	\$1,261.96	\$1,261.93
	Totals:	\$18,917.35	\$17,425.55	\$16,261.46	\$16,276.32

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EXHIBIT B

**Provider: Knoxville Center of the Deaf, Inc.
 Review Period: February 2021, and April 2021
 FY 2021**

Finding 2

Pay Period - February 1 - 15, 2021				
	Employee	Total Paid Per Check Stub "Gross"	Approved DHS Allocation	Auditors Recalculation Per Check Stub "Gross" and Approved DHS Allocation
1	Kaitlin G. Holt	\$1,217.92	42%	\$511.53
2	Emily Yoder	\$585.60	39%	\$228.38
3	Rebecca Wood	\$1,312.00	49%	\$642.88
4	Daniel Cobble	\$999.68	49%	\$489.84
5	Gabrielle Leonard	\$861.44	49%	\$422.11
6	Arthur Clayton	\$1,186.56	49%	\$581.41
7	Dawn Munroe	\$1,959.84	49%	\$960.32
8	Paul Moore	\$1,061.76	49%	\$520.26
9	Rebecca (Becky) Higdon	\$1,050.53	48%	\$504.25
Total Gross Check Stubs and General Ledger:		\$10,235.33	Total Approved to be allocated to the VR Program:	\$4,860.98

Pay Period - February 16 - 28, 2021				
	Employee	Total Paid Per Check Stub "Gross"	Approved DHS Allocation	Auditors Recalculation Per Check Stub "Gross" and Approved DHS Allocation
1	Kaitlin G. Holt	\$1,217.92	42%	\$511.53
2	Emily Yoder	\$0	0	\$0
3	Rebecca Wood	\$1,312.00	49%	\$642.88
4	Daniel Cobble	\$999.68	49%	\$489.84
5	Gabrielle Leonard	\$861.44	49%	\$422.11
6	Arthur Clayton	\$1,186.56	49%	\$581.41
7	Dawn Munroe	\$904.40	49%	\$443.16

8	Paul Moore	\$1,061.76	49%	\$520.26
9	Rebecca (Becky) Higdon	\$450.23	48%	\$216.11
Total Gross Check Stubs and General Ledger:		\$7,993.99	Total Approved to be allocated to the VR Program:	\$3,827.30

Total February 2021 Reimbursement Invoice	\$11,915.00
Total approved to be allocated to VR Program Per the February 2021 Check Stubs (\$4,860.98 + \$3,827.30)	\$8,688.28
Difference:	\$3,226.72

Pay Period - April 1 - 15, 2021			
Employee	Total Paid Per Check Stub "Gross"	Approved DHS Allocation	Auditors Recalculation Per Check Stub "Gross" and Approved DHS Allocation
1 Kaitlin G. Holt	\$1,649.38	42%	\$692.74
2 Emily Yoder	\$0	\$0	\$0
3 Rebecca Wood	\$1,776.25	49%	\$870.36
4 Daniel Cobble	\$1,353.33	49%	\$663.13
5 Gabrielle Leonard	\$1,087.02	49%	\$532.64
6 Arthur Clayton	\$1,186.56	49%	\$581.41
7 Dawn Munroe	\$1,959.84	49%	\$960.32
8 Paul Moore	\$1,437.91	49%	\$704.58
9 Rebecca (Becky) Higdon	\$760.38	48%	\$364.98
Total Gross Check Stubs and General Ledger:	\$11,210.67	Total Approved to be allocated to the VR Program:	\$5,370.16

Pay Period - April 16 - 30, 2021			
Employee	Total Paid Per Check Stub "Gross"	Approved DHS Allocation	Auditors Recalculation Per Check Stub "Gross" and Approved DHS Allocation
1 Kaitlin G. Holt	\$1,649.38	42%	\$692.74
2 Emily Yoder	\$0	0	\$0
3 Rebecca Wood	\$1,776.25	49%	\$870.36

4	Daniel Cobble	\$1,353.33	49%	\$663.13
5	Gabrielle Leonard	\$1,076.92	49%	\$527.69
6	Arthur Clayton	\$468.44	49%	\$229.54
7	Dawn Munroe	\$1,959.84	49%	\$960.32
8	Paul Moore	\$1,437.92	49%	\$704.58
9	Rebecca (Becky) Higdon	\$740.37	48%	\$355.38
Total Gross Check Stubs and General Ledger:		<u>\$10,462.45</u>	Total Approved to be allocated to the VR Program:	<u>\$5,003.74</u>

Total April 2021 Reimbursement Invoice	\$11,843.00
Total approved to be allocated to VR Program Per the April 2021 Check Stubs (\$5,370.16 + \$5,003.74)	\$10,373.90
Difference:	<u>\$1,469.10</u>

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EXHIBIT C

**Provider: Knoxville Center of the Deaf, Inc.
Review Period: February 2021, and April 2021
FY 2021**

Finding 4

Pay Period February 1 - 15, 2021

Employee – Emily Yoder was termed on 2/5/21 but was paid for Presidents Day which occurred on 2/15/21.

Pay Period - February 1 - 15, 2021					
	Employee	Title	Hrs. Per Timesheet	Hrs. Per Check Stub	Difference
1	Kaitlin G. Holt	Interpreter	75	64	11
2	Rebecca Wood	Front Office Supervisor	72.5	64	8.5
3	Daniel Cobble	Accountant	72	64	8.0
4	Gabrielle Leonard	Scheduler	73	64	9.0
5	Arthur Clayton	Interpreter	72	64	8.0
6	Paul Moore	Interpreter	73.75	64	9.75
7	Rebecca (Becky) Higdon	Accounting Clerk	53	52.30	.70

Pay Period February 16 - 28, 2021

Pay Period - February 16 - 28, 2021					
	Employee	Title	Hrs. Per Timesheet	Hrs. Per Check Stub	Difference
1	Kaitlin G. Holt	Interpreter	56	64	-8
2	Rebecca Wood	Front Office Supervisor	57	64	-7
3	Daniel Cobble	Accountant	56	64	-8
4	Gabrielle Leonard	Scheduler	56	64	-8
5	Arthur Clayton	Interpreter	56.25	64	-7.75
6	Dawn Munroe	Supervisor of Interpreters	32	40	-8
7	Paul Moore	Interpreter	54.50	64	-9.50
8	Rebecca (Becky) Higdon	Accounting Clerk	22.50	22.30	.20

Pay Period April 1 - 15, 2021

Pay Period – April 1 - 15, 2021					
Employee		Title	Hrs. Per Timesheet	Hrs. Per Check Stub	Difference
1	Rebecca (Becky) Higdon	Accounting Clerk	41.5	38	3.5

Pay Period April 16 - 30, 2021

Pay Period – April 16 - 30, 2021					
Employee		Title	Hrs. Per Timesheet	Hrs. Per Check Stub	Difference
1	Rebecca (Becky) Higdon	Accounting Clerk	34	37	-3

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EXHIBIT D

**Provider: Knoxville Center of Deaf, Inc.
Review Period: February 2021, and April 2021
FY 2021**

Finding 5

Payroll Period February 1 - 28, 2021

Employee 1- Arthur Clayton

Payroll Period April 1 - 30, 2021

Employee 2- Rebecca Wood

Employee 3- Dawn Munroe

Employee 4 - Paul Moore



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165
TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL LEE
GOVERNOR

CLARENCE H. CARTER
COMMISSIONER

Billing Notice

February 17, 2022

Mr. Jimmy Smith, Board President
Knoxville Center of the Deaf, Inc.
3731 Martin Mill Pike
Knoxville, TN 37920

This billing notice is based on the questioned/disallowed cost noted in the monitoring report of the Vocational Rehabilitation (VR) Services due to noncompliance with the applicable Federal and State regulations that govern the VR.

Amount Due: \$50,400.72
Due Date: March 18, 2022
Date of the Monitoring Report: February 17, 2022
Agreement/Contract Number: 49503

Please remit a check payable to the Tennessee Department of Human Services in the questioned/disallowed cost amount noted in the monitoring report by the due date to the address below:

Tennessee Department of Human Services
Fiscal Services 16th Floor
James K. Polk Building
505 Deaderick Street
Nashville, Tennessee 37243

If you have any questions regarding this notice, please contact Douglas Whitcomb, Director 2 Vocational Rehabilitation Services at (615) 837-5050 or Douglas.Whitcomb@tn.gov

Thank you for your attention



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

JAMES K. POLK BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

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BILL LEE
GOVERNOR

CLARENCE H. CARTER
COMMISSIONER

Corrective Action Plan Template

Use and Instructions: This Template is provided to you by the Tennessee Department of Human Services (TDHS) programs management. This template is to assist you with providing corrective actions to findings noted in an audit or monitoring report. The use of this template is optional. If you decided not to use this template, please use your own document and make sure the corrective action measures are proper to remedy the findings. If you decide to utilize this template, please print in blue or black ink or type the information required to complete this document. You may also attach additional documentation if needed. Enter your name, title, and the date that you signed this document in the designated space below. Then, sign your name in ink or electronically. Scan the completed document into a PDF format (or complete this template) and email all pages to AuditServices.CAPS.DHS@tn.gov.

Section A. Organization/Contractor

Organization/Contractor Name: Knox Center of the Deaf Inc.
Organization/Contractor Mailing Address: 3731 Martin Mill Pike, Knoxville, Tn. 37920
Organization/Contract/Agreement Number: 49503
Program Name: Vocational Rehabilitation

Section B. Organization/Contractor Responsible Principal(s)

Name and Title: Jimmy Smith, Board President Email Address: jsmith3877@gmail.com
Name and Title: Terry Osborne, Executive Director Email Address: tosborne@kcdtn.org
Name and Title: Daniel Cobble, Business Manager/Accountant Email Address: Dcobble@kcdtn.org

DHS staff should check the "Forms" section of the intranet to ensure the use of current versions. Forms may not be altered without prior approval. Distribution: DHS OIG and as appropriate.

c. Detail below and/or attach any dated supporting documentation or a future timeline for implementing these step-by-step procedures to assure future compliance:

d. Use the space below to detail how current and new staff will be informed of the above **step-by-step** procedures (e.g., handbook, training, etc.)? For verification and follow up purposes, provide any dated supporting documentation which may include copies of a new policy, staff training signature page(s), etc.:

e. For verification and follow up purposes, document where will the above supporting documentation be retained:

Finding 2: The Grantee did not accurately allocate each employee's approved salary expense percentage to DHS VR program

Corrective Action Measures:

a. Identify the name(s) and position title(s) of the employee(s) responsible for ensuring that the finding is fully and permanently corrected:

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

b. Describe the **step-by-step** procedures implemented that correct the finding and bring the Contractor into compliance:

c. Detail below and/or attach any dated supporting documentation or a future timeline for implementing these step-by-step procedures to assure future compliance:

d. Use the space below to detail how current and new staff will be informed of the above **step-by-step** procedures (e.g., handbook, training, etc.)? For verification and follow up purposes, provide any dated supporting documentation which may include copies of a new policy, staff training signature page(s), etc.:

e. For verification and follow up purposes, document where will the above supporting documentation be retained:

Finding 3: The Grantee did not have an internal control policy in place for approving employees' timesheets

Corrective Action Measures:

a. Identify the name(s) and position title(s) of the employee(s) responsible for ensuring that the finding is fully and permanently corrected:

Name: Title:

Name: Title:

DHS staff should check the "Forms" section of the intranet to ensure the use of current versions. Forms may not be altered without prior approval. Distribution: DHS OIG and as appropriate.

Name:

Title:

b. Describe the **step-by-step** procedures implemented that correct the finding and bring the Contractor into compliance:

c. Detail below and/or attach any dated supporting documentation or a future timeline for implementing these step-by-step procedures to assure future compliance:

d. Use the space below to detail how current and new staff will be informed of the above **step-by-step** procedures (e.g., handbook, training, etc.)? For verification and follow up purposes, provide any dated supporting documentation which may include copies of a new policy, staff training signature page(s), etc.:

DHS staff should check the "Forms" section of the intranet to ensure the use of current versions. Forms may not be altered without prior approval. Distribution: DHS OIG and as appropriate.

e. For verification and follow up purposes, document where will the above supporting documentation be retained:

Finding 4: Hours worked on employee timesheets did not reconcile to the paycheck stubs for the pay period

Corrective Action Measures:

a. Identify the name(s) and position title(s) of the employee(s) responsible for ensuring that the finding is fully and permanently corrected:

Name:	Title:
Name:	Title:
Name:	Title:

b. Describe the **step-by-step** procedures implemented that correct the finding and bring the Contractor into compliance:

c. Detail below and/or attach any dated supporting documentation or a future timeline for implementing these step-by-step procedures to assure future compliance:

d. Use the space below to detail how current and new staff will be informed of the above **step-by-step** procedures (e.g., handbook, training, etc.)? For verification and follow up purposes, provide any dated supporting documentation which may include copies of a new policy, staff training signature page(s), etc.:

e. For verification and follow up purposes, document where will the above supporting documentation be retained:

Finding 5: The Grantee incorrectly accrued compensatory time and overtime per the employee timesheets

Corrective Action Measures:

a. Identify the name(s) and position title(s) of the employee(s) responsible for ensuring that the finding is fully and permanently corrected:

Name: _____ Title: _____

Name: _____ Title: _____

Name: _____ Title: _____

b. Describe the **step-by-step** procedures implemented that correct the finding and bring the Contractor into compliance:

c. Detail below and/or attach any dated supporting documentation or a future timeline for implementing these step-by-step procedures to assure future compliance:

d. Use the space below to detail how current and new staff will be informed of the above **step-by-step** procedures (e.g., handbook, training, etc.)? For verification and follow up purposes, provide any dated supporting documentation which may include copies of a new policy, staff training signature page(s), etc.:

e. For verification and follow up purposes, document where will the above supporting documentation be retained:

Finding 6: The Grantees bylaws have not been updated to address how often the board must meet

Corrective Action Measures:

a. Identify the name(s) and position title(s) of the employee(s) responsible for ensuring that the finding is fully and permanently corrected:

Name:

Title:

DHS staff should check the "Forms" section of the intranet to ensure the use of current versions. Forms may not be altered without prior approval. Distribution: DHS OIG and as appropriate.

Name:	Title:
Name:	Title:

b. Describe the **step-by-step** procedures implemented that correct the finding and bring the Contractor into compliance:

c. Detail below and/or attach any dated supporting documentation or a future timeline for implementing these step-by-step procedures to assure future compliance:

d. Use the space below to detail how current and new staff will be informed of the above **step-by-step** procedures (e.g., handbook, training, etc.)? For verification and follow up purposes, provide any dated supporting documentation which may include copies of a new policy, staff training signature page(s), etc.:

e. For verification and follow up purposes, document where will the above supporting documentation be retained:

Finding 7: Conflict of interest forms were not on file for the current board members nor was there a written conflict of interest policy within the By-laws

Corrective Action Measures:

a. Identify the name(s) and position title(s) of the employee(s) responsible for ensuring that the finding is fully and permanently corrected:

Name: Title:

Name: Title:

Name: Title:

b. Describe the **step-by-step** procedures implemented that correct the finding and bring the Contractor into compliance:

c. Detail below and/or attach any dated supporting documentation or a future timeline for implementing these step-by-step procedures to assure future compliance:

d. Use the space below to detail how current and new staff will be informed of the above **step-by-step** procedures (e.g., handbook, training, etc.)? For verification and follow up purposes, provide any dated supporting documentation which may include copies of a new policy, staff training signature page(s), etc.:

e. For verification and follow up purposes, document where will the above supporting documentation be retained:

Finding 8: The Grantee did not provide sufficient support documentation and did not adequately document the statistics reported in the monthly reports to DHS VR program management

Corrective Action Measures:

a. Identify the name(s) and position title(s) of the employee(s) responsible for ensuring that the finding is fully and permanently corrected:

Name:	Title:
Name:	Title:
Name:	Title:

b. Describe the **step-by-step** procedures implemented that correct the finding and bring the Contractor into compliance:

c. Detail below and/or attach any dated supporting documentation or a future timeline for implementing these step-by-step procedures to assure future compliance:

d. Use the space below to detail how current and new staff will be informed of the above **step-by-step** procedures (e.g., handbook, training, etc.)? For verification and follow up purposes, provide any dated supporting documentation which may include copies of a new policy, staff training signature page(s), etc.:

e. For verification and follow up purposes, document where will the above supporting documentation be retained:

I certify by my signature below that I am authorized by the Organization/Contractor to sign this document. As an authorized representative of the Organization/contractor, I fully understand the

DHS staff should check the "Forms" section of the intranet to ensure the use of current versions. Forms may not be altered without prior approval. Distribution: DHS OIG and as appropriate.

identified finding(s) above require corrective action and agree to fully implement the corrective action measures within the required timeframe.

I also understand that failure to fully and permanently correct the findings may result in termination of the contract agreements with TDHS and may result in the placement of the Organization/Contractor or and its responsible principals on the Disqualified List maintained by the U.S. Government and/or the State of Tennessee. Also, the food program sponsoring organizations may be placed on the National Disqualified List maintained by the U.S. Department of Agriculture

Signature of Authorized Organization/Contractor Official

Date

Printed Name of Authorized Organization/Contractor Official

Title

For TDHS Officials. Do not write in the space below

Corrective Action Plan ACCEPTED:

Signature of Authorized TDHS Official

Date

Corrective Action Plan REJECTED:

Signature of Authorized TDHS Official

Date