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Description of document: **Correspondence between Institute of Museum and Library Services (IMLS) and the District of Columbia Public Library, 22-January-2005 – 23-February-2007**

Requested date: 15-February-2009

Released date: 16-April-2009

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Source of document: Freedom of Information Act Officer
Institute of Museum and Library Services
1800 M Street NW, 9th Floor
Washington, DC, 20036-5802
Facsimile: 202/653-4625
E-mail: foia@imls.gov
Online form: <http://www.imls.gov/about/foiaRequestForm.asp>

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APR 16 2009

Re: Freedom of Information Act Request 09-14

This responds to your February 15, 2009, on-line Freedom of Information Act (FOIA) request to the Institute of Museum and Library Services (IMLS). You requested copies “[l]etters between IMLS and the District of Columbia Public Library between January 1, 2006 and the present...specifically IMLS placement of the District of Columbia Public Library on the ‘At Risk’ list...the concerns by IMLS over the use of funds, how the Library addressed those concerns, and a copy of the five year plans submitted...in response to the concerns.”

All State Five-Year Plans, to include the District of Columbia’s, can be accessed from the State Program link on the IMLS website. The website address for IMLS is: www.imls.gov.

In accordance with FOIA requirements contained in 5 U.S.C. § 552, and IMLS FOIA policy I have provided you with copies of correspondence between IMLS and the District of Columbia Public Library as you have requested.

I have determined that the enclosed documents are appropriate for release. There is no fee for providing this information.

Thank you for your interest in the Institute of Museum and Library Services.

Sincerely,

Mamie Bittner
Director of Policy, Planning, Research, and Communications

Enclosure

July 22, 2005

Francis J. Buckley
Interim Director
District of Columbia Public Library
901 G St. NW, Ste. 400
Washington, DC 20001

Dear Mr. Buckley:

The Institute of Museum and Library Services has completed its preliminary review of the District of Columbia's Public Library implementation of the Library Services and Technology Act (LSTA) State Grants Program. Although we understand that the Library is working to address past deficiencies, our agency has serious ongoing concerns with DCPL's compliance with Federal grant and record-keeping requirements. In particular, we note a lack of documentation to demonstrate that funds were used appropriately; a lack of internal control systems to ensure compliance with OMB circulars and grant requirements; a consistent lack of attention to Federal reporting requirements; and, finally, a lack of response to specific audit findings. We are, therefore, obliged to consider the Library a "high risk" grantee, as set forth in 45 C.F.R. Section 1183.12.

Rather than withhold funds entirely while the Library remedies these deficiencies, IMLS will impose the following conditions, effective immediately, on the Library's LSTA funding:

- All payments will be made on a reimbursement basis, upon a showing of actual expenditures with supporting documentation. (For example, to seek reimbursement for salary, you must provide documentation of an individual's work time and attendance.)
- All staff who work with LSTA funding must receive training on the relevant OMB Circulars, including A-87 and A-102. Additionally, we urge you to review A-133, to assist you in establishing internal controls, complying with federal requirements, maintaining records, and conducting internal audits and reviews. These are key elements in managing a Federal grants program.
- Finally, we require that you develop a compliance plan to detail how you will bring the program administration in line with Federal requirements and submit this plan to the agency by November 1st.

The payment restriction will be in effect for the next six months. At that time, IMLS will review the Library's current status to determine the appropriate next steps. We request that you provide regular updates to IMLS Program Officer Laurie Brooks, no less than once every other month, regarding specific improvements to the Library's management controls.

We understand that the Library is intent on fully addressing these deficiencies, and are delighted that the Library is developing protocols for grants management and recently established an LSTA Advisory Council. We encourage you in these efforts and are available to provide technical assistance. If you have any questions regarding the conditions or believe that they have been improperly imposed, you may request reconsideration by the agency; your request must be in writing and submitted to IMLS by August 5th.

Needless to say, IMLS is committed to helping the Library resolve all of the outstanding issues appropriately. I will contact your office to arrange a meeting that suits your schedule so that we can discuss how to proceed together.

Sincerely,

A handwritten signature in black ink, appearing to read "George V. Smith". The signature is fluid and cursive, with a large, stylized "G" and "S".

George V. Smith
Associate Deputy Director

cc: Lucy Labson
Laurie Brooks



September 20, 2005

George V. Smith
Associate Deputy Director
State Programs Office
Institute of Museum and Library Services
1800 M Street NW, 9th Floor
Washington, DC 20036

Dear George:

Our meeting on August 18th and follow-up conversation by phone framed my further investigation into D.C. Public Library's record on usage of LSCA Title II funds for the years 1993 through 1997. Here's what I found:

1. The D.C. Public Library put in the same generic request for the full amount of the Title II grant every year. It reads as follows:

"Since its opening in 1972, the Martin Luther King Memorial Library has experienced many changes due to growing demands for service delivery priorities as well as new opportunities for service. Remodeling and alterations are planned to accommodate new space needs and expanding services. Enhancing our ability to make use of the new technology is a continuing goal, and a catalyst for changing physical aspects of our facilities. LSCA funds will be used to make modifications to the Martin Luther King Memorial Library, and to upgrade telecommunications capabilities in the central library building as well as in branches. These changes will address the following goals in the Long Range Plan: I, II, VI, IX, XIII, XVI, XVII, and XVIII. Matching funds will be available from another area of improvement to the Martin Luther King Memorial Library involving major systems throughout the building."

2. Although there was preliminary consideration of a number of construction/renovation projects, *none* were carried out.

Therefore, as you suspected, the awards you outlined should still be available for use by the D.C. Public Library, as follows:

1993	\$141,505
1994	127,587
1995	126,818
1996	123,192
1997	<u>122,351</u>
TOTAL	\$641,453

1993	\$141,505
1994	127,587
1995	126,818
1996	123,192
1997	<u>122,351</u>
TOTAL	\$641,453

I hope this answer is satisfactory. I am certain that these are the facts. I send thanks to you, Linda Gray-Broughton, Laurie Brooks, and anyone else who has spent time on this paper trail for your patience. You have been helpful every step of the way. Please let me know if you need anything more from the D.C. Public Library about this matter.

Sincerely,

Lucy H. Labson

Lucy H. Labson

Grants Manager

D.C. Public Library

901 G Street NW, Room 400

Washington, DC 20001-4599

202.727.1204; lucy.labson@dc.gov

cc: Francis Buckley
Linda Gray-Broughton
✓ Laurie Brooks

Laurie Brooks

From: Labson, Lucy (DCPL) [lucy.labson@dc.gov]
Sent: Wednesday, September 28, 2005 1:53 PM
To: Laurie Brooks
Cc: Buckley, Francis (DCPL); Singh, Inderjit (DCPL); Woods, Kimberly (DCPL); Pacana, Cherylle (DCPL)
Subject: RE: Drawdown Request

Thanks, Laurie. I'm glad that our meeting last week was helpful to you. I know it was for me. DCPL appreciates your authorization of our drawdown request. I will discuss the modifications you outline here with our budget office personnel, so we can put them in place immediately.

The broader documentation questions you raise in your second paragraph frame very well the issues I've been thinking about for the last month or so, and am now ready to tackle. In fact, as I told you, we have a CFO with us, which we have not had since last November, and I know he's eager to clarify and simplify a number of budget processes, insofar as the District government rules allow. I hope to meet with him very soon about LSTA.

I'll also be meeting with recipients of LSTA money to iron out the program pieces that are unnecessarily unruly and cumbersome. I'll keep you posted. You continue to offer good, practical suggestions, and I am grateful to you and George and both Lindas for the ideas and the encouragement you all give me.

My best,
 Lucy

-----Original Message-----

From: Laurie Brooks [mailto:LBrooks@IMLS.GOV]
Sent: Wednesday, September 28, 2005 12:45 PM
To: Labson, Lucy (DCPL)
Subject: Drawdown Request

Hi Lucy,

IMLS has completed its review of the DCPL's recent drawdown request. It was most helpful to have you here last week to provide photocopies of the documents that did not fax across in readable format and to explain the contents. George, Linda DiAndrea and I met this morning and feel that the information you provided allows us to authorize the drawdown. However, we ask that in the future that supporting materials be aligned with the drawdown request (we do not need a cumulative listing of expenditures); please supply a cover sheet totaling the personnel and non-personnel costs to match the request; and please send in the request and supporting documentation via courier or email attachment to ensure readability.

I also have a suggestion regarding your LSTA program administration role. This being your first year, it might be a good point along the "high risk" continuum to consider whether or not the documentation provided to IMLS is sufficient for DCPL's LSTA reporting needs. Does the documentation lend itself to a streamlined review of a given

LSTA project within the library? Is everything there for developing a project report for the State Program Report, or might some data element be missing? It would seem to me that a single format that answers both the DCPL and IMLS monitoring requirements would be most efficient.

Please let me know if I can be of assistance.

Regards,

Laurie

Laurie C. Brooks | Senior Program Officer | State Programs
Institute of Museum and Library Services
1800 M Street NW | 9th Floor | Washington, DC 20036
202-653-4653 | 202-653-4602
lbrooks@imls.gov | www.imls.gov

9/28/2005

9/28/2005

Laurie Brooks

From: Labson, Lucy (DCPL) [lucy.labson@dc.gov]
Sent: Friday, January 27, 2006 3:28 PM
To: Laurie Brooks; George Smith
Cc: Buckley, Francis (DCPL); Singh, Inderjit (DCPL); Pacana, Cherylle (DCPL); Woods, Kimberly (DCPL)
Subject: LSTA follow-up

Dear Laurie and George,

I can't thank you enough for the time you've spent with me in our mutual effort to bring DCPL's designation of projects that are awarded LSTA money, monitoring of the spending, and reporting practices in line with the expectations of IMLS and federal requirements. Tuesday's full afternoon meeting was enlightening. I am very grateful for your guidance.

You said you'd like to meet with Fran, Inder Singh (our CFO) and his budget team, and me for a "technical assistance site visit." Inder divides his time between DCPL and Parks & Rec, but is at MLK Library on Tuesdays and Thursdays. Please give me a few alternative dates and times that you both can meet, and I'll check with the others. Let's try for the week of February 6th or 13th.

What follows is a summary of the issues we discussed on Tuesday:

Computers are disallowed

We know that you have to disallow the purchase of computers for Adaptive Services and Community Youth Services because DCPL is not compliant with CIPA. I am planning to send a notice out to all recipients of LSTA money at DCPL to emphasize that computers are not allowable, and get from each of them a specific budget of their intended expenditures this year. Inder said I need to be inserted into the PASS system, which is DC's purchase order/requisition system, as a means of seeing each item that is requested by LSTA recipients before actual purchases are made. In this way, I'll have the budgets to refer to and the chance to consider whether the item is an allowable cost. I'd also be able to check with you on items I'm unclear about.

More info needed re our recent drawdown request Kim Woods of our budget

office assured me yesterday that she was trying to gather the specific expenditures ascribed to "US BANK" on our most recent drawdown. She understands that "US BANK" as a line item doesn't give any information, and that even general words like "supplies" don't give you enough information to assess allowability.

Marketing and Communications expenses not allowable You point out that the \$29,574 spent by Marketing and Communications, in almost entirely being used to promote the library system as a whole, is not allowable. In the course on Cost Principles that I took a couple of weeks ago, I saw in OMB Circular A-87 section 1, Advertising and public relations costs, part (f), "Unallowable advertising and public relations costs include the following." Part (3) says, "Costs of promotional items and memorabilia, including models, gifts, and souvenirs," and part (4) says, "Costs of advertising and public relations designed solely to promote the governmental unit." I have to agree that purchases with LSTA funds made by the Marketing and Communications Department were "unallowable." As you know, this was never pointed out to DCPL in the past, and the Marketing and Communications Department did not know that these expenditures were unallowable. I'd like to ask whether we can include this "project" this time around, and exclude it from now on.

Summer Quest and Holla' Back Reading Incentives You and your legal counsel question a number of items associated with our Summer Quest and Holla' Back reading programs. These items include T-shirts, key chains, binders, back packs, and a portable DVD player. You said that books given as rewards for reading would not have been questioned, but that IMLS considers the items listed as "promotional," and therefore disallowed in OMB Circular A-87. I would like to respectfully disagree. As I see it, these items are incentives for reading--that is, for carrying through on the basic purpose of the summer reading programs. Each prize is based upon the number of books a youngster reads. Holla' Back, the summer reading program for teens, includes the option of writing book reviews as many as each enrollee wishes to write. The DVD player is the grand prize awarded to the writer of the best book review of the summer. The way I see it, these prizes are direct incentives for reading and writing book reviews. I see them as falling under section 26 of OMB Circular A-87, which covers "Materials and supplies costs." Part (a) says "Costs incurred for materials, supplies, and

fabricated parts necessary to carry out a Federal award are allowable." I don't see them as either promotional in nature or as entertainment, but rather as direct rewards for reading, and therefore, "necessary to carry out" the summer reading programs. I respectfully ask that your legal counsel take another look at this issue.

LSTA administrative costs restricted to 4% Our discussion of the fact that a state can only assign 4% of the total award to LSTA Administration was very concerning. The 4% figure for the annual report just submitted is \$29,461.24. First, my full salary and benefits have been paid out of LSTA funds, which I now find out is not allowable because it exceeds the 4% limit. Second, I've been taking courses directly related to the administration of LSTA at Management Concepts, and charged them to our LSTA award. Third, we're about to hire consultants to conduct the 5-year Evaluation required by IMLS at an estimated cost of \$40,000. Fourth, in forming an LSTA Advisory Council that is determined to open up the LSTA award to applicants who have never been given the chance to apply--within DCPL, the DC Public Schools, the DC Public Charter Schools, and the University of the District of Columbia--there are expenses. We're about to print a large number of simple brochures to place around the District and get the word out and create a Web presence by which potential applicants can get information about LSTA and the application form. Other basic expenses related to this effort will come along. Now, it seems, we don't have the money to support these expenses. Even if we move my salary and benefits to the DCPL local budget, which is a complicated issue, we won't have enough money to cover these other essential expenses. Is there any way we can create a "project" out of the consultants or the costs related to opening up the LSTA application process?

I look forward to our meeting. Laurie, I will correct the other items we reviewed in our State Program Report and resubmit it to you as soon as possible.

Again, many thanks to both of you for all the help and support you've given to DCPL--and to me. It continues to be invaluable.

Lucy Labson
Grants Manager

Lucy Labson
Grants Manager

February 2, 2006

Francis J. Buckley
Interim Director
District of Columbia Public Library
901 G St. NW, Ste. 400
Washington, DC 20001

Dear Mr. Buckley:

The Institute of Museum and Library Services sent you a letter, dated January 22, 2005, indicating that it was designating the District of Columbia Public Library a "high risk" State Library Administrative Agency (SLAA). IMLS took this action due to serious ongoing concerns with DCPL's compliance with Federal grant and record-keeping requirements. In particular, we noted a lack of documentation to demonstrate that funds were used appropriately; a lack of internal control systems to ensure compliance with OMB circulars and grant requirements; a consistent lack of attention to Federal reporting requirements; and a lack of response to specific audit findings.

Lucy Labson, DCPL's grant's coordinator, has been working diligently with Laurie Brooks, the IMLS Program Officer assigned to DCPL, to correct deficiencies in the SLAA's LSTA program. While she has successfully addressed a number of issues, IMLS continues to have concerns in other areas. Of particular concern is the continued lack of adequate documentation of expenditures and the reporting of unallowable costs in its recently submitted State Program Report (SPR). Therefore, IMLS will continue the "high risk" designation for the District of Columbia Public Library for an additional six months.

IMLS will continue to impose the following conditions on DCPL's LSTA funding:

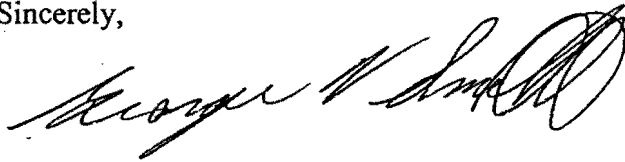
- All payments will be made on a reimbursement basis, upon a showing of actual expenditures with supporting documentation. (For example, to seek reimbursement for salary, the library must provide documentation of an individual's work time and attendance.)
- All staff who works with LSTA funding must receive training on the relevant OMB Circulars, including A-87 and A-102. Additionally, we urge you to review A-133, to assist you in establishing internal controls, complying with federal requirements, maintaining records, and conducting internal audits and reviews. These are key elements in managing a Federal grants program.

- Finally, we require that you develop a compliance plan to detail how you will bring the program administration in line with Federal requirements and submit this plan to the agency by April 1st. (This was not accomplished by November 1st, 2005, as required in the letter of July 22, 2005.)

The payment restriction will continue until August 1, 2006. At that time, IMLS will review the Library's current status to determine the appropriate next steps. We request that you provide regular updates to IMLS Program Officer Laurie Brooks, no less than once every other month, regarding specific improvements to the Library's management controls. In addition, we would like to set up a meeting with you, Lucy Labson, programmatic and fiscal personnel who are involved with the LSTA program, Laurie Brooks, and me to discuss the structure of the LSTA program at DCPL.

We understand that the DCPL is intent on fully addressing deficiencies in its program, and are delighted that the Library is developing protocols for grants management. We encourage you in these efforts and are available to provide technical assistance. If you have any questions regarding the conditions or believe that they have been improperly imposed, you may request reconsideration by the agency; your request must be in writing and submitted to IMLS by February 15, 2006.

Sincerely,



George V. Smith
Associate Deputy Director

cc: Lucy Labson
Laurie Brooks

Laurie Brooks

From: Labson, Lucy (DCPL) [lucy.labson@dc.gov]
Sent: Friday, February 24, 2006 1:31 PM
To: Laurie Brooks
Cc: George Smith; Buckley, Francis (DCPL); Singh, Inderjit (DCPL); Pacana, Cherylle (DCPL); Woods, Kimberly (DCPL)
Subject: DCPL Status Report

Dear Laurie,

It's time to give you a status report on changes on our most recent drawdown request and the revision of the annual State Program Report (SPR). Kim Woods and I reviewed, line-by-line, the items requested in our drawdown request to make sure disallowed items were off the list. When unsure about a few specific entries, we checked with the person who made the purchase and decided "yes" or "no," accordingly. Kim is about to submit the edited drawdown request, perhaps as soon as today.

I set up a series on individual meetings with LSTA award recipients to review their budgets from last year and, frankly, to teach them how to think about their LSTA award, from the program or project description to the budget that supports the program or project described. There is a serious learning curve on this, as you would suspect, but I believe progress is being made on this reorientation in thinking. (Meeting one-on-one, I find, makes it easier for the person on the other side of the table to ask questions they might not be comfortable asking in a group meeting.) I met with the last person on my list yesterday, and intend to write up a page of notes that will guide them from now on--just to make sure they have something to refer to when making decisions. I have adopted the "Laurie approach," which finally has gotten through to me--"When in doubt--even small doubt--call, come to my office, or send me an e-mail so we can consider the problem beforehand."

The other discussion I've had with each recipient is in response to George's generous suggestion of looking, as a one-time-only measure, for additional programs or expanding the ones we already have in our SPR to find expenses that would meet the legal guidelines for spending LSTA money. The objective is to reduce the dollars we'd have to lose (de-obligate) from the FY2004 LSTA award. The most fertile source seems to be Collection Development

because it serves the whole system. I've had good conversations with two key people in the division, and our resubmission will show the results of those efforts.

As to DCPL's compliance plan, it is well underway, as follows:

- o You and I have had a series of telephone conversations, e-mail exchanges, and in-person meetings to help DCPL put practices in place, from the ground up, that would allow the program to run smoothly and meet the requirements of federal law and IMLS regulations. Your generosity in this regard has been invaluable.

- o You and George came to DCPL recently for a meeting with our interim director/state librarian, our CFO, and the two key people in our budget office to review problems IMLS had with our recent drawdown request and with our SPR. The exchange helped all present to understand the specificity of information IMLS requires of DCPL, in its "high-risk" status, when a drawdown is submitted, as well as the identification of items in the SPR that are disallowed by federal law and IMLS regulations. In follow-up to this meeting, the budget office, under the direction of the CFO, is developing practices, including practices for monthly reporting to me as LSTA coordinator, that will give all of us the information we need. I am working on getting detailed budgets from all leaders of programs and projects that are funded in whole or part with LSTA money. Both pieces--the budget office piece and details on program budgets--still need work.

- o As stated earlier, I have met one-on-one with all coordinators of programs and projects that are funded with LSTA dollars, and will keep in close touch to assure that DCPL does a better job of differentiating among goods and services that are allowable vs unallowable by federal law and IMLS regulations.

- o Since early October, I've taken five courses for recipients of federal grants at Management Concepts, a Vienna, Virginia, company that specializes in courses related to grant management. The first four were core courses--Applying for Federal Grants, Managing Federal Grants, Uniform Administrative Requirements for Grants, and Core Principles of the Federal Government Circulars. The fifth, an elective, was Business Management Systems for Recipients. I intend to take two additional electives in March, one on Grants and GPRA, which concentrates on performance-based tools in relation to federal grants, the other on Audits of Federal Grants. This will allow me to complete Management Concept's Certificate Program for recipients of federal grants. Fortunately, since these courses provide

a lot of information generally over two days, Management Concepts does an excellent job of accompanying each one with a large notebook of information that I've already used many times.

In April, I convened an LSTA Advisory Council that includes DCPL staff members, one representative from the University of the District of Columbia (UDC) and from the DC Public Schools (DCPS), and two community members, one of whom serves as chair. The Council, which has met monthly (with a couple of exceptions) since then, is currently composed of eight members. (We had a member from the DC Public Charter Schools who changed jobs, and are looking for a replacement.) The Council is committed to establishing an open application process for LSTA money that would allow staff from UDC and DCPS to apply. The work of the Council has been methodical and thorough. We have a protocol for our practices, including membership terms, are investigating a website presence, and are in the final stages of printing a brochure about LSTA that will be distributed districtwide and of being able to make available an application form with instructions. The Council has been remarkable in its commitment to thoroughness and care each step of the way.

It is the Council that will play a significant role in the five-year evaluation process.

I hope I haven't left anything out. DCPL is determined to "right itself" by gaining your confidence through better reporting and more structured budget and program practices than it had in previous times. We are very grateful for your help and support as we find our way.

Lucy Labson
DCPL LSTA Coordinator

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and church provide

Lucy Labson
DCPL LSTA Coordinator
2020-2021

Laurie Brooks

From: Laurie Brooks
Sent: Tuesday, April 25, 2006 10:37 AM
To: 'Labson, Lucy (DCPL)'
Cc: George Smith
Subject: Follow-Up

Hi Lucy,

Thanks for taking time yesterday to bring me up to date on the LSTA program at DCPL. I was glad to hear of the progress underway. I know you have worked diligently to establish a new foundation of protocols for the program. It certainly appears that the SLAA has come a long way towards compliance.

In the "high risk" letter sent to Fran Buckley from George Smith (letter dated 2/2/06), a number of contingencies are listed. As we get closer to August 1, 2006 review date, I would suggest that you look over the letter to be certain that DCPL will meet all of the requirements.

Also, George and I would like to meet with you close to the review date to discuss the library's progress and next steps. Scheduling meeting time in the summer is sometimes challenging but perhaps we can find a time that works. We would expect to come over to the central library as we have before and meet with you and whoever else should be part of the conversation.

If you have any questions, please let me know.

Again, thanks for your dedicated effort.

Regards,

Laurie

If you have any questions, please let me know.

Again, thanks for your dedicated effort.

Regards,

Laurie

Laurie C. Brooks | Senior Program Officer | State Programs
 Institute of Museum and Library Services
 1800 M Street NW | 9th Floor | Washington, DC 20036
 202-653-4653 | 202-653-4602

Laurie C. Brooks | Senior Program Officer
 Institute of Museum and Library Services
 1800 M Street NW | 9th Floor | Washington, DC 20036
 202-653-4653 | 202-653-4602

4/25/2006

4/25/2006

September 27, 2006

Ginnie Cooper
Chief Librarian
District of Columbia Public Library
901 G St. NW, Ste. 400
Washington, DC 20001

Dear Ms. Cooper:

The Institute of Museum and Library Services sent a letter to Interim Director Francis Buckley, dated July 22, 2005, indicating that it was designating the District of Columbia Public Library a "high risk" State Library Administrative Agency (SLAA). IMLS took this action due to serious ongoing concerns with DCPL's compliance with Federal grant and record-keeping requirements. In particular, we noted a lack of documentation to demonstrate that funds were used appropriately; a lack of internal control systems to ensure compliance with OMB circulars and grant requirements; a consistent lack of attention to Federal reporting requirements; and a lack of response to specific audit findings.

IMLS sent a second letter to Mr. Buckley on February 2, 2006, extending the "high risk" status. In that letter, we noted that Lucy Labson, DCPL's grant's coordinator, had been working diligently with Laurie Brooks, the IMLS Program Officer assigned to DCPL, to correct deficiencies in the SLAA's LSTA program. While she had successfully addressed a number of issues, IMLS continued to have concerns in other areas. Of particular concern was the continued lack of adequate documentation of expenditures and the reporting of unallowable costs in its State Program Report (SPR), submitted in December 2005.

Therefore, IMLS continued to impose the following conditions on DCPL's LSTA funding:

- All payments had to be made on a reimbursement basis, upon a showing of actual expenditures with supporting documentation.
- All staff who work with LSTA funding would have to receive training on the relevant OMB Circulars, including A-87 and A-102. Additionally, we urged you to review A-133, to assist you in establishing internal controls, complying with federal requirements, maintaining records, and conducting internal audits and reviews. These are key elements in managing a Federal grants program.

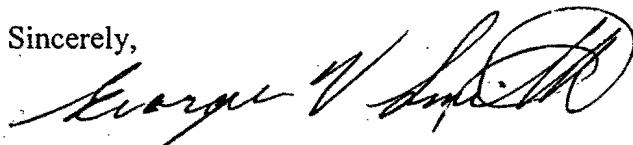
- Finally, we required that you develop a compliance plan to detail how you would bring the program administration in line with Federal requirements and submit this plan to the agency by April 1st. (This was not accomplished by November 1st, 2005, as required in the letter of July 22, 2005.)

The DCPL has made significant progress in two of these areas. Lucy Labson has completed the Grants' Management Certification program and has provided guidance for others involved in the LSTA program. Her increased understanding of requirements is evident. The documentation submitted with reimbursement requests has also improved. In addition, Ms. Labson has provided status reports on implementing compliance measures. Now that there is a permanent administration in place, DCPL should submit a formal compliance plan.

IMLS will extend the "high risk" status for the DCPL until the SPR, which is due December 30, 2006, is reviewed and approved. In addition, DCPL needs to submit its formal compliance plan by that date. At that time, IMLS will review the Library's status to determine the appropriate next steps.

We understand that the DCPL is intent on fully addressing deficiencies in its program, and are delighted that the Library is developing protocols for grants management. We encourage you in these efforts and are available to provide technical assistance. If you have any questions regarding the conditions or believe that they have been improperly imposed, you may request reconsideration by the agency; your request must be in writing and submitted to IMLS by October 16, 2006.

Sincerely,



George V. Smith
Associate Deputy Director

Sincerely,



George V. Smith
Associate Deputy Director

cc: Lucy Labson
Laurie Brooks
Mary Chute

cc: Lucy Labson
Laurie Brooks
Mary Chute



November 2, 2006

TO: George V. Smith
Associate Deputy Director
The Institute of Museum and Library Services (IMLS)

FROM: Ginnie Cooper
State Librarian
The District of Columbia, and
Chief Librarian, The District of Columbia Public Library (DCPL)

RE: The DCPL's LSTA Compliance Plan

Overview

In the past year, DCPL has been formulating and implementing policies and procedures to bring the system into compliance with the rules established by IMLS for all who receive LSTA grant money. We have taken a number of steps to eliminate the problems you outlined in letters to DCPL, as follows:

- The inappropriate use of LSTA funds in some cases, as identified in DCPL's annual State Program Report (SPR) last December.
- The absence or inadequacy of internal control systems.
- A consistent lack of attention to federal reporting requirements over the years.
- The lack of response to the last audit findings.

The inappropriate use of LSTA funds

Those whose programs have been supported for several years with LSTA money have been given the list of IMLS "purposes" for guidance on the appropriate uses of this grant. Each recipient is required to submit a detailed narrative description of his or her program and budget, both of which are reviewed by the DCPL grants manager and discussed by both parties. If a program manager would like to change the budget during the course of the fiscal year, the change has to be approved by the grants manager.

In addition, the DCPL grants manager completed a reputable certificate program for recipients of federal grants. The cost principles of OMB Circular A-87 are the major source of guidance on the definition of "allowable costs" for federal grants. DCPL is now checking any questionable proposed expenditure against those definitions, and seeking guidance from our Senior Program Manager at IMLS.

when the Circular doesn't provide a clear answer. This careful review has stopped our old problem of submitting items and finding out retrospectively that they are not allowable.

The absence or inadequacy of internal control systems

We have put in place a structure of internal controls, starting with the steps described in the previous section. The DCPL grants manager has worked closely with the Budget Office to establish a format and schedule of monthly reports on LSTA spending. Ironing out the details of these reports is taking time. We have tried two reporting systems, but both had weaknesses. Some of the difficulty in this effort is a direct reflection of the cumbersome budgeting and spending system used by all agencies of the District of Columbia. We are currently in the first stages of initiating a report format that seems to cover what is needed by the grants manager to assess progress and identify potential problems, program by program, on a monthly basis through the year. Whether this approach will be effective remains to be seen.

Although this IMLS requirement has been imposed with our "high-risk" status, we will continue the process of reviewing LSTA expenditures line by line, prior to submitting drawdown requests, as another internal control mechanism. The review process has imposed a useful discipline for the Budget Office and the grants manager to ensure that every expenditure submitted for reimbursement meets with federal law criteria for "allowability." It has also meant that the grants manager can answer any line-item question raised by the Senior Program Manager at IMLS.

DCPL created an LSTA Advisory Council in April 2005 to guide our first outreach effort—advertising the availability of LSTA grant funds to eligible groups outside of the public library system. The Council includes members from the community, from DCPL, from DC Public Schools (DCPS), from DC Public Charter Schools (DCPCS), and from the University of the District of Columbia (UDC). With occasional exceptions, the Council meets monthly. It has established a mission statement and a protocol, which includes terms of office. In consultation with the State Librarian, the Council advertised the availability of LSTA grants to DCPS, DCPCS, and UDC libraries, and urged applications that included partnerships. The DCPL grants manager conducted a training session and handouts for prospective applicants. The Council started a Web site to provide information about IMLS, LSTA, and the application process, including the application form itself. The Council then created a written review form to ensure fairness and thoroughness in making the decision on each application that would be submitted.

In this first cycle, three applications were given grants that ranged from \$5,000 to \$19,500, as follows:

- **Capitol City Public Charter School, "See Me, Hear Me, Write Me," \$5,000**—This project will engage 7th and 8th graders in writing poetry and publicly reading what they wrote, as well as meeting with professional writers to talk about the process of writing.
- **Stuart-Hobson Middle School, "Preserving Stuart-Hobson's Past," \$16,175**—This school has an unusual history. It began as an all-white school, but became desegregated in the 1960s. Boxes of materials about the school's history are stored at the school, but not sorted or organized in any way. Students will learn how to archive the materials, much of which will go on display in the library. Students will also seek materials of historic value in the surrounding community to add to the permanent collection.
- **The DC Bilingual Public Charter School, "Supporting and Improving Bilingual Literacy," \$19,500**—The school is committed to several programs related to bilingual literacy aimed at young children and their families and caregivers. The objective is to make books and reading exciting, and to evaluate each of the sub-programs to assess impact.

All accepted applications involved partnerships. Letters of agreement have been signed by the recipients. We are currently working on getting other required forms in order, such as the Letter of Assurances, as IMLS requires, and on a manual of instructions to sub-grantees, which will be completed in the next few weeks. The DCPL grants manager has been available to answer questions as the programs get under way.

Finally, DCPL hired the consulting firm Himmel & Wilson to conduct DCPL's Five-Year Evaluation and new Five-Year Plan. The timeline assures us that both reports will be written on time, and it has already been a pleasure to work with this highly professional, experienced team. Bill Wilson and Ethel Himmel have spent several days at DCPL, meeting with recipients of LSTA funds and others, including me, as the new Chief Librarian, to get the early information they need to go forward. The process is welcomed at DCPL as a means of obtaining an objective view of the use of LSTA money in the District of Columbia over the last five years and, with input from the Council and me, the focus of spending for the next five years.

Consistent lack of attention to federal grant reporting requirements

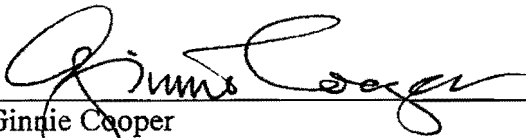
All the steps we've taken contribute to the improved planning and spending of LSTA funds. DCPL is committed to submitting an on-time, accurate SPR at the end of this year. Our intention is to meet IMLS and federal grant guidelines throughout the report.

Federal grant requirements have played a central role in the training materials and training sessions conducted by the grants manager for applicants and recipients of LSTA awards. The course work completed by the grants manager—and accompanying take-home materials—continues to be an excellent source of help.

Lack of response to audit findings some years back

It has been impossible to reconstruct the past with any certainty in regard to the LSTA grant. Records are spotty or absent. However, the Budget Office assures us that all invoices and purchase orders are available from 2003 to today should we be audited. The Budget Office says it can access records a bit further back than that, but getting to them would take some time due to the District's financial records archiving system.

Please feel free to get in touch if you need more information.



Ginnie Cooper
State Librarian for the District of Columbia, and
DCPL Chief Librarian



INSTITUTE of
Museum and Library
SERVICES

Creating a Nation of Learners

February 1, 2007

Ginnie Cooper
Chief Librarian
District of Columbia Public Library
901 G St. NW, Ste. 400
Washington, DC 20001

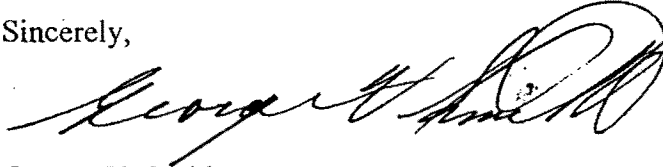
Dear Ms. Cooper:

On September 27, 2006, I sent you a letter informing you that the Institute of Museum and Library Services was extending the District of Columbia Public Library's "high risk" status for the third time. IMLS determined that the period would be extended until the Library's submission of its State Program Report (SPR), at which time it would review the Library's compliance with conditions set out in previous letters and its overall performance in managing its LSTA program. The Library submitted its SPR on December 18, 2006, and Laurie Brooks, the IMLS Program Officer, approved it on January 24, 2007.

Ms. Brooks and I have reviewed the SPR as well as other required submissions and we are very pleased with the performance of the District of Columbia Public Library with respect to the LSTA program. We are particularly pleased with the administrative oversight being given to the program. Ms. Lucy Labson has received grants management training well beyond what we usually find in LSTA Coordinators and her dedication and expertise is exemplary. In addition, the Library is now providing credible fiscal oversight for the program and is able to account for the expenditure of funds. The problems associated with the lack of fiscal accountability were particularly troublesome when IMLS placed the Library on high risk status two years ago. We strongly recommend that care be taken to maintain the accountability standards that the Library has now set in place.

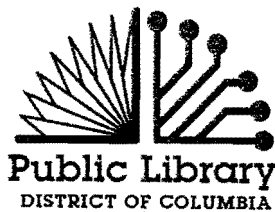
IMLS is now removing the District of Columbia Public Library from "high risk" status. It will no longer be required to submit invoices with the Request for Payment form. However, such records must be kept with the Library's LSTA file. If you have any questions, please contact either Ms. Brooks or me.

Sincerely,



George V. Smith
Associate Deputy Director

cc: ✓ Lucy Labson
✓ Laurie Brooks
Mary Chute



February 23, 2007

Mr. George V. Smith
Associate Deputy Director
Institute of Museum and Library Services
1800 M Street, NW
9th Floor
Washington, DC 20036-5802

Dear Mr. Smith, *George*

We were delighted to receive your letter of February 1 informing us that the District of Columbia Public Library is no longer at high risk status with IMLS. We are completely committed to maintaining high accountability standards for the LSTA program from now on.

Lucy Labson has told us repeatedly about the enormous helpfulness and patience you and Laurie Brooks, our Senior Program Officer, have given her throughout this process. We also recognize the commitment Lucy has shown to setting things right and are grateful to her for that.

The LSTA program provides major benefits to DCPL and, therefore to the District of Columbia. As we look to the future, we even dare to dream of working with IMLS through its competitive grants programs!

Sincerely,

Ginnie
Ginnie Cooper
Chief Librarian

Ginnie
Ginnie Cooper
Chief Librarian