

Project MORE, Inc.

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Comptroller's Summary

Background/Organization

Project MORE, Inc. is a non-profit organization providing services to offenders and their families. The administration offices are located in New Haven, Connecticut. The Dutchess County Office of Probation and Community Corrections (Probation) contracted with Project MORE to operate the Transitional Housing Facility, an Alternative to Incarceration program in Dutchess County, commencing January 1, 2007. This 38 bed locked facility is for individuals who are court ordered to the facility and are under the supervision of the Office of Probation and Community Corrections. Additional information regarding Project MORE, Inc. is located at their website: www.projectmore.org.

Audit Scope and Objective

The audit was performed for the contract period January 1, 2007 – December 31, 2007. The Probation Department's contract #07-0029 in the amount of \$1,196,833.75 was the only county contract with Project More. Since the agency's administrative and fiscal offices are located in New Haven, Ct., our review of internal controls was limited.

Our audit objectives included verification of:

- Monthly contract claims to original expense documentation
- Agency processes for the payment of expenses claimed to the county

Summary of Findings

Contract budgets were not consistently amended to reflect changes for expenditure categories. Monthly claims were not certified by the local Program Director who had management responsibility for the Transitional Housing facility. With the exception of some incorrect check dates on claims, records were found to be in good order.

Detail of Findings

Contract Review

The contract with Project More, Inc. is an expenditure driven contract which required expenses to be incurred and in most cases paid prior to submittal for reimbursement. Project More's contract provided an advance payment of \$299,208.25 with a monthly recoupment of \$24,934.02 deducted until the \$299,208.25 was fully reimbursed.

The agency claimed expenses totaling \$1,233,005.06. The maximum contract amount of \$1,196,833.75 was paid. This contract was previously with another vendor until Project More, Inc. was awarded the contract and assumed responsibility for the facility and the management of the program January 1, 2007. The facility and fixed assets were transferred to Project More, Inc. from the previous vendor.

The following is a summary of the contract budget and claims:

	Contract Budget	Contract Claims
Salary	\$582,250.00	\$604,235.47
Fringe	213,685.75	191,700.29
Travel	6,500.00	3,345.57
Equipment	3,235.00	2,834.03
Supplies	99,404.25	115,576.00
Contractual	21,750.00	28,364.64
Facility	71,000.00	91,715.97
Other	42,900.00	34,406.34
Administration	<u>156,108.75</u>	<u>160,826.75</u>
Total	<u>\$1,196,833.75</u>	<u>\$1,233,005.06</u>

Findings:

As shown many submitted expenses exceeded the budgeted categories. Contract modifications were not consistently filed to reflect changes in budget categories. In addition, the December 2007 claim contained charges that should have been charged to the facility budget such as oil, garbage and facility maintenance but instead were allocated to the "Other" budget category. The facility expense line should have included an additional \$4,881.43.

Recommendations:

All contract amendments must be submitted for approval by Probation in a timely manner. Charges must be allocated to the appropriate budget category.

Claim Review

Monthly claims were submitted to the Probation Department. A 25% advance of \$299,208.25 was provided to Project MORE. In accordance with the contract, 1/12 of this amount was recouped monthly.

Findings:

- 1) The claims to Probation were not consistently filed in a timely manner.
- 2) Some monthly expenses claimed were based on accruals rather than actual payments. Check dates listed on the claims were not the actual date of the check and were paid in subsequent months. In some cases, expenditures claimed in 2007 were paid in 2008.
- 3) The Program Director oversees the day-to-day operations for the Transitional Housing. Currently, the monthly claims are signed only by the Director of Finance who is located in New Haven. The local program Director did not sign attesting to facility expenses being true and correct.

Recommendations:

- 1) Expense claims should be submitted to the Probation department in a timely manner, preferably by the 15th of every month.
- 2) Expenditures should be paid promptly and prior to the request for reimbursement.
- 3) All claims should be certified by the local Program Director to attest that direct costs are true and correct.

Expenses

Personnel Services

A total of \$604,235.47 was claimed for personnel services for the fiscal year 2007. Employee salaries claimed were compared to employee W-2s. No discrepancies were found.

Equipment

A total of \$2,834.03 was claimed for equipment in 2007. This equipment supplemented equipment transferred from the previous provider. A physical inventory of selected equipment including computers and appliances was conducted. No discrepancies were noted.

Contractual

A total of \$28,364.64 was expended for contractual claims which included: agreements for ADP payroll, computer technical support and monthly loan payments for three vans. Payments were reviewed and traced into the bank statement.

There were no discrepancies found in the sample of payments for the contracts and agreements reviewed.

Other

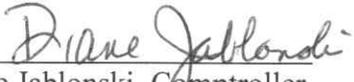
A total of \$34,406.35 was expended as follows:

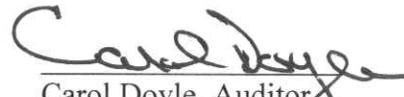
Verizon Phone	\$6,858.70
Time Warner TV	957.40
Client Activities	368.09
Repair-Vehicle/other	3,939.99
Hammond Security	1,638.00
Insurance	12,159.09
Facility	4,881.43
Dutchess Community College	565.00
Other	3,038.65
Total	<u>\$34,406.35</u>

Vehicle repair and insurance payments were traced to the invoices and bank statement. As previously noted, some check dates did not match claimed check dates. There were no other discrepancies found.

Revenue

A selection of county payments was traced into the detail ledger and bank deposits. Bank deposits were done in a timely manner.


Diane Jablonski, Comptroller


Carol Doyle, Auditor