

**AUDIT REPORT**

**Project MORE, Inc.**

**January 1, 2015 to December 31, 2016**

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# Comptroller's Summary

## Background/Organization

Project MORE, Inc. (Project Model Offender Reintegration Experience, Inc.) is a not for profit corporation located in New Haven, Connecticut which provides Dutchess County with criminal justice reform and alternatives to incarceration programming. Community Correction services provided during the audit period include a Transitional Housing Program, Community Transition Center and an in-jail and post release program, RESTART or Re-Entry Stabilization Transition And Reintegration Track.

The Transitional Housing Program offers incarcerated individuals from the Dutchess County Jail alternative housing while awaiting recommendation to a treatment facility by the Dutchess County Department of Mental Hygiene. Clients are referred by the Dutchess County Jail. Approximately half of the clients at this program are involved in day treatment programs. Most participate in Dutchess County's Intensive Treatment Alternatives Program (ITAP). Project MORE provides all of the transportation to and from the treatment programs. Clients are kept on a set schedule of meal times, groups, recreation, wake-up and lights out. A total of 38 co-ed beds are provided for utilization by offenders.

The Community Transition Center (CTC) is an alternative to incarceration program aimed at a high risk population of both sentenced and pre-trial individuals. CTC is a Day Reporting Center located in Poughkeepsie which provides 120 slots for male and female clients from the ages of 16 and older. An assigned probation officer works in conjunction with CTC on-site to provide intensive supervision and home site visits. Referrals to the CTC program are made through Probation. CTC provides clients with cognitive behavioral change skills, GED preparation, employment readiness, and community service. This program was assigned to Project MORE in 2015. The original contract provided 80 slots for male and female clients.

The RESTART program is an in-jail treatment program that provides highly structured interventions and services that include cognitive behavioral interventions, psychoeducational classes, in-jail case management and structured transition plans for inmates as they transition back into the community. Project MORE Inc. is part of the Jail-Based Team that includes personnel from the Jail, the Office of Probation and Community Corrections, and Hudson Valley Mental Health. Funding for Project MORE Inc. was used to implement and develop transition/release plans in consultation with the participant and program specialist. The RESTART program commenced mid-year 2015. Project MORE reported 50 men and 20 women were provided programming at any given time.

## Audit Scope, Objective and Methodology

An audit was conducted for the period of January 1, 2015 – December 31, 2016. Dutchess County contracts provided funding totaling \$2,003,672.64 in 2015 and \$2,181,592.07 in 2016. The Dutchess County Department of Probation and Community Corrections (Probation) contracts provided funding for the Transitional Housing Program in the amount of \$1,355,798.62 in 2015 and \$1,381,882.25 in 2016; and funding for the Community Transition Center in the amount of \$559,532.41 in 2015 and \$561,762.78 in 2016. The Dutchess County Sheriff's Office Corrections Division (Jail) contract provided funding for the RESTART programming in the amount of \$88,341.61 in 2015 and \$237,947.04 in 2016. In 2015, the RESTART program commenced.

The contracts are generally funded with 100% county tax dollars. Contracts are expense driven. Claims are submitted to the respective county departments for reimbursement.

Our review included:

- County contracts and the respective payment provisions
- Agency processes for the payment of expenses claimed to the county
- Selected expenses: 2015 Personnel Costs; 2016 Personnel Costs, Equipment, Supplies, Contractual, Facilities, Vehicle Costs, and the Administrative/Indirect Cost Fees
- Agency inventory processes

Project MORE's administrative and fiscal offices are located in New Haven, Connecticut. As a result, our review of the agency's internal controls and original documentation was limited.

## Summary of Findings

Each contract amount is supported by a line item budget. This budget is referred to in each of the contracts. Financial records and agency processes were generally found to be in good order.

## Detailed Findings

### Specific Contract Provisions

Each contract agreement contains an audit provision which states: "All vouchers or invoices presented for payment to be made hereunder, and the books, records and accounts upon which the vouchers or invoices are based are subject to review by the department and audit by the County Comptroller. Contractor shall submit any and all documentation and justification in support of expenditures or fees under this Agreement as may be required by the County."

#### Observations

- Payment requests were submitted for the monthly expenditures to the respective departments (Probation and Jail). After the department review, the payment requests were sent to the Comptroller's Office for audit review and subsequent payment. In several instances during the year, there were requests made to the respective department and the agency to provide additional documentation and justification. All documentation and justification was provided timely and properly supported the expenditures questioned.
- During our audit, more extensive review of expenses was conducted and items were traced to additional supporting documentation. Any questions were presented to the agency and resolved.

Each contract agreement for each program contains a paragraph which states: "the Contractor agrees to provide services under this agreement in strict compliance with the budget which is annexed to and made a part of this Agreement as Exhibit "B" and which details all personnel or other costs of services to be rendered the Contractor under this agreement. Any change or modification of the budget must be in writing and must be approved in advance by the County."

#### Observation

- *Formal contract budget modifications were not consistently submitted for approval to reflect changes for expenditure categories during the funded time periods: However, budget modifications were submitted and were in the process of being formalized while the audit was being completed. During our review correspondence between the respective county departments and the agency agreeing to the expenditure modifications was presented to our office.*

#### Recommendation

- Formal Budget modifications should be submitted timely in accordance with the contract provisions.

The Transitional Housing Program contract provided an advancement of funds. Specifically, the contract stated..."There shall be a twenty-five(25%) percent advancement in the amount of \$345,728.75 to be paid in each monthly payment of 1/12 of advancement amount until the 25% has been reimbursed in full."

#### Observation

- The advancement was paid as stated at the execution of the contract and was reduced in accordance with the provision of 1/12 each month when claims were submitted.

## Program Expenditures

Attached as Exhibit I, II and III are the costs claimed by line item for each program for 2015 and 2016. Costs for 2015 are included for comparative purposes. Personnel Costs were reviewed for 2015 only. Personnel Costs, Equipment Inventory, Supplies, Contractual, Facilities, Vehicle, and the Administrative/Indirect Cost Fees were reviewed for 2016.

## Review of Selected Expenditures

### Personnel

In 2015, a total of \$609,933.22 was claimed for 26 individuals' salary costs to the Transitional Housing Program. The total staff employed per month ranged from 21-23 individuals. In 2016, a total of \$618,154.13 was claimed for 39 individuals' salary costs to the Transitional Housing Program. The total staff employed per month ranged from 14-20 individuals.

In 2015, a total of \$209,813.83 was claimed for 11 individuals' salary costs to the Community Transition Day Reporting Center Program. The average of total staff employed per month ranged from 7-10 individuals. In 2016, a total of \$238,398.30 was claimed for 13 individuals' salary costs to the Community Transition Day Reporting Center Program. The total staff employed per month ranged from 6-8 individuals.

In 2015 for the period of August to December, a total of \$39,692.14 was claimed for 3 individuals' salary costs to the RESTART program. The total staff employed per month ranged from 2-3 individuals. In 2016, a total of \$126,570.79 was claimed for 5 individuals' salary costs to the RESTART program. The total staff employed per month ranged from 2-3 individuals.

Salaries claimed for each program were spread based on the wage allocation sheets which accompany each program and were compared to the individual payroll summaries which were provided by the vendor's payroll company. Subsequently, these numbers were compared to employee W-2s.

### Observation/Finding

- Explanations were requested regarding anomalies which were a result of non-taxable items related to insurance and retirement plans. In addition, claim documents for personnel costs attached to the monthly summaries contained minor discrepancies that were corrected.

### Equipment/Inventory

A total of \$4,235.77 in 2016 was claimed for equipment to the Transitional Housing Program which included a phone system, a dishwasher, a TV, security system components and a cell phone for the director.

A total of \$8,187.36 in 2016 was claimed for equipment to the Community Transition Program included a phone system, printer, backpack blower, 3 computers, and a snow blower.

There were no equipment purchases for the RESTART program in 2016; however, a total of \$3,294.07 was spent in 2015 for startup costs to purchase 3 computers.

Inventory listings for each program were requested. Items purchased during the time period audited were compared to the listings.

### Finding

- Inventory lists were provided at the time of audit; however, we noted some information clearly identifying items such as make, model, cost, acquisition dates were not included. In addition, some items purchased in the audited years were not listed. *Project MORE was updating information as requested.*

### Recommendation

- The inventory listing should be updated as changes occur.

## Supplies

A selection of purchases for program, facility and related supplies were reviewed. Receipts were traced to claims. The agency's written purchasing policies and procedures were provided for selected expenses.

A total of \$148,907.47 in 2016 was claimed for supplies to the Transitional Housing Program. Costs claimed primarily were for resident supplies such as food, personal hygiene products, counseling books, toxicology testing supplies, facility supplies and gas for the motor vehicles.

A total of \$18,662.85 in 2016 was claimed for supplies to the Community Transition Center. Costs claimed included food, counseling books, office supplies, and gas.

A total of \$322.93 in 2016 was claimed for supplies to the RESTART Program. Costs claimed included computer/printer and office supplies.

## Finding

- A food supply receipt in the amount of \$1,627.13 for the Transitional Housing Program was claimed twice in the same month.

## Recommendation

- The Department of Probation and Community Corrections was notified to contact Project MORE and request a refund of the overpaid amount. Dutchess County received a check from Project MORE in the amount of \$1,627.13 for the overpayment during our audit review.

## Contractual

A total of \$28,098.03 in 2016 was claimed for contractual expenses to the Transitional Housing Program. Costs claimed included software maintenance and support, office copier, garbage removal, and security equipment.

A total of \$17,588.10 in 2016 was claimed for contractual expenses to the Community Transition Center. Costs claimed included software maintenance and support, garbage removal, and water cooler expenses.

A total of \$6,734.16 in 2016 was claimed for contractual expenses to the RESTART Program. Costs claimed included a vehicle lease, software maintenance and support.

## Facilities

A total of \$91,736.09 in 2016 was claimed for Facility expenses to the Transitional Housing Program. Costs claimed included facility rental, facility maintenance and repairs, utilities, and security monitoring.

A total of \$63,119.06 in 2016 was claimed for Facility expenses to the Community Transition Center. Costs claimed included facility rental, facility maintenance and cleaning.

There were no facility costs for the RESTART program as the program is conducted within the Dutchess County Jail.

## Vehicles

Transitional Housing Program has a total of three vehicles that are used in Dutchess County to transport clients to services including doctor appointments, court appearances, DCFS (Dutchess County Department of Community and Family Services *formerly Dutchess County Department of Social Services*), court dates, educational programs and outside treatment programs. The agency's written policies regarding resident transportation were provided.

Community Transition Center Program has a total of two vehicles that are used to transport clients to and from program sites including community service venues.

The RESTART Program has one vehicle that is used to transport clients to services including post release programs.

### **Other Expenses**

A total of \$43,518.72 in 2016 was claimed to the Transitional Housing Program. Costs claimed included client records software, cable TV, phone system expenses, insurance, snow removal, security monitoring, payroll processing, and miscellaneous supplies.

A total of \$35,105.09 in 2016 was claimed to the Community Transition Center. Costs claimed included insurance, client incentives, miscellaneous supplies, telephone and payroll processing expenses, client fees for GED program.

A total of \$17,045.01 in 2016 was claimed for primarily insurance costs for automotive, commercial and umbrella policies allocated to the RESTART Program.

### **Administrative/Indirect Cost Fee**

The above fee covers overhead and administration which is not directly billed for the above programs and is 18% for each of the programs based on the total costs incurred. This fee was billed and paid each month based on each program's monthly expenditures.

## EXHIBIT I Transitional Housing Program Funding

	2015	2016
Personnel Services	\$609,933.22	\$618,154.13
Fringe	228,724.97	234,898.56
Travel	6,183.91	1,537.89
Equipment	13,090.18	4,235.77
Supplies	140,314.97	148,907.47
Contractual	15,064.18	28,098.03
Facilities	91,058.90	91,736.09
Other Expenses	44,608.51	43,518.72
Indirect Costs	206,819.78	210,795.59
Total Expenses	\$1,355,798.62	\$1,381,882.25

## EXHIBIT II Community Transition Center Funding

	2015	2016
Personnel Services	\$209,817.83	\$238,398.30
Fringe	78,681.69	90,591.35
Travel	4,358.40	4,418.04
Equipment	34,178.92	8,187.36
Supplies	24,586.11	18,662.85
Contractual	26,262.90	17,588.10
Facilities	73,050.04	63,119.06
Other Expenses	36,736.08	35,105.09
Indirect Costs	71,860.44	85,692.63
Total Expenses	\$559,532.41	\$561,762.78

## EXHIBIT III RESTART Program Funding

	2015	2016
	(August – December)	
Personnel Services	\$39,692.14	\$126,570.79
Fringe	14,884.56	47,464.06
Travel/Staff Training	5,000.00	3,513.08
Supplies	103.45	322.93
Equipment	3,294.07	0.00
Contractual	4,398.60	6,734.16
Other Expenses/Insurances	7,492.95	17,045.01
Administration	13,475.84	36,297.01
Total Expenses	\$88,341.61	\$237,947.04