Bennington County Regional Commission

Executive Committee

**MINUTES**

**Wednesday – November 16, 2016**

**8:30 AM**

**Chauncey’s Restaurant, Rt. 7A, Arlington**

Present: Suzy dePeyster, Janet Hurley, Dan Monks, Meg Cottam, Jim Sullivan (Director)

The Committee discussed the report (attached) that they had asked Sullivan to draft. It was agreed that language in the report should be modified per Janet’s suggestion to indicate that the financial risk to BCRC of continuing with the DFC grant through the full term of the grant is unacceptable to the organization. A meeting should be organized with the ACT Board in early December to review the BCRC’s concerns as laid out in the report. Key points to make clear include: the fiscal exposure to the BCRC is unacceptable, the BCRC and DFC programs are not well-aligned (an alternate organization would be able to meet the match requirements much more easily), and BCRC has not control over the people responsible for the in-kind match, but bears the full financial responsibility for meeting the requirements.

The target date for transition (BCRC no longer serving as fiscal agent for the DFC grant) is September 30, 2018. BCRC is willing to assist ACT in finding a new sponsoring organization and supporting the change.

Motion by dePeyster. BCRC should terminate its role as fiscal agent for the DFC grant no later than September 30, 2018. Second by Hurley. Passed unanimously.

There being no further business, the meeting was adjourned at 9:30 AM.

Respectfully Submitted,

James Sullivan, Director

**Report on the Bennington County Regional Commission’s Role**

**As Fiscal Agent for the Drug Free Community Grant and Employer for Staff of the Alliance for Community Transformations**

**November, 2016**

Background and History

The Alliance for Community Transformations (ACT) had been under the umbrella of the Southwestern Vermont Health Care Corporation (SVHC) until SVHC decided to discontinue direct support for its in-house community health program. At that time, ACT was performing work under a Vermont Department of Health (VDH) Prevention grant, part of which involved work related to “healthy community design” subcontracted to the Bennington County Regional Commission (BCRC). ACT and its staff (Director) sought an alternative host organization and ultimately came to an agreement with BCRC to be housed in its offices, with the ACT Director hired by the BCRC. This arrangement included an understanding that ACT would be self-funded (i.e., would not rely on BCRC “core” funds to support its work). Although the VDH Prevention grant program was discontinued, ACT was awarded, with BCRC as the fiscal agent, a federal Drug Free Community (DFC) grant that provided sufficient funding to allow BCRC to hire the ACT Director as a full-time employee.

 The principal work areas of BCRC and ACT historically have been different, but the two organizations are compatible in that they each seek to improve the quality of life for residents of the region (although ACT is focused principally on the southern portion of the region).

ACT’s Mission: To empower, mobilize and inspire communities to act in collaboration towards delaying first time substance use and preventing substance abuse among youth, reducing its use across all ages and promoting greater wellness and long-term health in the “Southshire” region of Bennington County.

BCRC’s Mission: To work with and on behalf of its member municipalities to build strong, resilient, and sustainable communities, to foster economic prosperity, and to promote a high quality of life for residents of the region.

At the same time, the working relationship between the two organizations has some inherent, and some practical, challenges. From an overall organizational aspect, the ACT Director is accountable to the ACT Board of Directors for programmatic responsibilities, but is an employee of the BCRC, where oversight is essentially limited to administrative matters. The relationship between the ACT Director and the BCRC is, therefore, different than with any other BCRC staff. The BCRC does have arrangements with other organizations such as the Bennington County Solid Waste Alliance and the Bennington County Industrial Corporation, but those entities contract with the BCRC to implement specific tasks, whereas ACT conducts its own work plan with its own staff, but that staff person is technically an employee of the BCRC. Moreover, as both the employer of the ACT Director and the fiscal agent for the DFC grant program, the BCRC is faced with conducting performance evaluations, setting compensation, and making other financial decisions that directly affect the ACT organization and the resources it has to conduct its work. The BCRC Director has met with the ACT Board for guidance on staff performance evaluations and compensation, but with no comparable position (to the ACT Director) at the BCRC or at any other regional planning commission in Vermont, it has been challenging to make certain personnel decisions. Essentially, the segregation of program work under ACT and administrative oversight by BCRC is both necessary and difficult.

ACT and the DFC Grant Program

 As noted above, ACT and the ACT Director’s position is funded almost exclusively through the Drug Free Community Grant program. A key aspect of the DFC program, however, is the requirement of a 100% local match (increasing in future grant years) that is ultimately the responsibility of the BCRC. Annual funding for the DFC grant is authorized up to approximately $125,000, meaning that for every dollar spent, BCRC is responsible for providing a dollar in local match. Because neither BCRC nor ACT has the ability to provide a cash match, it has been necessary to rely almost entirely on in-kind match in the form of the time committed to DFC program work by Coalition members and others. (The BCRC does donate its administrative staff time to the grant, amounting to $8,673 in match donated by BCRC in the first year of the DFC grant.) The BCRC is not responsible for any other grant programs that require such a large local match and the BCRC Director and Executive Committee have repeatedly expressed concerns about the financial exposure associated with the match requirement. It is especially challenging for the BCRC when, as the entity responsible for the match, it has limited ability to take direct action to ensure that the match is met. The BCRC relies on timely reporting of the match by ACT.

 Timely and consistent reporting of in-kind time donations to meet the match requirements has been an ongoing problem. The BCRC prefers not to invoice the granting agency until we know that we can cover the match requirement. With documentation of in-kind hours frequently late, and often subject to revisions (people sometimes submit their in-kind reports weeks or months after the fact), additional BCRC administrative time is needed to reconcile the accounts. Late and inconsistent reporting also leaves BCRC with no idea of the current status of the match, and thus receivable grant income, and delays full reporting for the organization as a whole. In addition, general staff oversight by BCRC management, financial reporting, and invoicing is complicated by consistently late timesheet submittals by the ACT Director.

Looking Ahead

 The amount of time required of BCRC staff to oversee the DFC program, challenges with coordinating the unusual relationship between itself, ACT, and staff, and the significant financial risk that the BCRC incurs by hosting the DFC program all make it unacceptable for BCRC to continue to support the DFC program as fiscal agent. BCRC’s expanding responsibilities in the areas of community and economic development, energy planning, and environmental management makes it even more difficult to allocate scarce staff resources to provide support for the time-consuming work associated with keeping ACT on track to meet our financial obligations under the grant.

 The ACT Director has indicated a desire for ACT to eventually become a stand-alone organization that does not require a fiscal sponsor. The BCRC encourages a move in that direction, but as the transition may take some time, it may be appropriate for ACT to apply for the DFC program with a new fiscal sponsor. This process would take time, so it would be prudent to consider how these moves could happen over a one to two year period to avoid an abrupt change or disruption of service.

Summary

 The inability of ACT to deliver timely and consistent reporting associated with the DFC program consumes an excessive amount of BCRC staff time and resources, complicates BCRC’s ability to effectively manage its finances, and exposes BCRC to significant financial risk. The situation where the ACT Director (ACT staff) is employed by the BCRC confuses lines of accountability and reporting. The BCRC Executive Committee and Director should meet with the ACT Board of Directors and ACT Director to develop a plan for ACT to transition away from its position under BCRC’s fiscal sponsor umbrella over the next one to two years.