

**COMMUNITY CRISIS SERVICES, INC.**

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**GRANT AUDIT**  
**August 2018**

OFFICE OF AUDITS AND INVESTIGATIONS  
Prince George's County  
Upper Marlboro, Maryland



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

## Office of Audits and Investigations

August 2018

The County Council and County Executive  
of Prince George's County, Maryland

Council Resolution 51-1991, adopted June 25, 1991, requires the Office of Audits and Investigations to perform random financial audits of grants and transfer payments appropriated in the Non-Departmental section of the County's Approved Annual Current Expense Budget.

We have examined the books and records of

### **Community Crisis Services, Inc.**

for the period July 1, 2016, through June 30, 2017. Our examination included such tests of the accounting records and such other auditing procedures, as we considered necessary under the circumstances.

We noted no matters involving the Prince George's County grants and contracts to Community Crisis Services, Inc., that led us to believe that the County grant and contract funds were used for other than their intended purpose.

This report, in our opinion, fulfills the requirements of Council Resolution 51-1991 to perform random financial audits of grants and transfer payments made pursuant to the Non-Departmental section of the Prince George's County, Maryland, Fiscal Year 2017 Approved Operating Budget.

A blue ink signature of David H. Van Dyke, CPA, County Auditor.

David H. Van Dyke, CPA  
County Auditor

A black ink signature of Larry Whitehurst, CPA, MBA, Audit Manager.

Larry Whitehurst, CPA, MBA  
Audit Manager

**Community Crisis Services, Inc.**

The Prince George's County Government ("the County"), by way of the Prince George's County Council ("the Council") and the Office of the County Executive, awarded Community Crisis Services, Inc. ("CCSI") 9 grants totaling \$109,000 in fiscal year 2017. These awards were issued from August of 2016 through June of 2017. A summary of the grants awarded is as follows:

<b><u>Payment Date</u></b>	<b><u>Grant Award Amount</u></b>
8/31/2016	\$75,000
9/30/2016	1,000
10/28/2016	3,000
10/29/2016	3,000
10/30/2016	1,000
10/30/2016	2,000
10/30/2016	2,000
10/30/2016	2,000
6/9/2017	<u>20,000*</u>
<b>Total Amount Awarded</b>	<b><u>\$ 109,000</u></b>

\* Awarded by the Office of the County Executive

These grants were awarded to CCSI to be used to support their general operations. CCSI was also awarded a domestic violence grant from the Council in the amount of \$25,000 to specifically fund a 25-hour per week Domestic Violence Specialist position. CCSI operates various crisis related hotlines, and this position would allow for them to provide targeted assistance (i.e. navigation of available support services, emotional support, and follow-up calling) to domestic violence clients.

In addition to grant funding, CCSI was awarded contracts by the Prince George's County Department of Social Services (DSS) for \$367,931, and the Health Department (HD) for \$167,197 during FY 2017. A summary of the contracts is as follows:

<b>Agency</b>	<b>Contracted Service</b>	<b>Total Contract Amount</b>
DSS	Hypothermia Shelter Program	\$ 169,731
	Homeless/Energy Assistance Hotline	150,000
	Adult Child Protective Services Screening Line Call Volume Overflow	48,200
	Total DSS Contracts	\$ 367,931
HD	Maryland Youth Suicide and Crisis Hotline Services	167,197
<b>Total County Contracts</b>		<b>\$ 535,128</b>

CCSI is incorporated as a 501(c) (3) non-profit organization that provides crisis intervention and suicide prevention for residents of the State of Maryland, and Washington D.C. CCSI operations began in 1970, providing a local suicide hotline for the Mental Health Association serving Prince George’s County residents. Since that time, CCSI’s services have expanded beyond a suicide hotline and the residents of Prince George’s County to providing services throughout the D.C. Metropolitan region. CCSI’s mission is to serve the community with prompt, non-judgmental and comprehensive responses to crisis with the goal of supporting increased stability and coping skills through prevention, intervention, postvention, information and referral. CCSI provides services across three program areas: Homeless Services, Crisis Services, and Information & Referral Services. Some details on the services that are provided under each of these program areas are as follows:

- Homeless Services are delivered through the operation of three distinct programs: Homeless Hotline, Shelter Diversion program, and Hypothermia “Warm Nights” shelter program. Information for each of these programs are as follows:
  - CCSI is contracted by DSS to operate a 24 hour/7 day a week homeless/energy assistance hotline for residents of Prince George’s County. In FY 2017, CCSI handled a total of 51,740 calls (26,695 for homeless and 25,045 for energy assistance calls) assisting individual callers with obtaining shelter, providing information on energy assistance programs, and any other related needs.
  - The Shelter Diversion program is designed to help individuals and families avoid shelter stays by gaining or maintaining housing through case management, crisis intervention, emergency motel placements and Traveler’s Aid services.
  - The Hypothermia Shelter “Warm Nights” is a program that provides 50 beds for homeless individuals from October through April. The program, which has been in operation since the Fall of 2006, is a collaboration between 40 churches, DSS, and CCSI to provide shelter to the homeless during the winter months. The program provides 25 beds from April to October to ensure the safety of individuals and families until other accommodations become available.

- The Crisis Services operates a variety of different crisis related hotlines that are in service 24 hours a day, 7 days a week. Some of which includes three (3) suicide hotlines, and a protective services crisis hotline. CCSI also operates the Maryland Youth Crisis Hotline, which is a statewide initiative that provides a toll-free crisis line to youth in need.
- Information & Referral Services are delivered by CCSI through its operation of the Maryland 2-1-1 line which serves as a single source of information for Maryland residents about community services, referrals to human services and crisis intervention. CCSI also works with two other agencies to provide 24 hour/7 day a week coverage for First Call For Help. First Call For Help is a statewide information and referral service operated by the United Way of Central Maryland. CCSI also provides community related training in the areas of suicide awareness and intervention, mental health, and CPR/first aid using industry and best practices training models.

We examined the books and records maintained by CCSI and included tests of the accounting records and other auditing procedures, as we determined necessary. Consideration was given to the fact that the records of the organization were reviewed and included in the scope of the financial audit conducted by Mullen Sondberg Wimbish & Stone, PA, Independent Auditors, for the period of June 30, 2017, and no discrepancies or irregularities were disclosed. Our examination included a review of expenditures and supporting documentation to ensure that payment amounts were properly approved and corresponded to related invoices. We noted no instances that led us to believe that County grant or contract funds were used for other than their intended purpose.

However, when reviewing supporting documentation for expenditures that were selected for review we noted several instances where documented or adequate approval was not apparent. These expenditures were primarily for ordinary and customary organization costs such as consultant and audit fees, building mortgage payment, and expense reimbursements made to the Executive Director. According to CCSI policies and procedures, the purchase of goods/services must be approved in advance by the Executive Director. Additionally, all expense checks are to be prepared bi-weekly and submitted to the Board Treasurer for (approval) signing. CCSI has a practice of having all expenses reviewed/approved by the Deputy Director and corresponding checks submitted to the Executive Director for signature approval. However, only a few expenditures selected for review contained evidence (i.e. signature) of a review by the Deputy Director, and none of the expenditures contained evidence of advance approval from the Executive Director or being submitted to the Board Treasurer. The documented review by the Board Treasurer would be especially important with respect to reimbursements made to the Executive Director since it would allow for a segregation of duties related to expense reimbursements. Given the above mentioned finding we recommended the following:

**1. CCSI submit all organization expenditures bi-weekly, for review and approval, to their Board Treasurer in accordance with their policies and procedures. Evidence of the review and approval process should be maintained by way of a signature from the Board Treasurer and/or written discussions in Board meeting minutes notes.**

Also, while conducting the audit, we reviewed documentation that supported reimbursements for costs associated with the contracts with DSS, and the HD. Our review revealed the following with respect to each agency:

DSS – The contracts with DSS requires CCSI to submit monthly invoices along with documentation to support reimbursements for contract related expenditures. The invoices along with the supporting documentation is reviewed and approved by DSS staff prior to being reimbursed. A review of documentation submitted by CCSI to support labor related costs for hotline contracts (i.e. Homeless/Energy Assistance Hotline and Adult Child Protective Services Screening Line Call Volume Overflow) consisted of a listing of employees assigned to the specific hotline initiative for the invoice period along with a payroll journal. In some instances, the amount of labor cost invoiced for an employee included their entire amount of earnings for the invoice period (as included in the payroll journal) and in other cases CCSI only included a portion of the earnings. When inquiries were made to CCSI about how the determination was made to allocate portions of labor costs for an employee vs. their entire labor amount they mentioned that it was based on an estimate of the amount of time an individual employee serviced calls for a hotline initiative.

Further inquiries revealed that CCSI operates a call center that is staffed by its call center employees during their assigned working hours. All calls for each specific hotline initiative are routed to a centralized queuing system that channels each call to a customized automated greeting based upon the call type. After each call works through the queuing system it can be answered by any employee that is working at the call center at that time. So essentially, when CCSI invoices DSS for labor related call center costs, it is based on CCSI's judgment of which of its employees handled calls for a specific hotline initiative. That employee's associated labor costs, or a portion thereof, for the invoicing period is then used to invoice DSS. All non-labor costs (i.e. rent, utilities, and administrative costs) were invoiced using the same methodology. A review of documentation such as timesheets and invoices supported employee hours worked at CCSI call center and total costs for non-labor costs. However, there was no way of directly linking an individual's labor hours and non-labor costs to a specific call center initiative. At our request, CCSI representatives did provide a report that detailed call volume for each hotline initiative during FY 2017.

HD – The contract with HD requires CCSI to be reimbursed for contract related expenses through the submission of monthly requests for payment via Form 437. The contract also requires the submission of quarterly invoices and supporting documentation. Representatives of the HD provided all request for payment forms for FY 2017. However, it appears that CCSI did

not submit quarterly invoices and supporting documentation to the HD as required by the contract. A review of the request for payment forms revealed that CCSI was reimbursed an identical amount each month throughout FY 2017. The reimbursements reflected the total contract amount divided evenly, by cost category, over the contract period. All the request for payments were approved by a HD representative. Upon request, CCSI provided a payroll journal that supported the labor costs for their employees who were assigned to the HD contract. However, due to the nature of the services provided under this contract (i.e. hotline calls) it was difficult to directly tie these individuals labor costs to the HD contract. (See description of CCSI's call center operation under the DSS section). Similarly, all non-labor costs reimbursed were unable to be directly tied to the HD contract.

Based upon our review of both contracts, we recommend the following:

**2. DSS and HD reimbursements to CCSI for hotline contracts should be made on an agreed upon time frame (i.e. monthly) based on a percentage of the contract amount and not based upon actual invoice expenditures due to the inability to directly tie costs to a specific hotline initiative. At the end of each contract period an evaluation of call volume should be conducted to serve as the basis in determining the amount of labor that will be needed to support an anticipated or targeted call volume. Once this evaluation is conducted, the labor portion of the contract amount should be set accordingly. All non-labor expenses should be reimbursed based upon an agreed upon general administrative percentage of labor.**

The attached Statement of Revenues and Expenditures (as audited by their independent auditors) for the period ending June 31, 2017, shows the activities of the organization for the period in which the grant funds were received.

**COMMUNITY CRISIS SERVICES, INC.**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**FOR THE PERIOD ENDING JUNE 30, 2017**  
**(ACCRUAL BASIS)**

	<u>2017</u>
<b>REVENUES:</b>	
Program service fees and grants	\$1,003,100
Contributions	101,667
Other	1,593
<b>Total Revenues</b>	<u>\$1,106,360</u>
 <b>EXPENDITURES:</b>	
Salaries	\$619,022
Payroll Taxes	59,366
Fringe Benefits	52,557
Professional fees	59,474
Communication expense	47,364
Client expenses	33,457
Depreciation	15,035
Insurance	13,620
Conference and meetings	12,585
Office supplies and expenses	10,547
Interest	10,524
Training	9,513
Utilities	8,694
Database	4,296
Advertising	3,838
Dues and subscriptions	2,850
Printing and publications	2,375
Repairs and maintenance	2,125
Postage and shipping	1,331
Small equipment	735
Miscellaneous	335
Travel	57
<b>Total Expenditures</b>	<u>\$969,700</u>
<b>Excess Revenue Over/(Under) Expenditures</b>	<u><u>\$136,660</u></u>