

November 12, 2012

Mr. Jim Coughlan
Dutchess County Comptroller
22 Market Street
Poughkeepsie, NY 12601

Dear Mr. Coughlan:

First we would like to address the comments of the Comptroller's Summary. With regard to the amount of \$813,830 being due to the county for years of 2009-2011, we would like to note that Mental Health America (MHA) filed the Consolidated Fiscal Report for the end of year 2011 in July of 2012 with approximately \$409,000 due to the county. For years 2009-2010 the agency had booked a payable to the county totaling \$326,508. We had made attempts throughout 2011 to close out 2009 and starting in 2012 to close out 2010 with the Department of Mental Hygiene (DMH). In our discussions you stated that you were aware that MHA was not the only agency with several years open with DMH which is not noted in your comments. As of the writing of this letter, the MHA has paid \$311,275 for 2010 closeout and a portion of the 2011 closeout. The balance of \$330,542 will be paid on November 9th. We are finalizing the closeout for 2009 and expect to send payment in shortly. The agency will consider making partial payments in the future.

In response to the audit report for MHA for the fiscal periods ending December 31, 2010 and 2011, the following are our response to findings:

Banking and Handling Cash:

- Even though the agency did not have a board member review bank reconciliations on a periodic basis, the agency does require any accounts payable checks in excess of \$2,500 have a second signature of a board member as well as board members do sign checks in the absence of the Executive Director. These activities do give oversight of payments being made by the agency. The agency has spoken with the Treasurer of the board about coming in on a periodic basis to review bank reconciliations.
- To mitigate exposure to uninsured funds in 2008, the agency started to participate in a program through our bank that invests in CDs which are held by other participating banks within the program in amounts that are under the FDIC threshold therefore ensuring that the deposits are insured. We have continued this process and make every

effort to keep balances below the FDIC threshold but there are times due to cash flow issues the balances do exceed that amount.

Inventory:

- Our agency does a physical inventory each year and is in the process of doing one at this time. The issue of the duplication of a vehicle on the inventory was a database error and has been corrected.

Contract Review:

- As stated previously, the agency has made efforts to closeout years in a timely manner and will continue these efforts. The agency did receive an invoice for the phone charges and will be submitting payment on November 9th.
- The agency has looked further into billing third party payers for Case Management services. Unfortunately due to the type of services that we provide, many private insurance companies see this as a duplication of their case management services and would not contract for these services.

In closing, we thank the comptroller's office for their review and their acknowledgement that the records reviewed were generally in good order and readily available. We have taken into consideration all recommendations and will or have instituted those that are viable.

Sincerely,



Andrew O'Grady, LCSW-R
Executive Director



Emily C Robisch
Division Director of Finance & Administration

November 21, 2012

Mr. Jim Coughlan
Dutchess County Comptroller
22 Market Street
Poughkeepsie, NY 12601

Dear Mr. Coughlan:

At this time we would like to clarify our statements in the first paragraph of our response to you with regard to the 2011 payable to the county.

When the CFR for 2011 was prepared, due to a misinterpretation of instructions regarding exempt income, the amount reflected on the CFR resulted in a payable due to the county in the amount of \$78,103. The agency did book an additional payable to the county in the amount of \$330,541 on the financial statements for the fiscal year ending December 31, 2012, anticipating that these monies would be recouped through different procedures. When reviewing the closeout provided to us by DCDMH at the end of October, it was determined that the \$330,541 payable needed to be reflected in the CFR rather than "off line" and a revised CFR was issued the next day.

If you have any questions regarding this, please contact Emily Robisch at (845) 473-2500, ext. 1351.

Thank you.

Sincerely,



LCSW-R

Andrew O'Grady, LCSW –R
Executive Director



Emily C Robisch
Division Director of Finance & Administration

Cc: G. Brisley, DCDMH

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