

FIRST GENERATION COLLEGE BOUND, INC.

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

FIRST GENERATION COLLEGE BOUND, 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 to First Generation College Bound, Inc., that led us to believe that the County grant 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 blue ink signature of Larry Whitehurst, CPA, MBA, Audit Manager.

Larry Whitehurst, CPA, MBA
Audit Manager

First Generation College Bound, 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 First Generation College Bound, Inc. ("FGCB") 10 grants totaling \$192,500 in fiscal year 2017. These grants, which were issued from September of 2016 through June of 2017, were awarded to support FGCB's general operations. A summary of the grants awarded is as follows:

<u>Payment Date</u>	<u>Grant Award Amount</u>
9/30/2016	\$ 1,000
10/1/2016	150,000
10/1/2016	2,500
10/1/2016	2,500
10/2/2016	5,000
4/30/2017	2,000
4/30/2017	1,000
4/30/2017	1,000
6/4/2017	2,500
6/9/2017	<u>25,000*</u>
Total Amount Awarded	<u>\$ 192,500</u>

* Awarded by the Office of the County Executive

First Generation College Bound, Inc., is an incorporated 501(c) (3) non-profit organization that began operations in 1990. The organization is currently headquartered at 8101 Sandy Spring Road, Suite 230, Laurel, Maryland. FGCB provides both community and school-based education enhancement programs to low income, minority and prospective first-generation college bound youth. FGCB operates three programs, a homework club, college access, and college retention. A description of each of these programs is as follows:

- Homework Club – Begun in 1992, this club employs certified teachers to assist students, (Grades 1-12) from the Kimberly Gardens public housing units in Laurel, Maryland, with their homework. Case managers also provide support by tracking the progress of kids in this program and, when appropriate, intervening to help kids overcome any barriers that may prevent them from succeeding academically. In the past, the program has supported 30 students, and plans are in place to continue to support the same number of students in the future.
- College Access – Case managers work with 150 seniors from low and moderate-income homes at five Prince George’s County high schools (Central, Fairmont Heights, Laurel, Parkdale, and Potomac) to encourage students to advocate for themselves and solve problems in ways that keep them on track to attend college. Guidance counselors and School Liaisons from each school help identify students to participate in the program based upon those who haven’t considered college as a realistic option because their parents haven’t attended college or their parents or guardians don’t think they can afford to send their kids to college.
- College Retention Program – This program supports higher education goals of college students to help them complete their college degree within four years. A college retention committee is organized to monitor the program participants’ academic progress to ensure that they are on target to fulfilling their graduation requirements. In the past, the program has supported 711 students, and plans are in place to continue to support the same number of students in the future.

We examined the books and records maintained by FGCB 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 review conducted by Bormel, Grice & Huyett, P.A., Independent Auditors, for the period ending 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 funds were used for other than their intended purpose. However, when reviewing supporting documentation for transactions that were selected for review, we noted that the organization has a credit card account. Credit cards for this account are issued to certain employees and the Executive Director. All transactions for this credit card account were reviewed and approved solely by the Executive Director. According to an organization representative, the credit card statement transactions are reviewed by the organization's finance committee, which is comprised of members of the Board of Directors. However, evidence of the finance committee's review process is not documented in committee meeting notes or via a signature from any finance committee member. The documented review by the finance committee would be especially important with respect to credit card purchases made by the Executive Director since it would allow for a segregation of duties related to his transactions. Given the above mentioned finding we recommended the following:

FGCB submit all transactions initiated by the Executive Director, for review and approval, to a member of their Board of Directors. Evidence of the review and approval process should be maintained by way of a signature from a Board member and/or written discussions in Board of Director or Finance committee meeting notes.

The attached Statement of Revenues and Expenditures (as audited by their independent auditors) for the period ending June 30, 2017, shows the activities of the organization for the period in which the grant funds were received.

FIRST GENERATION COLLEGE BOUND, INC.
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE PERIOD ENDING JUNE 30, 2017
(ACCRUAL BASIS)

	<u>2017</u>
REVENUES:	
Grants	\$ 256,953
Contributions*	233,333
Net Special Events Revenues	8,084
Program Revenue	4,015
Investment Return (Loss)	291
*Total Revenues	\$ 502,676
 EXPENDITURES:	
Salaries	\$ 181,714
College access program	1,011
Coordinators, instructors and consultants	54,654
Conference and Meetings	507
Employee benefits	38,772
Enrichment activities	13,501
Occupancy	21,762
Postage	6,608
Depreciation	3,612
Printing and reproduction	8,276
Professional Fees	49,497
Insurance	2,308
Dues and memberships	2,035
Repairs and maintenance	543
Supplies	12,590
Telephone and Communication	8,083
Travel and Transportation	4,142
Total Expenditures	\$ 409,615
Excess Revenue Over/(Under) Expenditures	\$ 93,061

* Includes \$55,300 of temporarily restricted revenue