

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SPECIAL INVESTIGATION REPORT

OF

YWCA GREATER LAFAYETTE

TIPPECANOE COUNTY, INDIANA

July 1, 2013 to June 30, 2017



FILED
03/02/2021

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STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE YWCA GREATER LAFAYETTE, TIPPECANOE COUNTY, INDIANA

This is a special investigation report for the YWCA Greater Lafayette (YWCA), for the period July 1, 2013 to June 30, 2017, and is in addition to any other report for the YWCA as required under Indiana Code 5-11-1. All reports pertaining to the YWCA may be found at www.in.gov/sboa/.

We performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts and were limited to records associated with the YWCA, including check histories, bank statements, payroll and personnel records, credit card statements, and grant documentation. The Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

November 10, 2020

YWCA GREATER LAFAYETTE RESULTS AND COMMENTS

BACKGROUND

The Young Women's Christian Association of Greater Lafayette (YWCA) receives grant funding from the State of Indiana, which includes Federal pass-through funds. From July 1, 2013 through June 30, 2017, the Indiana Criminal Justice Institute (ICJI) administered over 76 percent (\$1.2 Million) of grant funds received by the YWCA.

The common purpose of the ICJI grant funds that the YWCA received was to serve victims of domestic violence. All these grants were funded on a reimbursement basis and some of these grants required the YWCA to provide a local match, generally expressed as a percentage of the grant award.

On February 12, 2018, an ICJI Compliance Monitoring Report (ICJI Report) was issued for the YWCA. The ICJI Report stated in part:

"The Indiana Criminal Justice Institute (ICJI) Compliance Monitoring Team's analysis demonstrated that the YWCA of Greater Lafayette (YWCA):

- Submitted fraudulent and/or materially misrepresented documentation to ICJI for which it received reimbursement of federal and state grant monies;
- During the course of the compliance monitoring visit, submitted fraudulent and/or materially misrepresentative documentation;
- Failed to adequately report and document match; . . ."

The Office of the Indiana Inspector General notified the Indiana State Board of Accounts (SBOA) of the findings noted in the ICJI Report. The SBOA examined the grant documentation, payroll records, and credit card disbursements made by the YWCA for July 1, 2013 through June 30, 2017.

The following describes the results of the investigation conducted by the SBOA.

INACCURATE GRANT REPORTING

The YWCA received federal or state funding from the ICJI for nineteen grants during the period July 1, 2013 through June 30, 2017. For each of these grant awards, the ICJI approved a grant agreement including the project budget, which would be signed by representatives from the ICJI and the YWCA. The project budgets would include the dollar amount of the federal or state grant awards, and the local match required. Furthermore, amounts approved per the project budget for personnel related expenditures would include a list of the employees, and the percentages and dollar amounts of their compensation to be used to meet budgeted project costs (both federal or state, and local match).

The YWCA was required on a monthly basis to prepare and submit Expense Summaries and Fiscal Reports (monthly reports). The monthly reports included the dollar amount of funds expended and claimed for reimbursement, and the dollar amount of local funds spent and used for the local match, on each grant.

During the period of our investigation, a total of 161 monthly reports were submitted to the ICJI claiming a total of \$906,693 in reimbursements of federal and state funds for payment of salaries (personnel expenditures). Of the 161 reports submitted, 79 were found to have inaccuracies in the reporting of personnel expenditures.

YWCA GREATER LAFAYETTE
RESULTS AND COMMENTS
(Continued)

For twelve of the grants, the YWCA had local matching requirements. In accordance with the DOJ Grants Financial Guide regarding the timing of matching contributions, the determination of compliance with meeting the matching requirements had to be based upon opening and closing the grant within the investigation period.

Eight of these twelve grants were opened and closed during our investigation period; therefore, only these eight grants were subject to our investigation of compliance with the matching requirements for personnel match. For these eight grants, a total of \$116,162 was claimed as funds used to meet the required personnel match. Seven of these eight grants were determined to have inaccuracies in the overall reporting of personnel match.

When entering into each grant agreement with the ICJI, the YWCA made certain assurances within each of the nineteen grant agreements as follows:

With respect to six grant awards, the grant agreements state in part:

" . . . The Grantee shall not spend more than the amount for each line item as described in the Budget, without prior written consent of a duly authorized representative of the State, nor shall the Project costs funded by this Grant Agreement and those funded by local and/or private share be amended without the prior written consent of the State."

With respect to the remaining 13 grant awards, the grant agreements state in part:

" . . . The Grantee shall not spend more than the amount for each line item in the Project Budget, without the prior written consent of the State, nor shall the Project costs funded by this Grant Agreement and those funded by any local and/or private share be changed or modified without the prior written consent of the State."

2 CFR 200.302 regarding Financial management states in part:

"(a) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. See also § 200.450 Lobbying.

(b) The financial management system of each non-Federal entity must provide for the following (see also §§ 200.333 Retention requirements for records, 200.334 Requests for transfer of records, 200.335 Methods for collection, transmission and storage of information, 200.336 Access to records, and 200.337 Restrictions on public access to records):

- (1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.

YWCA GREATER LAFAYETTE
RESULTS AND COMMENTS
(Continued)

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in § 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports on the basis of an analysis of the documentation on hand. Similarly, a pass-through entity must not require a subrecipient to establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports on the basis of an analysis of the documentation on hand. . . .
- (5) Comparison of expenditures with budget amounts for each Federal award. . . ."

FAILURE TO COMPLY RESULTING IN UNALLOWABLE COSTS

Excess Reimbursement of Personnel Expenditures

The ICJI reimbursed the YWCA for personnel expenditures based upon amounts claimed for reimbursement per monthly report prepared and submitted by the YWCA. The YWCA determined which employees and the percentage of each of their salaries that would be claimed for reimbursement for each grant per grant budgets that were submitted and approved by the ICJI. Using the grant budgets and payroll records of amounts paid monthly to each of the designated employees, we determined that for 79 of the 161 monthly reports, salaries claimed as personnel expenditures, exceeded actual salaries paid for those months by \$68,066.97. Of the \$68,066.97, \$53,257.73 was federally funded, with the remaining \$14,809.24 being state funded.

2 CFR 200.430 regarding Compensation—personal services states in part:

"(a) *General.* Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in § 200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

- (1) Is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities;
- (2) Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and
- (3) Is determined and supported as provided in paragraph (i) of this section, Standards for Documentation of Personnel Expenses, when applicable. . . .

(d) *Unallowable costs.* (1) Costs which are unallowable under other sections of these principles must not be allowable under this section solely on the basis that they constitute personnel compensation. . . .

YWCA GREATER LAFAYETTE
RESULTS AND COMMENTS
(Continued)

(i) *Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . . "

Match Shortage

Per the DOJ Grants Financial Guide regarding the timing of matching contributions, it states: "Matching contributions do not need to be applied at the exact time or in proportion to the obligation of the Federal funds. However, the full matching share must be contributed by the end of the award period."

The YWCA failed to meet the personnel matching contributions for seven grants, one of which was a state grant from the Indiana Department of the Criminal Justice Institute.

When a match was required, the dollar amount and/or percentage, categories, and sources of matches were addressed in the approved grant budgets. For grant matches delegated as personnel matches, we reviewed the salaries paid of the employees designated for matching per the grant for the entire grant period. We determined the amount of the employees' salaries that were eligible to be applied to the matches. When the match required exceeded the dollar amounts of compensation paid to the designated employees, a match shortage was calculated.

The personnel grant matches not met totaled \$21,767.04, of which \$5,765.22 was the match for the state grant.

2 CFR 200.306 regarding Cost sharing or matching states in part:

". . . (b) For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

- (1) Are verifiable from the non-Federal entity's records;
- (2) Are not included as contributions for any other Federal award;
- (3) Are necessary and reasonable for accomplishment of project or program objectives;
- (4) Are allowable under Subpart E—Cost Principles of this part;

YWCA GREATER LAFAYETTE
RESULTS AND COMMENTS
(Continued)

- (5) Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
- (6) Are provided for in the approved budget when required by the Federal awarding agency; and
- (7) Conform to other provisions of this part, as applicable. . . ."

2 CFR 200.430 regarding Compensation—personal services states in part: ". . . (4)Salaries and wages of employees used in meeting cost sharing or matching requirements on Federal awards must be supported in the same manner as salaries and wages claimed for reimbursement from Federal awards. . . ."

Summary of Unallowable Costs

The following were determined to be unallowable costs:

Salaries Claimed in Excess of Actual Salaries Paid	\$ 68,066.97
Salaries Claimed for Match in Excess of Actual Salaries Paid	<u>21,767.04</u>
Total Unallowable Costs	<u>\$ 89,834.01</u>

2 CFR 200.403 regarding factors affecting allowability of costs states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: . . .

- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- (d) Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost. . . .
- (f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also § 200.306 Cost sharing or matching paragraph (b).
- (g) Be adequately documented. See also §§ 200.300 Statutory and national policy requirements through 200.309 Period of performance of this part."

YWCA GREATER LAFAYETTE
RESULTS AND COMMENTS
(Continued)

2 CFR 200.338 regarding Remedies for noncompliance states:

"If a non-Federal entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions, as described in § 200.207 Specific conditions. If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations (or in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency).
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available."

We requested the YWCA reimburse the ICJI \$89,834.01 for federal and state grant funds determined to be unallowable costs. (See Summary of Charges, page 17)

INCOMPLETE PERSONNEL FILE DOCUMENTATION

The YWCA policy handbook requires the salary and bonus amounts paid to the Director be approved by the YWCA Board of Directors. Documentation of the approvals is to be retained in the Director's personnel file.

From July 1, 2013 through June 30, 2017, \$34,227.84 in compensation made to the YWCA Director did not have documentation of approval in her personnel file. The Director's personnel file was maintained by each Board President in a "mobile president's office/aka plastic tub."

The current Director of the YWCA made several attempts to locate additional documentation from former and current Board members. Approvals were obtained to substantiate \$19,666.10 of the \$34,227.84 in compensation. The remaining \$14,561.74 in compensation could not be substantiated by written documentation; however, the approvals were not disputed by the Board members or staff.

The YWCA Greater Lafayette Policies and Procedures Manual section 9:01 regarding content of Personnel Records states in part:

"Confidential personnel records are kept for all employees. This is the responsibility of the Executive Director. The confidential personnel file for the Executive Director is the responsibility of the Board President. Personnel records include at least the following:

. . . Annual salary and increment record."

YWCA GREATER LAFAYETTE
RESULTS AND COMMENTS
(Continued)

The Guidelines for Examination of Entities Receiving Financial Assistance from Government Sources, Section H, states in part:

"Entities receiving financial assistance from state or local governments are subject to the following general requirements: . . .

Retention of financial records, supporting documents, statistical records and all other records pertinent to the agreements for a period of at least three years.

Maintaining a financial management system that provides:

- a. Accurate, current, and complete disclosure of the financial results of each government sponsored project or program.
- b. Records that adequately identify the source and application of funds for government sponsored activities. Records shall contain information pertaining to awards, authorizations, obligations, unobligated balances, assets, outlays, and income.
- c. Effective control over and accountability for all funds, property and other assets.
- d. Procedures for determining the reasonableness, allowability and allocability of costs in accordance with the provisions of the applicable cost principles and the terms of the grant or other agreement.
- e. Accounting records that are supported by source documentation. . . ."

INTERNAL CONTROL DEFICIENCIES

There were deficiencies noted in the internal controls over YWCA grant reporting, compensation approvals, and the YWCA use of credit cards as follows:

Controls over Grant Reporting

- The YWCA didn't have a system for reviewing the monthly reports for the grant funds to ensure the accuracy and completeness of the information reported.
- No one was comparing amounts claimed for personnel expenditures to payroll records to ensure that amounts requested for reimbursement did not exceed amounts paid.
- No one was reviewing the amounts reported for matching over the life of the grant to ensure that salaries paid less reimbursements received were equal to or greater than the required match.

Compensation Approvals

- The YWCA placed the responsibility for maintaining confidential personnel records with the Board President.
- The YWCA did not have a system in place to review that files were maintained at all times in secure locations with limited access.
- No one was reviewing the files to ensure authorizations for compensation were properly documented and retained by each of the board presidents.

YWCA GREATER LAFAYETTE
RESULTS AND COMMENTS
(Continued)

Use of Credits Cards

- Credit cards were used by YMCA officials without Board authorization or a policy for usage.
 - Disbursements were noted on the credit card for meal reimbursements, but documentation was not always maintained to indicate the business purpose of the meal.
 - Disbursements were noted on the credit card for gift cards, gas cards, and bus tokens, but documentation was not always maintained to indicate the distribution of gift cards, gas cards, and bus tokens and the related business use.

2 CFR 200.303 regarding internal controls states:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- (b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
- (c) Evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms and conditions of Federal awards.
- (d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- (e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality."

The Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources, Section H, states in part:

"Entities receiving financial assistance from state or local governments are subject to the following general requirements: . . .

Retention of financial records, supporting documents, statistical records and all other records pertinent to the agreements for a period of at least three years.

Maintaining a financial management system that provides: . . .

- e. Accurate, current, and complete disclosure of the financial results of each government sponsored project or program.

YWCA GREATER LAFAYETTE
RESULTS AND COMMENTS
(Continued)

- f. Records that adequately identify the source and application of funds for government sponsored activities. Records shall contain information pertaining to awards, authorizations, obligations, unobligated balances, assets, outlays, and income.
- g. Effective control over and accountability for all funds, property and other assets.
- h. Procedures for determining the reasonableness, allowability and allocability of costs in accordance with the provisions of the applicable cost principles and the terms of the grant or other agreement.
- i. Accounting records that are supported by source documentation. . . ."

INSURANCE

The YWCA obtained Crime Insurance and Liability Insurance, as follows:

Term	Amount of Coverage
Directors and Officers' Liability:	
10-06-13 to 10-06-14	\$ 1,000,000
10-06-14 to 10-06-15	1,000,000
10-06-15 to 10-06-16	1,000,000
10-06-16 to 10-06-17	1,000,000
Employee Theft:	
07-01-12 to 07-01-15	200,000
07-01-15 to 07-01-18	200,000

SPECIAL INVESTIGATION COSTS

The State of Indiana incurred costs in the amount of \$30,399 due to the special investigation of the YWCA.

Indiana Code 5-11-1-27(m) states:

"If the attorney general institutes civil proceedings related to this section or under [IC 5-11-5-1](#), the attorney general shall seek, in addition to the recovery of any funds misappropriated, diverted, or unaccounted for, restitution of:

- (1) costs incurred by the state board of accounts; and
- (2) all costs and reasonable attorney's fees incurred by the attorney general;

in connection with the civil proceedings."

We requested the YWCA reimburse the State of Indiana \$30,399 for special investigation costs. (See Summary of Charges, page 17)

YWCA GREATER LAFAYETTE
EXIT CONFERENCE

The contents of this report were discussed on February 8, 2021, with Allison Beggs, President and Chief Executive Officer; Melissa Martin, Chief Financial Officer; David Huhnke, former Board Chair and current Board member; Elizabeth Bangs, Board Chair; and Thomas Parent, Attorney.

February 25, 2021

OFFICIAL RESPONSE

VIA ELECTRONIC MAIL ONLY TO
officialresponse@sboa.in.gov

Indiana State Board of Accounts
302 West Washington St., Room E 418
Indianapolis, IN 46204-2765

**Re: YWCA Greater Lafayette, Tippecanoe County, Indiana
Official Response to Special Investigation Report for the period of July 1, 2013
to June 30, 2017**

To Whom It May Concern:

As you are aware, Stuart & Branigin LLP represents YWCA of Greater Lafayette in Tippecanoe County, Indiana (“YWCA”) in connection with a special investigation conducted by the Indiana State Board of Accounts (the “SBOA”) covering the period of July 1, 2013 to June 30, 2017 (the “SBOA Report”). This letter is submitted on behalf of YWCA as an official response to the SBOA Report.

RELEVANT BACKGROUND INFORMATION

YWCA empowers women and girls throughout Tippecanoe county and across Indiana by administering a number of programs, including its Domestic Violence Intervention and Prevention Program and Women’s Cancer Program as well as a variety of adult and youth programs that provide educational opportunities, social engagement and health improvement. YWCA is in fact the sole provider of certain services to victims of domestic violence and their children in six Indiana counties, including Tippecanoe County. Those services include providing shelter to victims of domestic violence and their children through its 30-bed shelter that consistently operates at or near capacity. In 2019, YWCA provided 7,918 nights of safe shelter to victims, answered 6,297 crisis calls on its 24-hour domestic violence hotline (an average 17 calls per day), assisted with 481 protective orders, and connected with nearly 5,000 youth through outreach and educational services. YWCA’s operation of the invaluable programs that are the subject of the SBOA Special Investigation was and continues to be funded by a variety of federal and state grants, including VOCA, FVPSA, STOP, SSBG, and DVPT, all of which are administered through the Indiana Criminal Justice Institute (“ICJI”).

The individuals serving as Executive Director and Finance Director (now titled CEO and CFO, respectively) of YWCA during the period covered by the SBOA Report are no longer employed by YWCA. The current CEO, Allison Beggs, assumed her position on May 1, 2018. The current CFO, Melissa Martin, assumed her position on August 20, 2018. The composition of YWCA's volunteer board of directors has changed since the period covered by the SBOA Report.

RESPONSE TO SBOA REPORT

The current CEO and CFO cooperated extensively with SBOA in connection with the SBOA's investigation which addressed issues that arose exclusively during time periods prior to their respective employment with YWCA. YWCA is committed to compliance in all respects with regulations applicable to its receipt of federal and state funding and firmly believes that it has addressed and corrected any and all issues reflected in the SBOA Report to the extent those matters have been detailed by SBOA. The following contains YWCA's response to the SBOA Report on a section-by-section basis.

1. Inaccurate Grant Reporting

YWCA notes and emphasizes that the SBOA Report is limited to the period of July 1, 2013 to June 30, 2017. Neither the current CEO nor the current CFO were employed by YWCA during the period covered by the SBOA Report, and the composition of YWCA's volunteer board of directors has changed since that time.

The SBOA Report indicates that the ICJI issued a monitoring report on February 12, 2018 outlining concerns relating to grant administration and resulting in the instant SBOA Special Investigation. The SBOA Report in turn claims that 79 of the 161 grant reports submitted to the ICJI during the period covered by the Report were found to have inaccuracies in the reporting of personnel expenditures. YWCA did not receive the ICJI monitoring report. On information and belief, while grant claims were sometimes returned for corrections during the four-year period covered by the SBOA Report, ICJI did not deny claims during that time period nor did ICJI notify YWCA of any material inaccuracies in its grant reporting, personnel expenditures, or internal controls despite the fact that ICJI was routinely monitoring grant reports. The SBOA did not provide details regarding the nature of the reporting inaccuracies beyond that which is presented in the Report. There is no claim or evidence that any alleged deficiencies noted in the SBOA Report were intentional, that there was fraud or misappropriation, or that services were not in fact actually provided or that funded programs were compromised.

YWCA agrees that grant recordkeeping and reporting were inadequate in certain respects during the period covered by the SBOA Report, but the SBOA has not provided details regarding the nature of the inadequacies sufficient to enable YWCA to respond on a point-by-point basis. YWCA has adopted revised policies and instituted new procedures that it believes comply with the guidelines noted in the SBOA Report to ensure compliance on a go-forward basis. More

specifically, YWCA has established a new grants management and review system which includes weekly meetings of key internal stakeholders, training mandates, and the review of every claim, fiscal and program report at multiple levels. This new system includes the review and sign-off by the CEO prior to the submission of all grant claims. YWCA believes that it now has an excellent working relationship with ICJI and has been advised by the ICJI that it is currently doing an excellent job in terms of grant reporting and compliance.

2. Failure to Comply Resulting in Unallowable Costs

The SBOA Report requests YWCA to reimburse the ICJI the sum of \$89,834.01 in total unallowable costs (\$68,066.97 for salaries claimed in excess of actual salaries paid, plus \$21,767.04 for salaries claimed for match in excess of actual salaries paid). The SBOA does not provide details supporting its calculations, request any specific corrective actions, or suggest any other remedies for noncompliance. See response outlined in Section 1 above for additional details.

3. Incomplete Personnel File Documentation

The current CEO and CFO cooperated extensively in locating available documentation related to period of the SBOA Report. YWCA agrees that personnel records were less than complete in certain respects for the time period in question. YWCA notes that the Board President was responsible only for personnel records relating to the Executive Director, not those of other employees. YWCA has instituted revised policies and procedures that comply with the guidelines noted in the SBOA Report.

4. Internal Control Deficiencies

YWCA agrees that internal controls were inadequate in certain respects during the period covered by the SBOA Report. YWCA does not, however, agree with the categorical statements in the Report to the extent they suggest that there were no controls over grant reporting or the compensation approval process. The SBOA did not provide details regarding the nature of the internal control deficiencies, but there is no claim or evidence that any alleged deficiencies were intentional, that there was fraud or misappropriation, or that services were not in fact actually provided or that funded programs were compromised. YWCA has adopted revised policies, instituted new procedures, and deployed comprehensive financial controls and processes based on GAAP that it believes comply with the financial recordkeeping guidelines noted in the SBOA Report to ensure compliance on a go-forward basis.

We thank you for the opportunity to provide this official response pursuant to Ind. Code § 5-11-5-1(b). We hope this response is fairly considered and any appropriate revisions to the Report are made.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Thomas B. Parent". The signature is written in a cursive style with a large initial "T" and "P".

Thomas B. Parent,
Counsel for YWCA of Greater Lafayette in
Tippecanoe County, Indiana

1358468

YWCA GREATER LAFAYETTE
TIPPECANOE COUNTY
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
YWCA Greater Lafayette:			
Failure to Comply Resulting in			
Unallowable Costs, pages 5 to 8	\$ 89,834.01	\$ -	\$ 89,834.01
Special Investigation Costs, page 11	<u>30,399.00</u>	<u>-</u>	<u>30,399.00</u>
 Totals	 <u>\$ 120,233.01</u>	 <u>\$ -</u>	 <u>\$ 120,233.01</u>

This report was forwarded to the Office of the Indiana Attorney General, Office of the Inspector General, and the Office of the United States Attorney.

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AFFIDAVIT

STATE OF INDIANA)
Cass COUNTY)

I, Emily VanCuren, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the YWCA Greater Lafayette, Tippecanoe County, Indiana, for the period from July 1, 2013 to June 30, 2017, is true and correct to the best of my knowledge and belief.

Emily VanCuren
Field Examiner

Subscribed and sworn to before me this 1 day of March, 2021

Jimmy Bartlett
Notary Public

My Commission Expires: 5/10/26
County of Residence: Cass

