



# Family Violence & Rape Crisis Services (FVRC) Performance Review

---

Presented to the Chatham County Board of Commissioners January 17, 2017  
by The Chatham County Manager's Office

## 17-1996 - FVRC Performance Review Jan 2016 01.17.16

---

At the October 17, 2016, the Board of Commissioners directed Chatham County staff to conduct a performance review of the Family Violence & Rape Crisis Services Agency (FVRC), in response to a funding request made by FVRC for the new domestic violence shelter. On October 25<sup>th</sup>, staff sent a letter to FVRC Executive Director Cindy Carter requesting the information needed to conduct a performance review. Two deadlines were set (November 1st and November 4<sup>th</sup>) to allow sufficient time to gather the requested information for submission to county staff. To date, several items have not been submitted and some of the information provided by FVRC is incomplete. The agency has also not responded to requests for follow up information. The county repeated its request for information on November 7<sup>th</sup> and November 16<sup>th</sup>. Cindy Carter requested a face-to-face meeting on November 30, which was held. At this meeting, the FVRC director again promised to provide the missing and follow up information requested by the county. The county sent a reminder email on December 12, but no further information has been provided. The current performance review will be based on the limited information that has been received and information verified during the November 30 meeting. Staff also met with the Executive Director on January 10 to review these findings.

Upon review of FVRC documents, staff determines the following findings:

- a) Between March 2016 and November 2016, FVRC staff did not submit financial statements to its board for review. During this period, the agency was led by a series of interim directors and a new Executive Director. Executive Director Cindy Carter explained that during this period the FVRC finance committee did not meet nor present financials to the Board and the board did not ask for financial information. *Source: November 1<sup>st</sup> response to county's request for information and November 30 follow up meeting.*
- b) FVRC has operated without a treasurer, who chairs the finance committee and presents financials to the board since November of 2015 *Source: January 10<sup>th</sup> meeting with Renee Paschal, Vicki McConnell, and Tansy Long*
- c) The agency refused to share a list of financial transactions by account from July 1, 2015 to present. *Source: November 1<sup>st</sup> response to county's request for information and November 30 follow up meeting.*
- d) The agency's 2016-2017 fiscal year budget was not adopted by the FVRC Board until November 2016, although the fiscal year began on July 1, 2016. The 2011 FVRC Financial Policies and Procedures Manual states on page 7 that the executive director shall present a budget for adoption prior to the beginning of the fiscal year. It further states that budget and supporting documentation shall be presented to the Finance Committee by May 1<sup>st</sup>, and that the fiscal year budget shall be entered into the accounting software by July 15.

*Source: November 30<sup>th</sup> meeting at FVRC attended by Renee Paschal and Vicki McConnell*

- e) The meeting minutes submitted by FVRC end at the July 22, 2016 meeting. Per the November 1<sup>st</sup> email response, the director stated that minutes after July 2016 had not been approved and were not available to share for that reason. Also, she stated that Executive Committee meetings were closed to the public. Per the bylaws, all meetings are open to the public, with the exception of **executive sessions** called by the Board. Executive sessions are closed sessions called to discuss confidential items. The Executive Committee is a subcommittee of the full board and should be subject to open meetings and inspection of minutes. The lack of minutes after July 22 indicates that the FVRC board is either not approving minutes in a timely manner, not meeting regularly to approve the minutes, or are not taking minutes.

*Source: November 1<sup>st</sup> response to county's request for information*

- f) FVRC purchased land for the domestic violence shelter without prior authorization from the county, which is not in compliance with the terms of the county contract. On November 30<sup>th</sup>, just over two months after the land purchase, FVRC informed the County Manager that they would like to withdraw the request for county funding for the DV Shelter, because building shelters was no longer the model for providing temporary housing for DV victims. Since the agency had to use \$15,000 of its own funds to purchase the land, this sudden change of course appears to further demonstrate questionable decision making. In addition, the county has spent \$29,106.50 for shelter plans and should have been consulted regarding the agency's change in course.

*Source: Chatham County Board of Commissioner's October 17<sup>th</sup>, 2016 board meeting and November 30<sup>th</sup> meeting at FVRC attended by Renee Paschal and Vicki McConnell*

- g) Cindy Carter confirmed that FVRC hired the real estate agent who assisted with the purchase of land for the DV shelter to the FVRC as the agency's volunteer coordinator shortly after the land purchase. According to the closing statement for the land, FVRC paid commission to the real estate agent's firm. Source: Closing statement for the land and November 30<sup>th</sup> meeting at FVRC attended by Renee Paschal and Vicki McConnell

- h) FVRC paid a board member for web design services, which violates the FVRC conflict of interest policy provided during the FY 2017 nonprofit certification process.

(see attached policy)

*Source: Policy and November 30<sup>th</sup> meeting at FVRC attended by Renee Paschal and Vicki McConnell*

- i) The FVRC terminated DV shelter services in May of 2016 without the FVRC board's knowledge. The county continued to fund the shelter until June 30, 2016 because FVRC did not provide proper notification of the terminated services, a violation of the county's contract. Source: Chatham County Board of Commissioner's October 17, 2016 board meeting and November 1<sup>st</sup> response

## 17-1996 - FVRC Performance Review Jan 2016 01.17.16

- j) The FVRC Board amended its Articles of Incorporation shortly before an August 2015 amendment to its bylaws, which removed public members from the corporation. Without the amendment to the Articles of Incorporation, the bylaws change would have had to be approved at an annual meeting and voted upon the public members in attendance. Per Cindy Carter, the changes in bylaws were publicly advertised, but the minutes of this meeting were not produced and the meeting was held within the timeframe requested. Source: November 30th meeting at FVRC attended by Renee Paschal and Vicki McConnell
- k) The agency has experienced significant turnover in Executive Directors and Board members since 2015 as listed below:

### Executive Directors

Cindy Carter (Present)	Shamecca Bryant, Interim Director (2016)
Cindy Carter & Jean Kilpatrick, Co-Associate Directors (2016)	Sherry Shudra, Interim Director (2016)
Cindy Carter & *Jane Allen Wilson, Co-Associate Directors (2016)—Note that Jane Allen Wilson served in this capacity only 2 weeks	Kathy Hodges (2015)
Paul McAllister, Interim Director (2016)	Kathy Hodges & Mary Linker (2015)

### 2016 Board Members

- **Sterling Ching(current)**
  - **Page Smith(current)**
  - **Cathy Young(current)**
  - **Sidney Cheek(current)**
  - **Cindy Carter (Exec Director, ex-officio)**
  - **Ronda Stubbs(current)**
- Jo Sanders (former)
  - Jean Kilpatrick (former, ex-officio)
  - Jane Allen Wilson (former, ex-officio)
  - Marie Gaster (former, now employed by the agency)
  - Greg Lewis (former)
  - Susan Borgesi (former)
  - Paul McAllister (former, also employed temporarily as interim ED)
  - Louise Barnam (former)
  - Lynn Weller (former)
  - Jackie Petty (former)
  - Joe Santiago (former, per board minutes presented insurance options as insurance agent)
  - Sgt Brad Johnson (former)
  - Cindy Carter (now employed as agency ED)

### 2015 Board Members

- Brad Johnson (former)
- Dorothy Cilenti (former)
- Lynn Weller (former)
- Kathy Hodges (former Executive Director, ex-officio)
- Cindy Carter
- Sherry Sudra (former Interim Exec Director, ex-officio)
- Louise Barnum (former)
- Jackie Petty (former)
- Susan Borgesi (former)
- Cathy Young (former and current)
- Ann Stewart (former)
- Paula Browder (former)
- Jessica Mashburn (former)
- Daisy Womble (former)
- Mary Linker (former Co-Executive Director)

### **2014 Board Members**

- Cindy Carter
- Louise Barnum (former)
- Pat Brown (former)
- Lt. Brad Johnson (former)
- Jessica Mashburn (former)
- Shannon Richards (former)
- Ann Stewart (former)
- Reginald B. Tyson (former)
- Lynn Weller (former)
- Daisy Womble (former)
- Kathy Hodges (former Executive Director, ex-officio)

- l) The County requested a list of services offered by FVRC as of July 2015 and a list of current services provided, noting any changes in services. Cindy indicated in the response that the only service not currently offered is the DV Shelter. However, community sources have verified that Camp Dragonfly and the School Program were not provided during the past year. These changes in service conflict with FVRC's response.

*Source: November 1<sup>st</sup> response to county's request for information*

- m) In reviewing the current FY 17 contract between FVRC and the county, we have concerns about non-compliance.

Section E states that the agency will immediately notify the county of any legal, financial, program or organizational changes that may impact service delivery or adversely affect the agency's financial standing. The county has learned of most of the agency's changes in these areas indirectly, which were then confirmed by FVRC after the fact. The agency has failed to meet this contract obligation.

Section G states that grant money remaining unspent for the specified purpose must be returned. When the shelter closed in May of 2016, the county should have been notified immediately to do a final accounting of expenses that were eligible for reimbursement. FVRC then should have relinquished any funding not intended for the specified purpose.

*Source: County's contract with FVRC*

- n) Community agencies in Chatham County (including FVRC) are making referrals to other DV agencies that are located outside of the county. Surrounding counties' shelters report that Chatham agencies have made referrals to their shelters.

*Source: January 6<sup>th</sup> Council on Women meeting attended by Tansy Long*

- o) FVRC has lost significant grant funding. Most recently, the NC Council for Women has defunded FVRC due to non-compliance with three corrective action reports. Council for Women provides funding to most DV agencies in the state. In addition, being defunded by Council for Women affect's FVRC's ability to receive some of its federal grants.

*Source: January 6<sup>th</sup> Council on Women meeting attended by Tansy Long and meeting with Council for Women Regional Director Bernetta Thigpen on November 18, 2016.*

### **Summary and Impact of Findings**

The findings that have been presented are concerning and call into question FVRC's stability and leadership ability to provide reliable DV services. Numerous changes in leadership in the past two years, including constant changes in executive director position, are very troubling. The FVRC Board of Directors has also had turnover far beyond what would be expected with normal term rotations. We also are concerned that community members were removed from the corporation. While we do not have the minutes of the meeting where the bylaw changes were approved at the annual meeting (Executive Director has reported that the minutes do exist), the removal of public members from the corporation removes a layer of public scrutiny and transparency. It is not clear that meetings are being held on a regular schedule, and there is uncertainty regarding the transparency, accuracy, and timeliness of meeting minutes. Based on the county's recent request and conversations with FVRC, it also appears that the financial affairs are not being regularly reviewed, based on the very late approval of the current budget and the lack of financial oversight by the Board (based on no financial reports presented between March and November 2016). The findings noted have significant implications for the county, region, and those who depend on these services in times of crises. Shelter directors from Lee, Person, Wake, Durham, Orange, and Randolph counties have all confirmed actively serving several Chatham County residents before and after the FVRC shelter closing. FVRC also continues to lose funding from state grants. According to Bernetta Thigpen, the Regional Director for Council for Women, the loss in this state funding will impact the agency's ability to receive federal funding.

Staff has consulted with Margaret Henderson, who is a UNC School of Government faculty member with specific expertise in non-profit administration, and former executive director of the Orange County Rape Crisis Center. Margaret shared the following concerns/suggestions:

- It is rare for an agency to lose NC Council for Women funding
- While it is legal for an agency to change its Articles of Incorporation, the timing of FVRC's change does not give confidence that appropriate community oversight is welcome
- The fact that FVRC has not been willing to share its transaction register is troubling
- The constant transition in leadership and lack of transparency is concerning

- One option is for the County to seek advice and contract with other counties for services
- A combination approach(different options) for sheltering may be needed
- If the County must deliver services, there may be the need for other arrangements for counseling, since it may not be protected communication
- The county should hone in on providing logistical support to victims
- County's main goals should be to ensure stewardship of funds and ability to offer stable services to victims
- There is no "good housekeeping seal of expertise" in managing non-profits but agrees that the findings are a troubling list of indicators
- Determine short term goals and long term vision for DV services in Chatham County

### **Recommendations**

Staff has recommended some **short term solutions** with a goal of being responsive to victims until a long-term plan emerges.

#### **Suspend and Redirect Funding:**

Suspend all county funding disbursements to FVRC until the agency can comply with the complete request for information from county staff. Deem the agency ineligible for nonprofit funding until all requested information is provided and the agency demonstrates sound leadership and fiscal management. Also, redirect the current fiscal year nonprofit allocation to other agencies offering DV services.

County staff has been meeting for several months to understand the impact of FVRC's situation on services for DV victims, particularly as it relates to county services. County staff identified advocacy and shelter services as the most critical. The school system and District Attorney have also identified the school program as a priority.

**Advocacy:** The County Manager recommends that FVRC's 2017 nonprofit funding be redirected to the Sheriff's Office to hire another victim services coordinator (in addition to a current grant position) that will assist victims. We recommend this be covered by the general fund (not nonprofit funding) in FY 2018. In spite of the concern that additional advocates will create confusion for victims as long as FVRC also continues to provide this service, we believe we need to hire two part-time victim advocates in the Family Visitation Center, beginning in FY 2018. We need to determine whether communication with these advocates is protected communication or subject to public record. We will explore the possibility of grant funding for all of these efforts.

**Shelter:** We have been working with United Way and Salvation Army to provide hotel vouchers to assist victims that need emergency shelter services. Staff has also met with the Chatham Housing Authority on alternatives for shelter placement, but this proposal needs some refinement. During the January 6 Council for Women meeting, it was suggested that the county sign MOAs with surrounding counties' shelters. Long-term, we recommend that the remaining funds set aside for constructing the shelter (\$420,893.50) be held until a Task Force is formed to review viable options.

**School Program:** The school system is no longer willing to work with FVRC. To that end, the county has tried to identify viable options to fill this need. With the resignation of the county's Child Victim Services Coordinator, we have decided, with the consent of the school system and Assistant District Attorney, to add these duties to that County position and recruit accordingly.