

March 3, 1998

Mr. Lewis Stolzenberg
Executive Director
The Learning Institute of the Jewish Community Center of Staten Island
475 Victory Boulevard
Staten Island, New York 10301

Report Number: EC-1197-2

Dear Mr. Stolzenberg:

We have performed a review of the legislative grant expenses and accomplishments reported by the Learning Institute of the Jewish Community Center of Staten Island (Institute) to the State Education Department (Department). This letter represents a report on the results of the review.

The Institute is part of the larger not-for-profit community based agency, the Jewish Community Center of Staten Island, which provides a wide variety of social, cultural, educational, and recreational activities for children and their families. The New York State Legislature appropriated \$100,000 in grants for the Institute to provide "clinical treatment for learning disabled/summer day camp for learning and otherwise developmentally or emotionally handicapped children." The Institute entered into contracts with the Department specifying that funds would be used to provide testing, evaluation, therapy, support services and summer day camp to individuals with learning disabilities.

The purpose of this review was: to verify entitlement to the grant funds received by the Institute; to verify the accuracy and propriety of the financial information reported to the Department; and to determine if the activities and services specified in the contracts were accomplished. We reviewed practices, records and documentation supporting the Final Expenditure and Program Reports that the Institute submitted covering the period July 1, 1994 through June 30, 1996. The review focused on the \$100,000 in reported grant expenses and the accomplishments of the grants, and did not assess the Institute's overall operations or the adequacy of internal controls.

The review determined the Institute is entitled to the \$100,000 it received (see Exhibit A) even though the reported financial information was not adequately supported by time records. Records showing the time spent on grant activities should be maintained to support salaries and

fringe benefits charged to a grant. However, the Institute did not maintain the necessary records. For example, the Institute charged portions of certain staff salaries (\$26,866) to the grants based on estimates of time spent on grant activities rather than actual time. In another case, the Institute charged 100 percent of certain staff salaries (\$12,243) to the grants even though these individuals worked, in part, on activities unrelated to the grants. Since we found that the Institute incurred grant related expenses in excess of \$100,000, no grant funds were questioned or disallowed.

The review determined the Institute accomplished the activities and services specified in the contract. For example, the Institute provided therapy services to over 117 individuals and also provided the opportunity for over 30 children to attend summer camp during the contract period.

RECOMMENDATION

Implement procedures to ensure reported salary expenses are based on records supporting actual time spent on grant activities.

The Institute did not provide a formal written response to the report. However, Institute officials verbally indicated that they agreed with the findings and recommendations in the report and would take corrective action.

The report will be used by the Department's Bureau of Fiscal Management and the Office of Vocational and Educational Services for Individuals with Disabilities in reviewing and approving contracts and payments for any subsequent legislative grants.

I appreciate the cooperation extended to our staff during this review.

Sincerely,

Daniel Tworek
Director

cc: R. Cate
T. Sheldon
M. Carey
C. Foster (DOB)
L. Gloeckler
R. Lindholm (OSC)

bcc: D. Browne
R. Calhoun
M. DiVirgilio

**The Learning Institute of the Jewish Community Center of Staten Island
Legislative Grant Expenses
July 1, 1994 through June 30, 1996**

<u>Expense Category</u>	<u>Contract Number</u>		<u>Total</u>
	<u>C-940022</u>	<u>C-940883</u>	
Professional Salaries	\$20,128	\$43,858	\$63,986
Support Staff Salaries	22,340		22,340
Purchased Services	1,039		1,039
Supplies and Materials	1,358		1,358
Transportation Expenses	2,761		2,761
Employee Benefits	2,374	6,142	8,516
Total	\$50,000	\$50,000	\$100,000
Audit Adjustments	0	0	0
Audited Expenses	\$50,000	\$50,000	\$100,000

*The reported financial information was not adequately supported by time records, but the review did not disallow or question any grant expenditures since the Institute incurred grant related expenses in excess of \$100,000.