

**United Way of Dutchess County, Inc.
Dutchess County Children's Services Council Program**

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Comptroller's Summary

Background

The United Way of Dutchess County, Inc. is contracted to administer the Children's Service Council (CSC) Children's Health Initiative (CHI). The Children's Health Initiative addresses tobacco and childhood obesity among Dutchess County youth. The Children's Service Council is a partnership of Dutchess County government, United Way of Dutchess County, and an array of agencies, organizations, businesses and individuals. The CSC website is www.CSCDutchess.org.

Audit Scope, Objective and Methodology

We reviewed United Way's operating procedures for monitoring and administering program funds. The review included contract procedures, expenditures and documentation.

An audit was conducted for the period January 1, 2006 – June 30, 2007. Funding was provided for administration, tobacco and obesity programs.

Contracts	2006	2007*
Health Department -		
Administration	\$165,971.17	\$145,000.00
Tobacco Grants	294,000.00	250,000.00
Obesity Grants	65,028.83	130,000.00
Department of Social Services – Administration	15,000.00	
Youth Bureau - Administration	1,644.03	
Total	\$541,644.03	\$525,000.00

* Audited through June, 2007 totaling \$250,358.53

Summary of Findings

Operating procedures for administering contract funding were found in good order: However, original documentation was not consistently maintained and a countermarketing expense of \$1,100.00 was erroneously paid.

A total of \$1,100.00 is due back to the Dutchess County Health Department for an over claim of a countermarketing expense.

Detail Findings

2006 Health Department Contract #06-0149

This contract was written for the period January 1, 2006 – December 31, 2006 in the amount of \$525,000.00. A total of \$524,004.84 was claimed and paid as follows:

United Way Administration	Original Budget	Claimed and Paid
Salaries	\$73,573.00	\$57,067.02
Fringe	5,104.00	3,953.01
Consultant	6,323.00	23,636.14
Counter Marketing Tobacco	46,000.00	42,393.00
Counter Marketing Obesity	20,000.00	38,922.00
Total UW Admin	\$151,000.00	\$165,971.17

Tobacco Initiative Contracts	Original Budget	Claimed and Paid
Children's Media Project	\$40,000.00	\$39,996.09
D.C. Council on Alcoholism & Chemical Dependency	110,000.00	110,000.00
Girl Scouts of DC	25,000.00	24,999.25
Martin Luther King Cultural Center	15,000.00	15,000.00
Mid-Hudson Children's Museum	21,000.00	21,000.00
Mill Street Loft	43,000.00	42,999.98
St. Francis Hospital	40,000.00	40,000.46
Total Tobacco	\$294,000.00	\$293,995.78

Obesity Initiative Contracts	Original Budget	Claimed and Paid
Arlington Middle School	\$5,000.00	\$4,994.91
DC Community Action	8,000.00	-0-*
DC YMCA	10,000.00	9,915.00
Family Partnership	10,000.00	-0-*
Girl Scouts of DC	12,000.00	12,000.00
Mid- Hudson Children's Museum	7,000.00	6,997.57
North East Community Center	8,000.00	12,494.44
Violet Ave. Elementary School	9,000.00	16,500.00
Young Rhinebeck	5,000.00	1,135.97
UnAllocated	6,000.00	-0
Total Obesity	\$80,000.00	\$64,037.89
Total Contract	\$525,000.00	\$524,004.84

* Monies were re-allocated

2007 Health Department Contract #07-0143

This contract was written for the period January 1, 2007– December 31, 2007 in the amount of \$525,000.00. A total of \$250,358.53 was claimed and paid as of June 30, 2007 as follows:

United Way Administration	Original Budget	Claimed and Paid to Date June, 30, 2007
Salaries	\$76,000.00	\$35,874.73
Fringe	6,498.00	3,067.29
Consultant	2,502.00	1,193.00
Counter Marketing Tobacco	20,000.00	4,918.00
Counter Marketing Obesity	25,000.00	2,056.00
Tobacco Survey	<u>15,000.00</u>	-0-
¹ Advance Balance		<u>65,625.25</u>
Total UW Admin	\$145,000.00	\$112,734.27

Tobacco Initiative Grantees Contracts	Original Budget	Claimed and Paid to Date June 30, 2007
Children's Media Project	\$60,000.00	\$19,745.63
CAPE	90,000.00	40,958.80
Martin Luther King Cultural Center	20,000.00	2,422.07
Mid-Hudson Children's Museum	15,000.00	6,263.94
Mill Street Loft	35,000.00	19,172.50
St. Francis Hospital	<u>30,000.00</u>	-0-
Total Tobacco	\$250,000.00	\$88,562.94

Obesity Initiative Grantees Contracts	Original Budget	Claimed and Paid to Date Date June 30, 2007
Beacon Community Center	\$30,000.00	\$6,565.82
CAPE	50,000.00	24,999.96
Children's Media Project	27,000.00	13,880.98
Girl Scouts of DC	10,000.00	2,864.56
North East Community Center	10,000.00	750.00
YMCA	<u>3,000.00</u>	-0-
Total Obesity	\$130,000.00	\$49,061.32
Total Contract	<u>\$525,000.00</u>	<u>\$250,358.53</u>

¹ 2007 – The contract provided an advance of \$133,250.00 and a portion is deducted with each claim

Contract Procedures

The contracts allow for a 10% variance within the total budget without formal modification. Contract funding changes were approved by the CSC as evidenced by council minutes.

Finding: CSC minutes for funding changes were not submitted to the Dutchess County Comptroller's Office with payment requests.

Recommendation: All funding revisions should be forwarded to the Dutchess County Comptroller's Office.

Administration Funds Expense

Salaries

Finding: The 2006 Employee W-2's did not match the claims made to the contract. Differences were not supported with documentation. During the audit, the payroll company informed the United Way tax deferred payments represented the difference.

Recommendation: United Way should maintain all payroll documentation including variance justifications to ensure employee salary is documented accurately.

Consultants

Consultant contracts and payments were reviewed to Contractor 1099's. No discrepancies were noted.

Counter Marketing

Counter Marketing contracts, invoices and payments were reviewed. A total of \$47,176.00 was contracted for Tobacco and \$38,330.00 for Obesity advertisement.

Findings:

- The agency did not have all original contracts on file.
- An invoice belonging to another agency was paid in error resulting in an overpayment of \$1,100.00. This invoice was claimed to the county and is due back to the DC Health Department.
- An invoice was paid in the amount of \$4,900.00 and the agency did not have a contract or agreement letter on file. All other payments were supported with either a contract or agreement letter.

Recommendations: The United Way should perform comprehensive contract monitoring to specifically maintain:

- Original Contracts
- Contract Payment Schedules
- Formalized procedures for agreements and contracts.

Tobacco and Obesity Program Monitoring

United Way operating procedures for monitoring contract agency programs included 1-2 site visits, submittal of quarterly reports and a final report.

Finding: All reports were not retained.

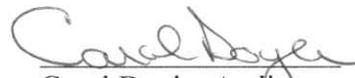
Recommendation: The United Way should implement procedures to ensure retention of reports.

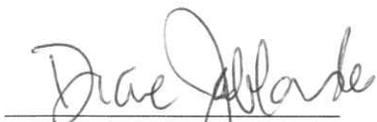
Youth Bureau Contract #06-0167

This contract was written for the period January 1, 2006 – December 31, 2006 for a total of \$1,644.33. It was written to partially fund the Children’s Services Council’s 2006 Status Report which cost \$4,933.00. No discrepancies were found.

Department of Social Service Contract #05-0367

This contract was written for the period January 1, 2006 – December 31, 2006 in the amount of \$15,000.00. The purpose of this contract was to support efforts to write grant proposals and to obtain services for the CSC projects. A total of \$13,206.82 was claimed and paid. Funding provided for the Children’s Services Council’s 2006 Status Report, grant writer, youth conference, a showcase event and web site design. No discrepancies were found.


Carol Doyle, Auditor


Diane Jablonski
Comptroller

United Way of Dutchess County



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October 30, 2007

Ms. Diane Jablonski
Dutchess County Comptroller
22 Market Street
Poughkeepsie, NY 12601

Dear Ms. Jablonski:

Thank you for meeting with us to discuss the outcomes of the Dutchess County Children's Services Council (CSC) audit, January 1, 2006 through June 30, 2007. We thank Carol Doyle and Kathy Thurston for their efforts in completing this audit and for offering helpful feedback and suggestions.

The following are in response to your findings and recommendations:

Counter-Marketing: Original documentation was not consistently maintained and a countermarketing expense of \$1,100.00 was erroneously paid. The \$1,100.00 bill from Time Warner was sent to us by mistake, mixed in with our Time Warner bills. We did not see that the bill was for Dutchess Community College's advertising and we paid the total bill. Since finding the error, we notified Time Warner of the overpayment and on 10/29/07 we received a reimbursement check for the \$1,100.00 over-charge. A check for \$1,100.00 is being written and mailed to the County by the end of this week.

As for original documentation, we have established a system in which we are keeping the originals and copies will be distributed. Two sets of original contracts are now being maintained; one filed with United Way, the other with the Children's Services Council.

To ensure that this type of mistake does not happen again, we have developed a budget flow-sheet to track the contracted amount against actual expenses.

Services were rendered for a total cost of \$4,900.00, which was submitted as a formal bill by the organization and paid, without a contract or agreement on file. To rectify this situation, we are the process of developing procedures for determining when a contract or agreement is required. These procedures will be included in the County contract.

Contract Procedures: It has been the procedure that all approved funding changes were submitted to Dutchess County Department of Health. We were unaware that these approved funding changes should also be sent to the Dutchess County Comptroller's Office. We will establish a system whereas when we send funding changes to the Health Department we will also send one to the Comptroller's Office at the same time.

Salaries: Our personnel services organization, Staff-Line, Inc., was supplying a salary report but did not include tax deferred payments. Tax deferred payments were supplied in a separate report which was not included in the voucher to the County. This resulted in reduced reimbursement of \$117.00 to United Way. We have discussed this with our service organization and they will include tax deferred payments with the salary report.

Tobacco and Obesity Program Monitoring: Year-end program reports were sent to the Dutchess County Department of Health along with the final voucher. Beginning immediately, all original reports will be maintained in the CSC office. Only copies will be submitted to the Health Department.

We truly appreciate your helpful recommendations and for the opportunity to address how we are implementing necessary changes. If you have any additional suggestions or questions, do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Anne M. Beaulieu".

Anne M. Beaulieu
President & CEO
United Way of Dutchess County