

Internal Audit Division
City of Greensboro



June 3, 2011

TO: Sue Schwartz, Interim Director of Planning & Community Development
FROM: Internal Audit Division
SUBJECT: The Servant Center, Inc. 2009-2010

The Internal Audit Division has performed our yearly monitoring visit of The Servant Center, Inc., which received a Transitional Shelter Operations Services Grant in the amount of \$43,881 from the City of Greensboro during the 2009 to 2010 grant year.

This Transitional Shelter Operations Nussbaum Housing Partnership Allocation Grant for \$43,881 was used to help provide shelter and support services to chronically homeless men and formerly homeless men from the Servant House located at 1312 Lexington Avenue. Eligible costs to be reimbursed are as follows: staff salaries; maintenance and security salary; maintenance and operations; insurance and utilities. Approximately 42 beneficiaries were projected to be served as the result of this grant.

We examined selected financial transactions and program documentation maintained by the agency for compliance with the contract and for assurance that program goals were achieved. Based on our review, it appears that the funds have been spent according to the terms of the contract with no exceptions noted.

We would like to thank Ms. Shanna Reece, Executive Director; Mr. John Vaughn, Financial Officer and the staff at The Servant Center, Inc. for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-4528.

Tina McKoy
Internal Auditor

Len Lucas
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager
Shanna Reece, Executive Director of the Servant Center, Inc.

Date: April 31, 2011
To: Shanna Reece, ED, Servant Center
From: Michael Blair, City of Greensboro PCD
Program: Servant Center – Servant House
Fiscal Year: FY09/10
Funding: \$43,881



Review of Eligibility & relation to the Consolidated Plan: The site visit of the facility provides assurance that indicated that the activity exclusively benefits chronically and formerly homeless men upon the category of limited-clientele presumed benefit. [24 CFR 570.208(a)(2)]. The participant files reviewed (3 on-site) all contained documentation of participant age and reason for admittance to the program. The program relationship to 2005-2009 Consolidated Plan is Priority 2B-A.

Review of Cost Allowability: There were no obvious instances where expenditures were not necessary and reasonable for proper and efficient administration of the program per 24 CFR 85.22 and OMB Circular A87, Attachment B; and the city agreement. [24 CFR 570.502(a)(6)]. The Internal Audit report did not indicate ineligible costs per the agreement and neither did a PCD spot check based on OMB/CDBG rules.


Review of Procurement: A limited procurement review was conducted. All costs reimbursed were for operating and maintenance and administrative project delivery (salaries).

Review of Scope and services to be rendered: Approximately 42 beneficiaries would be served according to the agreement. In FY09/10 40 beneficiaries were actually served. This is an 86.0% bed utilization rate which is 9% higher than FY08/09.

Review of Client Files: The three files reviewed were in a logical order and well maintained. All included the contractually required Homelessness Verification and Community Development Household forms. **NOTE:** There were at least 3 different (PCD/VA/NC/GHA etcetera) signed homelessness verifications in each file. This seems like an excessive number of times a client must acknowledge his lack of housing. One signed verification form should suffice - please contact PCD staff if interested in reducing the number of homelessness verifications needed.

Review of Board Minutes: Minutes are maintained and are generally very understandable including the minutes where the external annual audit was reviewed and accepted by the board.

Summary: It is PCD staff opinion that Servant Center - Servant House is an eligible and effective use of city Homelessness Prevention funding. The program appears to be an excellent alternative for men who may have become homeless or facing some type of housing crisis. Performance records were understandable and there are no disqualifying financial concerns for future City funding. PCD staff appreciates the assistance provided during the monitoring visit by Servant Center staff.


Michael Blair, AICP
Analyst Grants Compliance


Sue Schwartz, FAICP
Interim Director
Planning & Community Development