



CP §	Identified Problem	Correction to be Undertaken	Due Date	DPH Action Needed	Status Report – Date and Action Needed
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Summary of Issues

Native American Health Center (NAHC) is the primary contractor for Urban Trails San Francisco (UTSF), a six year SAMHSA System of Care grant received and administered by the San Francisco Department of Public Health (Department). The Department’s FY13-14 (9/30/2013-9/29/2014) allocation to the NAHC-UTSF contract is \$492,050, which is subject to both local and federal standards of fiscal management. During FY13-14, NAHC failed to meet a critical fiscal objective, specifically, the sufficient generation of nonfederal matching funds.

Generation of Nonfederal Matching Funds – SAMHSA requires that every federal dollar expended under the grant be matched with an increasing ratio of non-federal funds to promote sustainability and expansion. During FY12-13, year four of this six year grant, SAMHSA required only a 1:1 ratio of matching funds to federal dollars. NAHC had substantial difficulty meeting this requirement and, in response, their FY13-14 contract was reduced to bring the match requirement down to what was projected to be an achievable level for NAHC. During FY13-14, year five of this six year grant, SAMHSA requires a 2:1 ratio of matching funds to federal dollars. To ensure that this ratio is met, SFDPH requires NAHC to submit final, complete, and accurate documentation of quarterly match within 10 weeks of the close of each quarter. Thus far in FY13-14, NAHC has failed to generate sufficient 2:1 matching funds and failed to submit timely documentation of those matching funds in a manner that meets local and federal audit requirements. As of June 30, 2014, NAHC has a verified a year-to-date matching fund deficit of \$36,432, which the Department will be forced to backfill with General Funds. The Department will not tolerate continued matching deficits under this grant.

The Department’s efforts to support NAHC in meeting these fiscal requirements began formally in September 2011 and have been extensive and continuous as documented in the attached Technical Assistance Plan (ATAP). Substantial personnel support - including that of Department grant staff, Department leadership, and Department fiscal/budget staff - has been provided consistently around this issue since FY11-12. Additionally, this fiscal requirement and NAHC’s failure to meet it has been documented in multiple forms of communication with NAHC Leadership, including certified letters dated: 5/20/13, 6/10/13, 6/18/13, 6/25/13, 8/16/13, 9/9/13, and 7/9/14, as well as two additional letters following match site visits: 11/21/13 and 3/3/14. Despite efforts to support NAHC in resolving this issue and improving their fiscal processes, NAHC failed to meet this critical requirement and, as of the date of this Corrective Action Plan, NAHC’s performance continues to be unsatisfactory resulting in continuing financial liability for the Department.

Conclusion: NAHC, as the primary contractor for the UTSF grant, provides valuable programming to San Francisco’s Native American community and to its Indigenous Mayan community through subcontractors; however, NAHC’s inability to meet key fiscal requirements creates an untenable fiscal burden on the Department and unfortunately continues to be unresolved irrespective of multiple levels of technical assistance and support over several years. Despite open and direct communication (e.g., ATAP, certified letters) regarding these issues, NAHC failed to take adequate steps to meet match

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<p>requirements resulting in a significant fiscal loss to the Department. Failure to fully meet the terms of this Corrective Action Plan will result in discontinued funding of Urban Trails program.</p>					
<p>Financial Management</p>					
CBHS	<p>NAHC failure to generate sufficient and verifiable nonfederal matching funds at a 2:1 ratio of match to expenditures. The deficit as of June 30, 2014 is \$36,432.</p>	<p>On a quarterly basis, NAHC will generate sufficient and verifiable nonfederal matching funds to cover the 2:1 ratio for NAHC's share of grant expenditures. For FY13-14, that amount is projected to be \$984,100.</p> <p>Verifiable matching funds are required on a quarterly basis and required documentation is further outlined in the next section. <u>Quarterly deadlines cannot be extended and will continue into FY14-15 on the following schedule:</u></p> <ul style="list-style-type: none"> • Year Five, Quarter Three Match due by 9/8/2014 • Year Five, Quarter Four Match due by 12/10/2014 • Year Six, Quarter One Match due by 3/11/2015 • Year Six, Quarter Two Match due by 6/9/2015 • Year Six, Quarter Three Match due by 9/8/2015 • Year Six, Quarter Four Match due by 11/14/2015* 	<p>FY13-14 Quarterly Deadlines: 9/8/2014 12/10/2014</p> <p>FY14-15 Quarterly Deadlines: 3/11/2015 6/9/2015 9/8/2015 11/14/2015</p>	<p>SFDPH will continue to provide technical assistance and consultation to NAHC on the generation of match, upon request.</p> <p>Following the close of each quarter, SFDPH will monitor and verify the generation of nonfederal matching funds to ensure sufficient generation of match and ongoing compliance with local and federal standards of fiscal management.</p> <p>Following the review of quarterly documentation, SFDPH will take action to mitigate the impact of any deficits in matching funds. Such actions may include termination of the UTSF grant contract, if needed.</p>	<p>9/11/14 – NAHC's Year Five, Quarter Three match is under review by SFDPH.</p> <p>10/20/14 – NAHC's DRAFT submission for quarter ended 9/29/14 was found to be inadequate per the following: 1) documents were in draft rather than final; 2) the amount in the expenditure report/income statement was vastly different from the prior quarters. DPH was not able to confirm any expenditures for this quarter. Additionally, NAHC failed to submit expenditure reports for July and August 2014; and, 3) NAHC revised the prior three quarter matching amounts in the fourth quarter without providing backup documentation to support the changes. The deadline to submit the final invoice and supporting documentation is November 15, 2014. Following receipt of those documents, DPH will conduct a site visit to determine the validity of the submitted documents.</p>
	<p>NAHC failure to submit final, complete, and accurate quarterly</p>	<p>NAHC will submit final, complete, and accurate</p>	<p>FY13-14 Quarterly</p>	<p>A technical assistance document on completing</p>	<p>9/11/14 – NAHC submitted their Year Five, Quarter Three match report by the 9/8/14 deadline.</p>

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	documentation of nonfederal matching funds by the required deadlines.	<p>documentation of quarterly match to SFDPH within 10 weeks of the close of each quarter. <u>Quarterly deadlines cannot be extended and will continue into FY14-15 on the following schedule:</u></p> <ul style="list-style-type: none"> • Year Five, Quarter Three Report due by 9/8/2014 • Year Five, Quarter Four Report due by 12/10/2014 • Year Six, Quarter One Report due by 3/11/2015 • Year Six, Quarter Two Report due by 6/9/2015 • Year Six, Quarter Three Report due by 9/8/2015 • Year Six, Quarter Four Report due by 11/14/2015* <p>*Please note that the due date for the final report is 45 days after the close of the quarter in accordance with local and fiscal requirements following the close of a grant.</p> <p>Upon receipt of a written request for additional documentation or revisions to the quarterly match report, NAHC will provide required documentation and revisions within 2 weeks.</p>	<p>Deadlines:</p> <p>9/8/2014</p> <p>12/10/2014</p> <p>FY14-15 Quarterly Deadlines:</p> <p>3/11/2015</p> <p>6/9/2015</p> <p>9/8/2015</p> <p>11/14/2015</p>	<p>quarterly match reports was previously provided to NAHC and SFDPH can provide a revised version, upon request.</p> <p>SFDPH will continue to meet with NAHC quarterly, in advance of the 10 week deadline, to provide preliminary review of expenditures and match documentation.</p> <p>SFDPH will continue to provide technical assistance and consultation to NAHC on the documentation of match, upon request.</p> <p>SFDPH will review NAHC submissions of quarterly match reports in a timely manner and provide a written request of any required additional documentation or revisions.</p>	