



CENTERS FOR INDEPENDENT LIVING COMPLIANCE REVIEW REPORT

Disability Advocates of Kent County

Grant Award Number: H132A930041

Grand Rapids, Michigan

REVIEW DATES: April 15-19, 2013

Draft Report: December 2, 2013
CIL Response: January 13, 2014
Final Report: February 18, 2014

REHABILITATION SERVICES ADMINISTRATION

TABLE OF CONTENTS

I.	PURPOSE OF THE ON-SITE MONITORING REVIEW	1
II.	METHODOLOGY	1
III.	MISSION AND DESCRIPTION	2
IV.	ORGANIZATIONAL STRENGTHS AND EMERGING PRACTICES	3
V.	OBSERVATIONS AND RECOMMENDATIONS.....	3
VI.	FINDINGS AND CORRECTIVE ACTIONS.....	4
VII.	TECHNICAL ASSISTANCE.....	10

I. PURPOSE OF THE ON-SITE MONITORING REVIEW

Sections 706(c) and 722 of the *Rehabilitation Act of 1973, as amended* (Rehabilitation Act) mandate that the Rehabilitation Services Administration (RSA) conduct on-site reviews of centers for independent living (CILs) funded under Title VII, Part C, Section 722. The objectives of on-site reviews are to:

- assess compliance with the requirements of Section 725(b) and (c)(3) of the Rehabilitation Act and 34 CFR 366.60-366.63;
- study program operations, organizational structure and administration of the CIL under Section 725(c)(1), (2), (5) and (6) of the Rehabilitation Act and 34 CFR 366.2 and 366.50;
- review documentation sufficient to verify the accuracy of the information submitted in the most recent 704 Annual Performance Report;
- verify that the CIL is managed in accordance with federal requirements in the Education Department General Administrative Regulations (EDGAR);
- assess CIL conformance with its work plan, developed in accordance with Section 725(c)(4) of the Rehabilitation Act and 34 CFR 366.50(d)(2), conditions of the CIL's approved application, and consistency with the State Plan for Independent Living (SPIL);
- identify areas of suggested or necessary improvements in the CIL's programmatic and fiscal operation and provide technical assistance resources available on the local, state, regional and national level;
- identify areas of exemplary work, projects and coordination efforts and make this information available to the larger CIL community; and
- provide an opportunity to share information with experienced nonfederal individuals involved in the operations of CILs and make available technical assistance to enhance CIL operations or to minimize or to eliminate problem areas.

II. METHODOLOGY

The on-site review of Disability Advocates of Kent County (DAKC) was conducted April 15–19, 2013. The program review covered the independent living (IL) operations and activities of DAKC and the financial review examined the center's participation in Title VII, Part C, of the Rehabilitation Act. RSA used the On-Site Review Guide (ORG) to conduct the on-site review. During the review, interviews were conducted with the center's management, staff, consumers and members of the board of directors. In addition to the interviews, program and financial documents were reviewed in accordance with the protocol required by RSA's ORG, including written policies and procedures, a sample of consumer service records (CSRs), and other documents that verified compliance with standards and indicators. CSRs were selected for review on a random basis. The review team conducted an exit conference at the conclusion of the review to provide feedback on initial impressions from the review.

The RSA review team included the following individuals:

- James Billy, RSA program specialist;
- Yavonka George Archaga, nonfederal reviewer;
- Suzi Kyes, representative, Michigan Rehabilitation Services; and
- Valerie Barnum-Yarger, representative, Statewide Independent Living Council.

III. MISSION AND DESCRIPTION

DAKC's mission is to empower people with disabilities to live independently. DAKC began in May 1981 as the Grand Rapids Center for Independent Living and was awarded its first IL grant by RSA in 1981. In May 2002, the name was changed to Disability Advocates of Kent County. The center provides a full array of IL services throughout Kent County and defines its role in the community as being a voice for individuals with significant disabilities.

DAKC's organizational goals are as follows:

- enhance agency management to serve community and program interests at highest levels of efficiency, responsiveness and accountability;
- strengthen the board of directors' capacity to lead and support the organization in an effective and passionate manner;
- influence policy and systems change regarding issues affecting the ability of persons with disabilities to live independently;
- strengthen marketing and communications to position DAKC as the leader in addressing issues related to people with disabilities;
- promote independent living skills, concepts and support through high-quality, effective programs that reach a broad range of persons with disabilities and their families;
- develop a productive, accessible work environment that incorporates advanced design, technology and accessibility to support agency employees, consumers and programs; and
- cultivate and maintain partners and partnerships at identified levels according to a thoughtful, individually focused strategy designed to build effective collaborations, ensure performance and obtain consistent financial and political support to maintain DAKC programs.

In addition to the four IL core services, DAKC is involved in the projects described below.

- **Independent Living Options:**
DAKC delivers an array of services for people with disabilities of all ages related to housing options, including: home assessments leading to recommendations for the modification of a consumer's house or apartment to make it more accessible, safe and functional to facilitate the maintenance of or increase independence for the individual; and the provision of durable medical equipment (assistive technology) through purchase or loan, and training related to proper use of the equipment.
- **Nursing Facility Transitions:**
DAKC assists persons with disabilities in moving out of institutional settings to community settings that allow them to live more independently.
- **Veteran Peer Support Services:**
DAKC assists veterans to engage in the community and achieve employment and pre-employment goals.
- **Workforce Development Services:**
DAKC provides an array of services and supports to employers and persons with disabilities as they seek to obtain and maintain employment.

IV. ORGANIZATIONAL STRENGTHS AND EMERGING PRACTICES

- **Mediation:** DAKC serves as a mediator for individuals with disabilities who have filed an administrative complaint with an employer, municipality or business with the EEOC. If a person needs the assistance of a private attorney, DAKC has a number of attorneys to whom it can refer individuals.
- **Community Youth Advocacy Network:** DAKC provides a forum for young adults and professionals to come together to do community organizing, and has established a volunteer network to facilitate opportunities for young adults with disabilities to explore the challenges and barriers they experience.
- **Community Organizing Training:** DAKC educates and supports people with disabilities locally and statewide on how to become a community organizer to address pressing disability issues in their communities.
- **Accessibility Reviews:** DAKC collaborates with business owners and governmental units to address barriers through compliance with accessibility standards and guidelines and offers recommendations for best practices and universal design.
- **Universal Design Home Consultation:** DAKC offers recommendations to incorporate universal design into individual homes and provides community education on the benefits of building a home for a lifetime. DAKC has three certified aging-in-place specialists on staff.

V. OBSERVATIONS AND RECOMMENDATIONS

During its review activities, RSA provided technical assistance and made recommendations that DAKC may consider.

1. Serving Unserved and Underserved Populations

Observation: RSA observed that DAKC did not have a plan for serving unserved and underserved populations, including minority groups and rural populations.

Recommendation: DAKC should develop a plan for serving unserved and underserved populations and provide training to staff on effective methods for outreach and service to these groups.

DAKC Response: DAKC management agrees with this recommendation. A plan for identifying and serving unserved and underserved populations will be developed as part of its current strategic planning process and review of its Diversity and Cultural Competency Plan in early 2014. As one action step taken since the on-site review in April 2013, DAKC recruited and hired a Spanish-speaking staff person to work as an Information & Referral Specialist; she began in November 2013.

2. Drug Free Workplace Notification

Observation: During the onsite, DAKC leadership informed the review team that grant-funded employees have not been given a copy of the prohibition statement, including a notification that

conditions of employment at the CIL require abiding by the statement and informing the director of the CIL of any convictions under a drug statute.

Recommendation: DAKC should ensure that each employee receives the notification regarding the requirements of a drug free workplace.

DAKC Response: DAKC management agrees with this recommendation. DAKC is working on this recommendation through the following activities: A Drug and Alcohol Free Workplace policy is in the DAKC Employee Handbook stating, “Employees are advised that compliance with the provisions of this policy is a term and condition of continued employment;” and each new employee signs a document stating they have access to the Employee Handbook and that “by my signature, acknowledge, understand, accept, and agree to comply with the information contained in the Employee Handbook.”

On September 23, 2013 as part of our regular staff meeting, we reviewed our Drug and Alcohol Free Workplace policy and all employees in attendance signed a training sign-up form. Each employee was provided a copy of the policy. Dates and timelines for the completion of this effort, such as updating the current policy to include the necessary clause of “informing the Executive Director of any convictions under a drug statute” and we will ensure this policy is separated as its own policy and is signed as being received by all employees, will be detailed in the CAP.

3. 704 Report Accuracy and Documentation

Observation: RSA observed that inaccuracies in the consumer service records (CSRs) may lead to inaccuracies in the 704 report submitted by DAKC.

Recommendation: DAKC should review Finding 1 below, taking the necessary corrective action to ensure that information derived from CSRs leads to accurate reporting on the 704 report.

DAKC Response: DAKC management agrees with this recommendation. Much work has been accomplished since the on-site review in April 2013 when this deficiency was brought to our attention in full detail. See the response to Finding 1 below for corrective action steps taken to date.

VI. FINDINGS AND CORRECTIVE ACTIONS

RSA identified the compliance findings below. Within 30 days of receipt of the final report, CIL must submit a corrective action plan (CAP) to RSA for review and approval. The CAP should include: (1) the specific corrective actions that the CIL will undertake in response to each finding; (2) the methodology that the CIL will utilize to evaluate if each corrective action has been effective; and (3) the timetable for the implementation and evaluation of the corrective action.

RSA reserves the right to pursue enforcement action related to these findings as it deems appropriate, including the recovery of funds, draw down restrictions, funds withholding, or grant terminations, pursuant to 34 CFR 74.60 and 34 CFR 74.62 of the Education Department General Administrative Regulations (EDGAR).

Finding 1: Consumer Service Records

Legal Requirements:

34 CFR 364.52(b)(1). Initiation and development of an IL plan. (1) Development of an individual's IL plan must be initiated after documentation of eligibility under § 364.51(a) and must indicate the goals or objectives established, the services to be provided, and the anticipated duration of the service program and each component service.

34 CFR 364.52(c)(1). The IL plan must be reviewed as often as necessary but at least on an annual basis to determine whether services should be continued, modified, or discontinued, or whether the individual should be referred to a program of VR services under 34 CFR part 361 or to any other program of assistance.

34 CFR 364.53(e). For each applicant for IL services (other than information and referral) and for each individual receiving IL services (other than information and referral), the service provider shall maintain a consumer service record that includes— (e) the IL goals or objectives— (1) established with the consumer, whether or not in the consumer's IL plan; and (2) achieved by the consumer.

34 CFR 366.63(c)(1)(i). The center shall provide evidence in its most recent annual performance report that it (i) Maintains a consumer service record that meets the requirements of 34 CFR 364.53 for each consumer.

34 CFR 366.63(c)(2)(i). The center shall provide evidence in its most recent annual performance report that the center maintains records on the (i) IL goals that consumers receiving services at the center believe they have achieved.

Finding: DAKC does not maintain all CSRs in accordance with the requirements set forth in 34 CFR 364.53(e).

RSA reviewed a total of 38 CSRs, 35 active CSRs and three that were closed or inactive due to loss of contact with the consumer. Documentation deficiencies were identified in 29 CSRs. In some CSRs, Independent Living Plans (ILPs) did not indicate the goals or objectives established, the services to be provided and the anticipated duration of the services as required by 34 CFR 364.52(b)(1); 12 CSRs did not identify consumers' IL goals or objectives; and 14 CSRs with identified IL goals contained no progress reports or documentation of the achievement of goals. Furthermore, CSRs did not contain documentation that ILPs were reviewed at least annually to determine whether services should be continued, modified or discontinued, or whether the individual should be referred to another program, including VR, as required in 34 CFR 364.52(c)(1).

Narrative entries either did not, or only minimally, reflected the extent to which the center's IL specialists facilitated the development and achievement of consumers' IL goals. Though the CSRs typically contained intake forms, correspondence, documentation from other agencies, and other information, it was difficult to determine from the CSR narrative entries what the center staff was doing to facilitate the consumers' goals and whether the goals had been completed.

Although DAKC provided procedural guidance to staff that identified the order and placement of forms, letters, and other information in the CSR, the review team observed inconsistent implementation of this procedure. In some instances, papers and forms were missing or misplaced and not secured in the file folder. In one instance the case notes had one consumer's name but the references were for a different person of a different gender.

Corrective Action 1: DAKC must take the necessary steps to ensure that it maintains all consumer service records (CSRs) in accordance with the requirements set forth in 34 CFR 364.53.

Technical Assistance: The review team noted that DAKC staff varied in its ability to write well-constructed consumer goals on the ILP, often listing services in the goals section of the plan instead of independent living outcomes or improvements in significant life areas. While on-site, the review team provided DAKC with some technical assistance in this area and referred DAKC to additional resources. Additionally, the review team suggested that DAKC provide staff training on the implementation of its procedures and guidance as well as federal requirements related to management of the CSRs. Finally, the review team emphasized the value of the IL specialists documenting the contributions that they are making to the achievement of consumers' independent living and community integration goals in supporting the center's mission and in accurately completing the annual report to RSA. As a training resource, DAKC should consider having IL specialists enroll in the on-line training on CSR documentation provided by RSA's training and technical assistance provider at the Independent Living Research Utilization (ILRU). This is a self-paced on-line tutorial designed to instruct CIL staff on required documentation of CSRs.

DAKC Response: DAKC immediately established a CSR/IL Plan cross-functional task force after the end of the RSA on-site review. The results include the following items: IL Plan development procedure; and consistent intake form and training were implemented to ensure consistency and compliance on IL Plan development and CSR requirements. Ongoing training refreshers are provided periodically. A staff person has been assigned to perform spot checks on CSRs (this staff person also has access to electronic files). It should be noted that the CSRs are now maintained electronically. Printouts at the initial point of development are required with the consumer and filed in the consumer file. Updates are made electronically. When the file is closed, all CSR entries will be printed and placed in the consumer file. Finally, DAKC's Program Director is registered for CIL-NET's upcoming training, "Quality beyond Compliance: Taking Charge of Your CIL's True Potential." Further details will be provided in the CAP.

Finding 2: CIL Employees in Decision-Making Positions

Legal Requirement:

34 CFR 366.63(a)(1)(i)(B)(1). Individuals with disabilities constitute more than 50 percent of the center's—(1) Employees in decision-making positions.

Finding: Individuals with disabilities do not constitute more than 50 percent of DAKC's employees in decision-making positions as required in federal regulation at 34 CFR 366.63(a)(1)(i)(B)(1).

Based on a review of employee records and through interviews with executive staff, RSA found that DAKC has a total of 20 employees, five of who are in decision-making positions. Only two

of the five employees in decision-making positions are individuals with disabilities. DAKC reported that one of its employees with disabilities in a decision-making position had retired in the previous year and that the center had been attempting for several months to recruit and hire another individual with disabilities in that decision-making position. At the time of the on-site review, no one had been hired and there appeared to be no prospects for an immediate hire. As a result, DAKC is not in full compliance with the evaluation standard related to consumer control.

Corrective Action 2: DAKC must initiate immediate steps to ensure that individuals with disabilities constitute more than 50 percent of DAKC employees in decision-making positions as required in 34 CFR 366.63(a)(1)(i)(B)(1).

Technical Assistance: The review team provided DAKC with background information related to the philosophy of independent living and the need to ensure the consumer control of CIL activities.

DAKC Response: As was noted in the Compliance Review Report, the circumstance which led to DAKC not meeting this requirement at the time of the Site Review was related to the retirement of one such staff person on March 15, 2013. In addition, it was noted in conversations during the on-site review that DAKC has followed the formula in the 704 reporting tool which counts FTEs not staff positions (decision-making and non-decision-making staff) in verifying its compliance with this requirement. This point was not completely clarified as to which manner of counting staff persons (FTE vs. position) should be utilized.

Either way, DAKC remains committed to the IL philosophy's perspective in this situation that persons with disabilities need to make up a majority of DAKC's board, decision-making staff, staff and volunteers. Since the on-site review, DAKC has worked to regain its compliance with this requirement. Specifically, we have:

- (a) when the timing was appropriate, promoted one IL Specialist who is a person with a significant disability to a manager/decision-making role on October 1, 2013; and
- (b) recruited and hired a new Development Director who is also a person with a significant disability (start date, January 6, 2014).

Therefore, since October 1, 2013, DAKC has been in compliance with this requirement in that 3.0 of 5.75 decision-making FTEs are persons with disabilities. Our response to this item in the CAP will document how DAKC will work to maintain compliance in this regard as we have done throughout our history.

Finding 3: Three-Year Program and Financial Planning Objectives

Legal Requirement:

34 CFR 366.50(d). To be eligible for assistance under this part, an eligible agency shall provide satisfactory assurances that—

- (d) The applicant will establish clear priorities through—
 - (1) Annual and three-year program and financial planning objectives for the center, including overall goals or a mission for the center;

- (2) A work plan for achieving the goals or mission, specific objectives, service priorities, and types of services to be provided; and
- (3) A description that demonstrates how the proposed activities of the applicant are consistent with the most recent Three-year State plan under section 704 of the Act;

Finding: DAKC has not established three-year program and financial planning objectives for the center as required by 34 CFR 366.50(d). DAKC indicated during the review that, although it had submitted information in its annual 704 report for achieving the delivery of IL core services, it did not have three-year program and financial planning objectives for the center specifically related to the service priorities and type of services to be provided in meeting the center's overall goals and mission; and an accompanying work plan for achieving these.

Corrective Action 3: In accordance with 34 CFR 366.50(d), DAKC must establish three-year program and financial planning objectives that reflect the goals and mission of the CIL, and a work plan for achieving the goals and objectives that includes the specific services, priorities and types of services to be provided consistent with the current SPIL.

Technical Assistance: RSA provided DAKC with information related to the components of a work plan and steps that could assist them in the development of the three-year program and financial planning objectives. In addition, DAKC was referred to ILRU for additional assistance.

DAKC Response: DAKC is in the midst of a planning process which will, at a minimum, satisfy this requirement. In addition, as a part of our submission to the Michigan Department of Human Services (MDHS) in July 2013, we provided three-year program planning objectives and a three year work plan which was accepted by MDHS. Our response to this item in the CAP will fully document the planning process, its timeline and evaluation components.

Finding 4: Financial and Program Management System

Legal Requirement: 34 CFR 74.20. Financial and Program Management System Section 74.21 through 74.28 prescribe standards for financial management systems, methods for making payments and rules for—

- (a) Satisfying cost sharing and matching requirements;
- (b) Accounting for program income;
- (c) Approving budget revisions;
- (d) Making audits;
- (e) Determining allowability of cost; and
- (f) Establishing fund availability

Finding: DAKC does not meet all prescribed standards for financial management systems, methods for making payments and rules described in 34 CFR 74.20, and sections 74.21 through 74.28. DAKC cannot demonstrate effective control over, and cannot show accountability for all funds, property and other assets so that the center can assure RSA that its assets are being used solely for authorized purposes in accordance with 34 CFR 74.21(b)(3). DAKC does not have any individual or a group of individuals exercising the responsibility of oversight of property and other assets.

In addition, DAKC was unable to provide required written financial policies and procedures that contain provisions to minimize the time elapsing between the transfer of funds and their expenditure by the CILs in accordance with 34 CFR 74.21(b)(5) and 74.22(b)(1). However, the reviewers did not discover any evidence of drawdowns occurring prior to disbursement of funds.

The application of policies related to travel, procurement, payments, and property is inconsistent and the allowability of certain costs cannot be determined. For example, the executive director receives a standard seventy dollars per month for cellular and data charges, rather than actual costs, and this contradicts the center's current travel policies regarding cellular phone usage. Despite the practice that payments are made only if disbursements or checks are countersigned, the executive director solely signs his own petty cash or reimbursement checks. The center has six credit cards issued to specified staff and departments, including the executive director. However, the current procurement policy and purchasing procedures lack specificity regarding the use of credit cards and refer to more general purchasing and procurement.

The review team observed that DAKC does not maintain control and documentation of its physical inventory. Although an inventory was conducted in March 2013, and in September of the prior year, adjustments to inventory accounts were not made and there is no designated official on record with that responsibility. There were no apparent safeguards against loss, damage or theft of property. There are no written policies or a designated staff person assigned to oversee the disposal of inventory or the adjustment to inventory.

Corrective Action 4: DAKC must meet all prescribed standards for program and financial management systems contained in 34 CFR 74.20 and sections 74.21 through 74.28, and ensure the development and implementation of policies and practices that ensure effective control over and accountability for funds, property and other assets to assure that these are being used solely for authorized purposes.

Technical Assistance: DAKC was provided guidance and technical assistance during the review and was referred to ILRU for further technical assistance and training.

DAKC response: All federal dollars are spent by DAKC prior to being drawn down. A QuickBooks report is run for all expenses "year to date" prior to any drawdown. A draw down is made equal to or less than the amount of the dollars already expended, but not yet drawn down. In the CAP, we will document the procedure which will include any needed policy additions to make "the assurance that minimizes the time between the transfer of funds and the disbursement of funds by the recipient."

Because the practice of providing a monthly cell phone reimbursement to the Executive Director does not follow DAKC's cell phone reimbursement policy, this exception has now been documented and signed by DAKC's Treasurer and a copy of the exception has been placed in the Executive Director's file.

A new credit card policy was put into effect as of July 2013.

Although the Executive Director's reimbursed expenses have always been approved by the Board President or Board Treasurer, as of December 1, 2013, the Executive Director no longer signs his

own reimbursement checks. These checks are now signed by a Board Check Signor (Officer). In the CAP, updates to this policy and related details will be detailed.

DAKC maintains an extensive Equipment Inventory database. DAKC will revise the Inventory processes and procedures to ensure that:

- 1) Adjustments to Inventory accounts are made only on written authority of the designated official (Finance and HR Director);
- 2) The CIL guards against loss, damage, or theft of property. In the CAP, updates to this policy, processes and procedures and related details will be laid out.

In addition, DAKC's Finance and HR Director attended the Financial Management Workshop for CILs held by IL-NET in Pittsburg, PA from May 21-23, 2013. DAKC plans to completely revise all Accounting and Financial Policies and Procedures using IL-NET's Sample Policies and Procedures Handbook as a guide. The goal for completion and approval by the Board for all accounting and financial policies and procedures is May 22, 2014.

VII. TECHNICAL ASSISTANCE

While on-site, RSA provided technical assistance in the areas below.

- RSA provided technical assistance regarding DAKC's training plan for members of the governing board, staff and volunteers, specifically the need to develop procedures for requesting training and for documenting training participation and attendance, specifically training related to serving unserved and underserved individuals.
- RSA provided technical assistance regarding DAKC's policy on drug-free workplace and substance abuse, specifically the need to develop and implement an ongoing drug-free workplace notification process for grant-funded employees.
- RSA provided technical assistance regarding DAKC's reimbursement policy for cellular telephone usage by the executive director and the need for policy and supporting documentation for expenses charged to the credit cards held by staff.
- RSA provided technical assistance regarding the need to develop written procedures to minimize the time between the transfer of funds and disbursement of funds.
- RSA provided technical assistance to DAKC regarding segregation of purchasing duties, and the counter-signing of checks, specifically those made out to the executive director for reimbursement and petty cash.
- RSA provided technical assistance to DAKC regarding the development of an effective inventory control policy.
- RSA provided technical assistance to DAKC related to ensuring that existing written policies and procedures are routinely implemented by staff.