

Audit Report

Hands On – The Hudson Valley
January 1, 2007– December 31, 2007

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Comptroller's Summary

Background

Hands On! The Hudson Valley, is a not-for-profit organization serving Dutchess County by developing and coordinating the recruitment, training and placement of volunteers. Programs include Volunteer, Ombudsman, Youthful Offender and Hire A Teen. Additional information is on their website: www.handsonhv.org

Audit Scope, Objective and Methodology

The audited period was January 1, 2007 – December 31, 2007. The Agency's audited Financial Statements for 2007 were not available at the time of the audit. Dutchess County reimbursements for 2007 expenses amounted to \$40,234.00. Funds were provided per the table below:

Department Contract #	Term	Contract Amount	Amount Paid for 2007 Term
Youth Bureau 05-0083	01/1/07-12/31/07	\$34,190.00	\$34,190.00
Office for the Aging 06-0025	01/1/07-12/31/07	6,044.00	6,044.00
TOTAL		<u>\$40,234.00</u>	<u>\$40,234.00</u>

The audit included review of:

- Internal controls;
- The agency's cost allocations, salaries and original supporting documentation;
- Contract compliance.

Contract detail is attached as Addendum I.

Summary of Findings

Hands On! records were found to be in good order. Recommendations are made to document review of bank reconciliations and W-9 collection.

Detailed Findings

Internal Controls

The agency's internal controls for daily operations were reviewed. This included the receipt of money, bank deposits, approval of purchases, check disbursements, bank reconciliations, payroll and claim processing.

Cash Handling and Banking

No individual should have authority over all aspects of a transaction. Deposits, canceled checks, and bank reconciliations were reviewed. Monies received from Dutchess County were deposited timely. Monthly bank reconciliations are completed and verified to the general ledger.

Finding:

- Bank Reconciliations were not initialed.

Recommendation:

- A Board member should review and initial bank reconciliations to compensate for the agency's limited number of staff necessary to achieve separation of duties.

Purchasing and Payment Processing

The Executive Director reviews all expenses, allocates them to cost centers and assigns an account number. Checks are processed by the bookkeeper. Signators to the bank accounts include designated board members and the Executive Director, checks over \$100.00 require two signatures; checks are physically signed.

Credit Cards

The Agency does not have any credit cards.

Claims

Claims are processed by staff. Claims were verified to the appropriate program cost center maintained on worksheets.

Revenues

Payments were recorded in the appropriate revenue accounts.

Expenses

The agency's budget was approved by the Board of Directors.

Personnel Services

Total salaries reported were verified to W2s. Salaries allocated to various programs were based on grants received. Payroll is processed at the agency. Allocation of salaries was adjusted as funding changed.

Fringe Benefits/Payroll tax

Payroll taxes are processed by the agency's auditor.

Tax Filing

CHAR 500, Annual Filing for Charitable Organizations

IRS 990 Information Return

The above reports have not been filed for 2007; an extension for the filing of the above reports was submitted.

IRS Form 1099-Miscellaneous Income

The IRS requires Form 1099-Miscellaneous Income Statements be issued to individuals/businesses that receive payment of \$600.00 or more in a calendar year for services provided. The agency reported that no 1099s were issued.

Finding:

The agency contracts with their auditors to provide tax reporting services. The agency did not have a process to determine if vendors were eligible to receive an IRS MISC 1099.


Recommendation:

The agency should develop and implement a process to determine when forms are to be issued. The agency should collect updated W9s on all vendors to determine their status and eligibility to receive a MISC 1099.

Contracts

Contracts were reviewed for compliance. See Addendum 1 for detail on contracts.


Diane Jablonski, Comptroller


Cordelia Shemain, Auditor

Addendum I – Contract Detail

Office for the Aging

Contract # 06-0025

This contract was written for \$6,044.00 with a term of January 1, 2007 to December 31, 2007. Funds were provided for the recruitment and placement of volunteers in non-profit agencies in Dutchess County. The programs funded were Volunteer Skills Bank with \$1,958.00; the Ombudsman with \$2,400.00 and Medicare/Medicaid Fraud abuse with \$1,686.00. The contract was claimed and paid in its entirety.

Youth Bureau

Contract #05-0083

This contract was written for \$34,190.00 with a term of January 1, 2007 to December 31, 2007. Funds were provided for Youthful Offender Services and Hire A Teen programs. The Youthful Offender component provides Dutchess County courts with a community based alternative sentencing option for first time misdemeanor offenders between the ages of 16-21 years. The Hire A Teen component is a job referral service which matches youth ages 13-19 with homeowners and businesses needing per diem help. The contract was claimed and paid in its entirety.