

Fike, Conner & Associates, P.A.

Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors and Management
Family Crisis Center, Inc.
P.O. Box 207
Keyser, WV 26726

We have performed the procedures listed in the attached supplement for the fiscal year ending June 30, 2015, which were agreed to by the management of Family Crisis Center, Inc., solely to assist Family Crisis Center, Inc. with the accountability and reporting requirements of the State of West Virginia Department of Health and Human Resources pursuant to West Virginia Code Section 12-4-14. Family Crisis Center, Inc.'s management is responsible for compliance with the State of West Virginia Department of Health and Human Resources' accountability and reporting requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached supplement either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on Family Crisis Center Inc.'s compliance with the State of West Virginia Department of Health and Human Resources' accountability and reporting requirements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the board of directors of Family Crisis Center, Inc., and is not intended to be, and should not be, used by anyone other than these specified parties.

Fike, Conner and Associates, P.A.

LaVale, Maryland
December 5, 2017

DHHR - Finance

DEC 06 2017

Date Received

DHHR - Finance

DEC 06 2017

Date Received

FAMILY CRISIS CENTER, INC.
SUPPLEMENT TO THE AGREED-UPON PROCEDURES REPORT

Agreed-Upon Procedures are as follows:

Source:

State of West Virginia Department of Health and Human Resources (DHHR)

DHHR Grantee Audit Compliance Guide

Attachment E - Supplemental Compliance Procedures for an Agreed-Upon Procedures Engagement

1. Review the grant agreement and any related documents (e.g. statements of work, budgets, change orders, program directives, regulations, etc.) to ascertain the purpose for which the funds were awarded and the terms and conditions associated with the state grant.

We obtained the grant agreement between the West Virginia Department of Health and Human Resources (Bureau for Children and Families) and the Family Crisis Center, Inc. We reviewed the grant agreement along with the grantee budget and other terms and conditions of the grant to ascertain the purpose for which the funds were awarded. The grant agreement is for the provision of protective services for victims of domestic violence and their families as further described in Exhibit A of the grant agreement.

2. Verify whether funds received under the grant (as reported on the sworn statement of expenditures) were correctly authorized, recorded, and deposited into the appropriate organizational accounts.

We verified that the funds awarded by the grant as reported on the "Sworn Statement of Grant Receipts and Expenditures" agreed to the deposit records and accounting records of the Family Crisis Center and were properly authorized.

3. Review all costs (as listed on the sworn statement of expenditures) and related transactions associated with the grant to verify whether:
 - a. Costs were approved by the DHHR, if required.

There were no costs noted that needed approved by the DHHR.

- b. Costs conform to the allowability of costs provisions or limitations in the program agreement, program regulations, or program statute.

We reviewed all costs charged to the grant/program for allowability of the cost provisions and did not note any unallowable costs during our review.

- c. Costs represent charges for actual costs, not budgeted or projected amounts.

We reviewed all costs charged to the grant/program and ascertained that they were all actual costs and that none of the costs were budgeted or projected amounts.

FAMILY CRISIS CENTER, INC.
SUPPLEMENT TO THE AGREED-UPON PROCEDURES REPORT

- d. Costs are given consistent treatment within and between accounting periods. Consistency in accounting requires that costs incurred for the same purpose, in like circumstances, be treated as either direct costs only or indirect costs only with respect to final cost objectives.

We verified that the costs were given consistent treatment within and between accounting periods. During our test of the costs charged to the grant/program, we did not note any costs that were from another accounting period. All costs charged to the grant/program were treated as direct costs.

- e. Costs are net of all applicable credits (e.g. volume or cash discounts, insurance recoveries, refunds, rebates, trade-ins, adjustments for checks not cashed, and scrap sales).

During our test of the costs charged to the grant/program, we did not note any costs that were not net of all applicable credits.

- f. Costs are not included as both a direct billing and as a component of indirect costs.

There were only direct costs charged to the grant/program, and no indirect costs were charged. Family Crisis Center did not treat any costs as indirect costs and no indirect cost rates were applied to the grant.

- g. Costs are supported by appropriate documentation (e.g. approved purchase orders, receiving reports, vendor invoices, canceled checks, and time and attendance records) and correctly charged as to account, amount and period.

The Family Crisis Center (Center) uses an outside certified public accounting (CPA) firm to process payroll and to help with all accounting functions. The Center forwards all payroll related information to the CPA firm to process the payroll and forwards all unpaid invoices with an approval for payment sheet to the CPA firm to cut all checks for vendors. The CPA firm uses QuickBooks to complete all the accounting functions. We reviewed the accounting records from the QuickBooks program, to agree the expenditures from the accounting system to the "Sworn Statement of Expenditures," and tested all expenditures charged to the DHHR grant. Our test of expenditures charged to the grant consisted of reviewing the original invoice documentation along with the approval for payment sheet, canceled checks, payroll earnings reports and employee time sheets. The Center had substantially all the original invoice documentation along with an approval for payment sheet for all expenditures charged to the grant. The approval for payment sheet attached to the original invoice documentation shows the grant program to be charged and approval for payment by an authorized signature (executive director). We traced each expenditure from the accounting records and the invoice documentation to the cancelled checks on the bank statement and no discrepancies were noted. We were not given cancelled checks for the months of September 2014, February 2015, and June 2015 to be able to do a cancelled check review for most of the September 2014, February 2015, and June 2015 expenditures by check. We did review the cancelled

FAMILY CRISIS CENTER, INC.
SUPPLEMENT TO THE AGREED-UPON PROCEDURES REPORT

- g. Costs are supported by appropriate documentation (e.g. approved purchase orders, receiving reports, vendor invoices, canceled checks, and time and attendance records) and correctly charged as to account, amount and period. – Continued

checks for the remaining nine months. We reconciled the total salaries and wages expense line in QuickBooks with the payroll earnings records and payroll reports. We also reviewed the salaries and wages charged to the grant with the payroll earnings reports and related employee timesheets. Timesheets were missing from July 2014 to December 2014 for all employees except for one employee, and there were no timesheets for two of the employees. The timesheets are formatted monthly, but the pay period is on a bi-weekly basis. This made it difficult to have the timesheets backup the payroll charged to the grant. During our tests of transactions, we did have findings which are outlined below under procedure four (4).

4. Inquire and report upon the status of any findings, contingencies, or other deficiencies discovered during the current engagement or described in any prior agreed-upon procedures report (if applicable) that could negatively affect administration of the DHHR grant and related program/project.
- 1) **There was an agreed-upon procedures engagement completed for the Family Crisis Center for the fiscal year ending June 30, 2014.**
 - 2) **There were missing employee time sheets from our tests of salaries and wages charged to the grant. We recommend that the Center obtain and maintain timesheets from all personnel that charge time to the grant. This finding was also noted on the June 30, 2014 agreed-upon procedures report.**
 - 3) **Also based on our review of the timesheets, they do not align with the actual payroll period. The timesheets are formatted monthly, but the pay period is bi-weekly. Most hours logged showed no correspondence with hours paid.**
 - 4) **It was noted that the submitted “Sworn Statement of Expenditures” incorrectly reported grant expenditures that matched exactly with the approved budgeted amounts allowed in the grant agreement (Exhibit E). The “Sworn Statement of Expenditures” did not report the actual expenditures that were charged in the (QuickBooks) accounting system. See the attached schedule of grant expenditures that should have been reported on the “Sworn Statement of Expenditures.”**
 - 5) **Based on our review of the accounting records, the actual costs charged to budget line items “Fringe Benefits” on the Center’s approved budget as stated in the grant agreement (Exhibit E) is overstated by more than ten percent (10%) of the budgeted amount. Per (Exhibit K) of the grant agreement, the Center is to request prior written approval from the Department to modify the budget when any budget line item is increased by more than ten percent (10%). We recommend that the Center obtain prior written approval from the Department when the Center plans to exceed a budget line item by more than ten percent (10%).**

West Virginia Department of Health & Human Resources
SWORN STATEMENT OF EXPENDITURES

Grant Number: G150025	Grantee Name: Family Crisis Center, Inc.		
Grantee FEIN: 31-1042103	WV OASIS Vendor #: 29228	Contact Name: Sonya Fazzalore	
Contact Email Address: fcc911@frontier.com		Contact Phone: (304) 788-6061	
Grantee Mailing Address: P.O. Box 207, Keyser, WV 26726			
Total Amount of Grant Award: \$264,591.00		Grant Period: FY July 1, 2014 - June 30, 2015	

Grant Revenues (received and anticipated)		
<i>Revenue Categories</i>	<i>Comments</i>	<i>Amount</i>
Amount Received		\$264,591.00
Amount Anticipated		
Total Grant Revenues		\$264,591.00

Grant Expenditures (allowable costs expended by the grantee)		
<i>Expenditure Categories</i>	<i>Comments</i>	<i>Amount</i>
Personnel		\$132,000.00
Fringe Benefits		\$53,055.00
Equipment		
Supplies		\$20,300.00
Contractual Costs		\$10,500.00
Construction		
Other		\$48,736.00
Indirect Cost		
Total Grant Expenditures		\$264,591.00

Ending Grant Balance (Revenues – Expenditures)

Grant Funds Returned to the DHHR

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete and accurate, and that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal (and/or State) award. I am aware that any false, fictitious or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).

Authorized Signature: _____ **Date:** 12/14/2016

Printed Name and Title: _____

Taken, sworn and subscribed before me this ____ day of _____, 20____.

Notary Public Signature: _____

My Commission Expires: _____

Family Crisis Center, Inc.
Schedule of Grant Expenditures
FY July 1, 2014 to June 30, 2015

Expenditure Categories	Grantee Budget	Quick Books (actual)
Personnel	132,000.00	132,000.00
Fringe Benefits	53,055.00	70,576.00
Supplies	20,300.00	9,124.00
Contractual Costs	10,500.00	6,088.00
Other	48,736.00	46,803.00
TOTAL	264,591.00	264,591.00

FAMILY CRISIS CENTER, INC.



December 6, 2017

WV Department of Health and Human Resources
Division of Compliance and Monitoring
Capitol Complex Building, Room 550
Charleston, WV 25305

RE: Response/Corrective Action Plan for 2015 agreed upon procedures report

Dear DHHR Representatives:

This letter is in response to the issues stated in the 2015 agreed upon procedures report recently submitted by our agency.

FINDINGS IN 2015 REPORT

1. **There was an agreed-upon procedures engagement completed for the Family Crisis Center for the fiscal year ending June 30, 2015.**

RESPONSE: This is just a statement of fact from the CPA on services provided and not a finding; therefore, no corrective action plan is needed.

2. **There were missing employee time sheets from our tests of salaries and wages charged to the grant. We recommend that the Center obtain and maintain timesheets from all personnel that charge time to the grant. This finding was also noted on the June 30, 2014 agreed-upon procedures report.**

RESPONSE: The Direct Service Coordinator is responsible for collecting, checking and maintaining time sheets. At the time of collecting information for the audit, she was able to organize all time sheets and had all of them in her possession. In the process of the sheets leaving our office to getting to the auditor's office some must have been misplaced. Copies have been obtained so that we have them for our records.

Corrective Action: Direct Service Coordinator now has a monthly checklist that includes timesheet maintenance. Copies will immediately be given to Director upon completion to include in upcoming year's audit information. Sheets will now be double checked for completion.

DHHR - Finance

DEC 06 2017

Date Received

- 3. Also based on our review of the timesheets, they do not align with the actual payroll period. The timesheets are formatted monthly, but the pay period is biweekly. Most hours logged showed no correspondence with hours paid.**

RESPONSE: The Center has continued to use the same monthly timesheets they have used from the beginning.

Corrective Action: New time sheets have been implemented and staff has been given a list of pay period dates to eliminate any confusion as to which period they are claiming time for. The new time sheets are completed at the end of every 14 day pay period and coincide with the dates on each pay stub.

- 4. It was noted that the “Sworn Statement of Expenditures” incorrectly reported grant expenditures that matched exactly with the approved budgeted amounts allowed in the grant agreement (Exhibit E). The “Sworn Statement of Expenditures” did not report the actual expenditures that were charged in the (Quickbooks) accounting system. See the attached schedule of grant expenditures that should have been reported on the “Sworn Statement of Expenditures.”**

RESPONSE: Grant financial reporting has been prepared in the office by utilizing the monthly vouchers. Currently we have a monthly report from our outside accountants that lists all expenditures charged to DHHR every month. Sometimes we see that things are not categorized the same way in both offices and we try to get that corrected. In the past it seemed all expenses as well as all donations were lumped into the DHHR category. We are working on better ways of making sure both offices are categorizing information the same.

Corrective Action: With the help of our Auditor, Jeffrey Conner, invoices will be better compared with outside accounting office to make sure all expenses match. Center will strive to correctly mark invoice documentation by grant category and check that the accountants’ office is not putting all expenses into the DHHR category in QuickBooks. At this point and from this point forward all grant expenditures invoices will be more clearly marked to eliminate mistakes. These expenditures will also be clearly marked and double checked from our records and the accountants records so we are both categorizing them the same.

5. **Based on our review of the accounting records, the actual costs charged to budget line items “fringe benefits” on the Center’s approved budget as stated in the grant agreement (Exhibit E) is overstated by more than ten percent (10%) of the budgeted amount. Per (Exhibit K) of the grant agreement, the Center is to request prior written approval from the Department to modify the budget when any budget line item is increased by more than (10%). We recommend that the Center obtain prior written approval from the Department when the Center plans to exceed a budget line item by more than ten percent (10%).**

RESPONSE: Auditors office has agreed to do a midyear check of expenses to make sure that spending is on track. At that point, it will be easy to determine what needs to be corrected well before the fiscal year end.

Corrective Action: From this point forward, the Center will call our Grant’s Manager to clarify and question and clear up any confusion when we think we may going over budget and have to request a grant adjustment.

Sincerely,

Sonya Fazzalore, Director

Cc:

Terry LaRue, Board President

Jeffrey Conner, CPA

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Fax: 304-788-6374

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Suite 201 Box 7
Romney, WV 26757
Phone/Fax 304-822-8268

P.O. Box 330
Petersburg, WV 26847
304-257-4606
Phone/Fax: 304-257-4606



DEC 15 2016

West Virginia Department of Health & Human Resources
SWORN STATEMENT OF EXPENDITURES

Date Received

Grant Number:	Grantee Name:		
G150025	Family Crisis Center, Inc.		
Grantee FEIN:	wvOASIS Vendor #:	Contact Name:	
31-1042103	29228	Sonya Fazzalore	
Contact Email Address:	Contact Phone:		
fcc911@frontier.com	(304) 788-6061		
Grantee Mailing Address:			
P.O. Box 207, Keyser, WV 26726			
Total Amount of Grant Award:	Grant Period:		
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Grant Funds Returned to the DHHR \$0.00

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete and accurate, and that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal (and/or State) award. I am aware that any false, fictitious or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).

Authorized Signature: Allen T. Larue Date: 12/15/2016
 Printed Name and Title: ALLAN T. LARUE
 Taken, sworn and subscribed before me this 15 day of Dec, 2016.
 Notary Public Signature: Shannon S. Beck
 My Commission Expires: July 10th, 2020

