

**Nassau County**  
**Office of the Comptroller**



**Limited Review of Eager to Serve, Inc. dba Sunshine Residence**  
**Compliance with the Nassau County Living Wage Law**

**GEORGE MARAGOS**

*Comptroller*

**July 6, 2015**

**NASSAU COUNTY**  
**OFFICE OF THE COMPTROLLER**

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## Executive Summary

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### **Introduction**

Eager To Serve, Inc., a 501(c)(3) not-for-profit agency, is doing business as the Sunshine Residence (“SR”). In accordance with a Memorandum of Understanding (“MOU”) between Nassau County and Eager To Serve, Inc., the County paid SR predetermined daily rates to provide Family or Single Adult Shelter Facilities. The MOU requires the SR to comply with the County’s Living Wage Law<sup>1</sup> and the related Rules<sup>2</sup>.

### **Purpose**

The purpose of the audit was to verify that employees of SR were paid the applicable Living Wage rate and that eligible employees received Compensated Time Off in compliance with the Living Wage Law.

### **Key Findings:**

The key findings of the review were:

- Hourly rates paid to employees were less than the rates mandated by the Law. For the three year period 2012 through 2014, a total of \$4,899 is due to 11 employees.
- SR did not pay overtime in accordance with the Fair Labor Standards Act which is the rate of one and one half the regular rate of pay for hours worked in excess of 40 hours per week. For the period 2012-2014, overtime in the amount of \$217 is due to two employees.
- SR employees were not paid on a timely basis, as required by New York State Labor Law. There was a significant lapse in the processing time that occurred from the date worked on the employee’s timesheet to the date the employee received pay (check was cut). We found that the number of days ranged from 27 to 658 days from the last date of the work period to the pay date (check date).
- Discrepancies were found between the number of hours worked by employees as listed on paystubs and the hours shown on timesheets. This may have resulted in employees not being paid for the proper number of hours worked.
- SR failed to comply with the terms of section 5 (2b) of the Living Wage Law as well as the MOU with the County by not providing complete original payroll records to the Comptroller's Office for 2014. The pay period begin and end dates, and the number of hours worked were missing for almost 80 percent of the payroll dates.

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<sup>1</sup> “Nassau County Living Wage Law,” Nassau Co. Misc. Laws, Title 57, (2007) as amended.

<sup>2</sup> Rules of the Nassau County Comptroller and Rules of the Nassau County Executive.

## Executive Summary

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- SR's Compensated Time Off policies were not in compliance with the Living Wage Law, resulting in eligible employees not being paid for accrued time off totaling \$4,266. SR did not maintain any Compensated Time Off Accrual and Utilization Schedule to track the leave balances for its employees. In addition, upon termination and at the end of the year all unused leave time is forfeited.
- SR did not file the required Federal IRS Annual Form 990 Information Return for the years 2012 through 2014.

### **Key Recommendations:**

We recommend that SR should:

- compensate the 11 employees the amounts owed and provide proof of payment with supporting calculations to the Comptroller's Office.
- adhere to the policies stated in the Fair Labor Standards Act regarding overtime pay.
- calculate the amount of overtime pay due each employee for the years prior to 2014 and issue back pay.
- correct its payroll payment practices to ensure that all employees are paid in a timely manner, not less than semi-monthly, as required by NYS Labor Law.
- correct its payroll practices to ensure that timesheets are accurately maintained and agree with paystub payroll information.
- modify the way it documents the payroll in QuickBooks by adding the number of hours worked and the work dates in accordance with the Living Wage Law and to comply with the Memorandum of Understanding with the County.
- keep proper records of each employee's Compensated Time Off accruals, usage, and balances.
- accrue Compensated Time Off for any employee working 20 or more hours per week.
- pay any Compensated Time Off accruals to employees that have been terminated and calculate the amount of Compensated Time Off due each existing employee and issue back pay; provide proof of all employee payments to the Comptroller's Office.
- amend the "Employee Benefits" section of the Employee Manual by removing statements that refer to forfeiting compensated days off, and length of service period as eligibility for leave.
- file Federal Form 990 in a timely manner as required by the MOU.

## Executive Summary

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The matters covered in this report have been discussed with the officials of Eager to Serve. On May 19, 2015, we submitted a draft report to Eager to Serve for their review. They requested an Exit Conference which was held on June 9, 2015. They provided their response on June 12, 2015. Their response and our follow-up response are included as an Appendix to this report.

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## Introduction

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### **Background**

The Nassau County Department of Social Services (“DSS”) and the Office of Housing and Community Development (“OHCD”) have a joint program that provides shelter placement and assistance with emergency housing needs. Individuals and families seeking emergency shelter are referred to homeless shelters after their eligibility has been established by the Emergency Housing Unit.

Eager to Serve, Inc. dba the Sunshine Residence (“SR”) is one of the homeless shelters used by DSS for this joint program. In accordance with a MOU between Nassau County and Eager To Serve, Inc., the County paid SR predetermined daily rates to provide Family or Single Adult Shelter Facilities. The Memorandum of Understanding requires SR to comply with the County’s Living Wage Law and the related Rules.

For Years 2012-2014 combined, SR billed the County for payments totaling \$650,604. Exhibit I below shows all fees paid to SR in Years 2012 to 2014.

### **Exhibit I**

**Yearly Shelter Payments  
2012 - 2014**

<b>Year</b>	<b>Amount Paid</b>
2012	\$ 247,833
2013	206,371
2014	196,400
<b>Total</b>	<b>\$ 650,604</b>

The County pays the Shelters predetermined daily rates to provide Family or Single Adult Shelter Facilities in accordance with the New York State regulations and any policies set forth by the County. Shelter Residents are required to sign in and out on a daily basis indicating whether single or the number of family members with them. Exhibit II below summarizes the daily rates DSS pays to Shelters for emergency shelter services.

## Introduction

### Exhibit II

#### Emergency Shelter Daily rates

Single Rate	Family Rate	Duration of Stay	% age of Shelter Rate Paid	% Change in Rate
\$ 67	\$ 140	1- 60 days	100%	
\$ 54	\$ 112	61-150 days	80%	-20%
\$ 40	\$ 84	151+ days	60%	-25%

*Source: Nassau County Department of Social Services*

### Audit Scope, Objectives, and Methodology

The major objective of the audit is to determine that employees of SR were paid the applicable Living Wage rate and that eligible employees received Compensated Time Off. The audit period was calendar years 2012 through 2014.

We reviewed SR's 2012 through 2014 payroll records, employee time sheets, New York State Quarterly Wage Reports, and Form W-2s<sup>3</sup>. We performed tests to determine that employees were paid the applicable Living Wage rate (includes Benefits Supplement hourly rate<sup>4</sup>), and that eligible employees received Compensated Time Off.

We also reviewed a sample of payments made to SR for the three year period 2012- 2014, to determine if payments were made in accordance with the MOU. We examined claim vouchers, Residents' sign in sheets, and New York State Welfare Management System ("WMS") Benefit Issuance Control System ("BICS")<sup>5</sup> records. We verified that sign in sheets were completed by residents and signed by an authorized party at the shelter, and that payments made were for a time period when the resident was authorized to stay at the shelter.

We believe our review provides a reasonable basis for the findings and recommendations contained herein.

<sup>3</sup> Federal Wage and Tax Statement

<sup>4</sup>The Law states that employers should either provide employees with health benefits or supplement their hourly rate by an amount no less than the Benefits Supplemental Rate.

<sup>5</sup> WMS is a statewide automated network that supports the administration of human services programs for adults and children; BICS uses the information entered through WMS on a nightly basis to produce case payments, management and financial reports, vendor payments and reimbursement for expenditures.



## Findings and Recommendations

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### **Audit Finding**

#### **(1) Hourly Rates Paid To Employees Were Less Than the Rates Mandated by the Living Wage Law**

We reviewed SR's individual Employee Payroll History records for 2012 through 2014 for a sample of five pay periods and found that four of the six employees were paid below the Nassau County Living Wage rate.

The Living Wage rates, including the health benefit supplement rate, are as follows:

- August 1, 2011 to July 31, 2012 is \$14.61 per hour
- August 1, 2012 to July 31, 2013 is \$14.91 per hour
- August 1, 2013 to July 31, 2014 is \$15.21 per hour
- August 1, 2014 to July 31, 2015 is \$15.50 per hour

The Law states that employers should either provide employees with health benefits or supplement their hourly rate by an amount no less than the Benefits Supplement rate. For our audit period, 2012 to 2014, the Benefits Supplement rate (included in the hourly rates above) ranged from \$1.71 to \$1.92 per hour. Since SR does not offer health benefits to its employees, employees are entitled to be paid the Living Wage rate including the benefit supplement rate.

Based on the non-compliance of paying the Living Wage rate found in our sample testing, we expanded our review to cover hourly rates paid to all employees in 2012 through 2014. We found that 11 employees<sup>6</sup> who worked from 2012 to 2014 were not paid the required Living Wage rate totaling \$4,899 in underpayments. Exhibit III below summarizes the underpayments and the 11 employees affected.

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<sup>6</sup> Most employees did not work in all three consecutive years of our testing. Traditionally, three or four non-salaried staff is employed full-time each year.

## Findings and Recommendations

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### Exhibit III

#### Employees Paid Below the Living Wage Rate

<u>Employee</u>	<u>Amount of Back Pay Due</u>
Employee A	\$ 160
Employee B	530
Employee C	1,032
Employee D	160
Employee E	1,003
Employee F	11
Employee G	7
Employee H	56
Employee I	1,429
Employee J	278
Employee K	233
<b>Total Amount Due</b>	<b>\$ 4,899</b>

#### Audit Recommendation:

We recommend that SR compensate the 11 employees the amounts owed and provide proof of payment with supporting calculations to the Comptroller's Office.

#### Audit Finding

##### (2) Overtime Was Not Paid To Employees at One and One Half Their Regular Rate of Pay As Required by the Fair Labor Standards Act

We noted that in 2014, two of the seven employees worked more than 40 hours each in a one-week pay period and were not paid overtime at one and one half their rate of pay for hours worked in excess of 40 hours per week, as required under the Fair Labor Standards Act<sup>7</sup>. They were compensated at straight time only. This resulted in underpayments totaling \$217 (\$145 for one employee and \$72 for the other).

The Fair Labor Standards Act states that certain employees working more than 40 hours per week are required to be paid overtime at a rate of one and one half their regular rate of pay. SR's

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<sup>7</sup> Fair Labor Standards Act of 1938 §7(a); Title 29 U.S.C. §207(a).

## **Findings and Recommendations**

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Employee Manual states that “any non-exempt<sup>8</sup> status employee working more than 40 hours in a week will be entitled to overtime compensation.”

### **Audit Recommendations:**

We recommend that SR:

- a) adhere to the policies stated in the Fair Labor Standards Act regarding overtime pay;
- b) calculate the amount of overtime pay due each employee for the years prior to 2014 and issue back pay; and
- c) provide proof of payment to the Comptroller’s Office.

### **Audit Finding**

#### **(3) Sunshine Residence Delayed Paying Employees From 27 to 658 Days**

We noted that SR did not pay their employees in a timely manner. There was a significant payroll lag<sup>9</sup>; the processing time that occurred from when the employee worked (dates covered in the timesheet) to the actual time the employee received pay (check date). We found that the payroll lag for Years 2012 to 2013 ranged from 27 to 658 days from the last day of the work period (pay period end date) to the pay date (check date). Auditors could not verify the payroll lag for Year 2014, since SR only provided payroll work dates for two of the nine payroll periods. Exhibit IV below shows the range (low to high) and the average number of days that lapsed from the last date of the service period to the date the check was cut to compensate employees.

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<sup>8</sup> Non-Salaried Employees are considered non-exempt. Executive Director, Director, Supervisors, Coordinators, Social Workers, Departments Heads, etc. (salaried employees) are considered “exempt status”.

<sup>9</sup> Payroll lag refers to the processing time that occurs from when the timesheet is submitted to the time the employee receives pay (check date).

## Findings and Recommendations

### Exhibit IV

**Frequency of Employee Payment  
Number of Days Lapsed from the Last Date Worked to the Check Date  
2012 - 2013\***

Employee	2012		2013	
	Range (Low to High)	Average Number of Days Lapsed	Range (Low to High)	Average Number of Days Lapsed
Employee A	29 to 245	104	71 to 458	185
Employee B	28 to 68	47	71 to 149	92
Employee C	32 to 245	118	71 to 458	185
Employee D	27 to 658	127	(b)	(b)
Employee E	(a)	53	(b)	(b)
Employee F	(a)	27	(b)	(b)

\* Sunshine Residence did not provide auditors with period of service information for almost 80 percent of payroll dates in 2014

(a) Employee worked one pay period

(b) Employee did not work in 2013

Substantial payroll lag for certain workers is in violation of the New York State Labor Law<sup>10</sup>.

The Law states:

“Frequency of Payments. 1. Every employer shall pay wages in accordance with the following provisions:

a. Manual worker.

(i) A manual worker shall be paid weekly and not later than seven calendar days after the end of the week in which the wages are earned; provided however that a manual worker employed by an employer authorized by the commissioner pursuant to subparagraph (ii) of this paragraph or by a non-profitmaking organization shall be paid in accordance with the agreed terms of employment, but not less frequently than semi-monthly.

d. Clerical and other worker.--- A clerical and other worker shall be paid the wages earned in accordance with the agreed terms of employment, but not less frequently than semi-monthly, on regular pay days designated in advance by the employer.”

<sup>10</sup> NYS Labor Law Article 6 §191 1(a).

## **Findings and Recommendations**

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### **Audit Recommendation:**

We recommend that SR correct its payroll payment practices to ensure that all employees are paid in a timely manner, not less than semi-monthly as required by NYS Labor Law.

### **Audit Finding**

#### **(4) The Number Of Hours Worked by Employees As Listed on Paystubs Did Not Agree With Hours Worked on Time Sheets**

We compared timesheets to applicable Payroll Registers for a sample of five pay periods over the period of 2012 to 2014 for all eligible employees. We noted that the number of hours worked for five employees, as indicated on their paystubs, did not agree with the hours listed on the timesheets submitted to the Comptroller's Office. The paystubs of one employee showed 132 hours; however, time sheets provided only listed 122 hours.

In addition, one employee whose timesheet indicated 125 hours worked did not appear on the corresponding payroll register and we were unable to determine if, or when, this employee was paid for these hours. Based on the employee's rate of pay, he should have been paid \$2,125.

Information regarding the number of hours worked by employees listed on paystubs should be consistent with information on timesheets, since the Pay Period Begin and End Dates list the time period for which employees are being paid. In addition, inconsistent information questions the accuracy and reliability of the entire payroll process.

### **Audit Recommendation:**

We recommend that SR:

- a) correct its payroll practices to ensure that timesheets are accurately maintained and agree with paystub payroll information; and
- b) provide the Comptroller's Office with proof that the employee who worked the 125 hours as referenced in the finding was paid.

## **Findings and Recommendations**

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### **Audit Finding**

#### **(5) Sunshine Residence Failed to Provide Payroll Records Indicating the Work Dates, Number of Hours Worked, and Rate Paid For 80 Percent of Its Payroll Dates in 2014**

SR failed to comply with the terms of the Living Wage Law as well as the Memorandum of Understanding with the County by not providing complete original payroll records to the Comptroller's Office for 2014. For seven of the nine payroll dates (check dates) in 2014, the information provided did not include the dates the employees worked or the number of hours worked. This information is necessary in order to determine that the amount paid is accurate.

SR advised us that the last seven payroll periods did not include information provided for the first two periods due to a change in payroll processing from ADP to an in-house system using QuickBooks. We requested the supporting timesheets for the last seven payroll periods but, as of the date of this report, have not received them.

The County MOU with SR stipulates that SR must maintain complete and accurate records pertinent to performance under the Agreement and that such records shall at all times be available for audit and inspection by the Comptroller.<sup>11</sup> The Living Wage Law similarly notes that every employer shall maintain payroll records including days and hours worked, wages paid and benefits provided, and that access to such records be provided to the Comptroller upon request.<sup>12</sup>

### **Audit Recommendation:**

We recommend that SR modify the way it documents the payroll in QuickBooks by adding the number of hours worked and the work dates in accordance with the Living Wage law and to comply with the Memorandum of Understanding with the County.

### **Audit Finding**

#### **(6) Compensated Time Off Policies Were Not In Compliance With the Living Wage Law**

The SR does not maintain records of each employee's Compensated Time Off accruals, usages, and balances. Also, the Payroll Registers do not indicate if, or when, employees were being paid for compensated leave time. The Executive Director stated that she does not maintain employee balances but she allows all her employees three weeks of vacation/sick leave per year and the unused leave time is forfeited. She stated that most of the employees do not take time off because they only work a couple of days per week and do not need time off.

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<sup>11</sup> Memorandum of Understanding §18 (a).

<sup>12</sup> "Nassau County Living Wage Law", Nassau Co. Misc. Laws, Title 57, (2007) §5(b).

## **Findings and Recommendations**

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We computed the Compensated Time Off that should have been accrued for all eligible employees in 2012 through 2014. As shown in Exhibit V, we found that eight employees who worked from 2012 to 2014 were entitled to be paid for 285 hours of Compensated Time Off totaling \$4,266.

### **Exhibit V**

<b>Compensated Time Off Owed to Employees</b>		
<b>Employee</b>	<b>Number of Hours of Accrued Time</b>	<b>Back Pay Amount Due</b>
Employee A	2	\$ 24
Employee B	129	1,950
Employee C	36	534
Employee D	2	24
Employee E	16	234
Employee F	96	1,424
Employee G	3	41
Employee H	2	35
<b>Total</b>	<b>286</b>	<b>\$ 4,266</b>

The Living Wage Law referencing Compensated Time Off<sup>13</sup> states that “Full-time employees shall accrue such leave at a rate of one day per month of full-time employment. Part-time employees who work twenty or more hours per week shall accrue such leave in increments proportional to the rate of accrual for full-time employees. Any employee shall be eligible to begin using such accrued leave six months following his or her start date of employment, or consistent with company policy, whichever is sooner. Paid holidays, consistent with established employer policy, may be counted toward provision of the required twelve compensated days off. Compensated days off shall not be forfeited upon separation from service; such days shall be paid out to the employee upon such separation at the living wage rate at the time of separation.”

We also reviewed SR’s Employment Manual (“Manual”) to determine if its policies comply with the Law. We noted the following two inconsistencies:

- The Manual, Employee Benefits section, states that “after six months of full time employment and employee is in good standing, he or she may have five days’ vacation with pay. After 3 years of services and employee is in good standing, he or she may have

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<sup>13</sup> “Nassau County Living Wage Law”, Nassau Co. Misc. Laws, Title 57, (2007) §3 (b) Compensated days off.

## **Findings and Recommendations**

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two weeks of vacation with pay. After ten years of services, employees will have 4 weeks' vacation with pay". This is in conflict with §3 (b) of the Living Wage Law since the SR's policy denies mandated time off for part-time employees who work more than 20 hours per week, and prevents the accrual of Compensated Time Off prior to six months of employment for all of its employees.

- The Manual also states that “*vacation days will not be carried over to succeeding years.*” This does not comply with the Law which states that “Compensated days off shall not be forfeited upon separation from service; such days shall be paid out to the employee upon such separation at the living wage rate at the time of separation.”

### **Audit Recommendations:**

We recommend that SR:

- a) keep proper records of each employee's Compensated Time Off accruals, usage, and balances;
- b) accrue Compensated Time Off for any employee working 20 or more hours per week;
- c) pay any Compensated Time Off accruals to employees that have been terminated;
- d) amend the “Employee Benefits” section of the Employee Manual by removing statements that refer to forfeiting compensated days off, and length of service period as eligibility for leave;
- e) calculate the amount of Compensated Time Off due each employee and issue back pay; and
- f) provide proof of all employee payments to the Comptroller's Office.

### **Audit Finding**

#### **(7) Sunshine Residence did not file Required IRS Annual Form 990 Information Return for 2012 through 2014**

The Sunshine Residence has not filed an IRS Form 990 Tax return<sup>14</sup> for 2012 through 2014. As a 501(c)(3)<sup>15</sup> organization, the entity is required to file an annual informational tax return with the Internal Revenue Service (“IRS”). Form 990, except for certain contributor information on Schedule B, is required to be made available to the public by the IRS and the filing organization. The Executive Director advised us that she has an IRS extension to file due to Hurricane Sandy.

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<sup>14</sup> Return of Organization Exempt From Income Tax, to be filed by 501(c) 3 nonprofit organizations.

<sup>15</sup> Tax Exempt, nonprofit organization.



## **Findings and Recommendations**

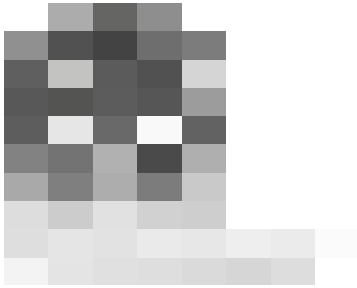
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As of the date of this report, the Executive Director has not provided proof of the extension granted by the IRS.

The Form 990 serves two essential purposes. First, it provides information that helps government agencies (the IRS and state charity regulators) enforce the laws that govern nonprofits. For example, it helps government regulators learn whether groups have been spending their funds in a way that might cause them to lose their charitable and tax-exempt status. Second, the Form 990 provides substantial financial information about the filing organization's financial condition, the sources of its income, top management salaries and any relatively large payments made to those who serve as independent contractors to the filer.

### **Audit Recommendation:**

We recommend that SR file Federal Form 990 in a timely manner as required by the MOU.



**Levada Felder**  
Executive Director

16 Charlick Place, Suite 1  
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June 12, 2015

Nassau County Office of the Comptroller  
240 Old Country Road  
Mineola, NY 11501  
Attn.: JoAnn Greene  
Director of Field Audit

**Re: Limited Review of the Sunshine Residence (Eager to Serve, Inc.) 2012-2014  
Compliance with the Nassau County Living Wage Law**

Dear Ms. Greene:

We are in receipt of your letter dated May 19, 2015 with your findings relating to the above-referenced audit. As per our request, we would like to provide you with this formal response to your findings. The following are the corrective measures we are taking to rectify the areas where we were not in compliance with the Nassau County Living Wage Law.

**Audit (1)**

As per your audit recommendation, we will compensate the 11 employees the amounts owed to them and will provide proof of payment with the supporting calculations to the Comptroller’s Office.

In order for us to compensate the 11 employees, we request that you provide us with the names of the employees who were underpaid so that we can expedite their payments.

## Appendix – Sunshine Residence Response and Auditor’s Follow Up

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### **Auditor’s Follow-up:**

*The Comptroller’s Office has provided SR with the supporting documentation including the names of the employees and the auditor’s calculation of the amounts due each employee.*

### **Audit (2)**

As per the audit recommendation, we shall:

- A. Fully comply with the policies of the Fair Labor Standards Act regarding overtime pay.
- B. Calculate the amount of overtime pay due each employee for the years prior to 2014 and issue back pay.
- C. Provide proof of payment to the Comptroller’s Office.

In order for us to compensate the two employees referenced in your audit letter their overtime pay, please provide us with the names of those employees so we can expedite their payments.

### **Auditor’s Follow-up:**

*The Comptroller’s Office has provided SR with the supporting documentation including the names of the employees and the auditor’s calculation of the amounts due each employee.*

### **Audit (3)**

As per the audit recommendation, we are in the process of correcting our payroll practices to ensure that time sheets are accurately maintained and correspond with the paystub information. We are presently implementing a payroll system to furnish biweekly payroll payment services in place of monthly payments. We expect this to be in place within the next sixty (60) days.

### **Auditor’s Follow-up:**

*The Comptroller’s Office concurs with SR’s corrective plan.*

### **Audit (4)**

Re: the employee (Name redacted) and the unpaid one hundred and twenty five hours, we were able to locate documentation showing he was in fact paid for the one hundred twenty five hours during the pay period 5-6-13 through 5-7-13. Although he worked only forty one hours in that period; his hours worked during the 4-6-13 through 5-3-13 period were combined for a total of one hundred and sixty six (166) hours. This employee was

## **Appendix – Sunshine Residence Response and Auditor’s Follow Up**

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overpaid for three (3) hours as he was compensated for one hundred and sixty nine (169) hours, when he worked a total of one hundred sixty six (166) hours in the combined pay periods in question. The 5-6-13 through 5-17-13 time sheet, and attached payroll registry copy and, cancelled pay check copy, reflect payment for the hours in question.

### **Auditor’s Follow Up:**

*The comptroller's Office concur with SR's corrective action plan. SR has provided adequate documentation that the employee was compensated.*

### **Audit (5)**

As per the audit recommendation, we are in the process of correcting our payroll documentation in QuickBooks by adding the number of hours worked and the work dates to comply with the Living Wage Law and the Memorandum of Understanding with Nassau County. This correction shall be in place for the next pay period.

### **Auditor’s Follow Up:**

*We concur with this corrective action plan.*

### **Audit (6)**

As per the audit recommendation, we shall:

- A. Keep proper records of each employee’s Compensated Time Off accruals, usage and balances.
- B. Accrue Compensated Time Off for any employee working 20 hours or more per week.
- C. Pay any Compensated Time Off accruals to employees that have been terminated.
- D. Amend the “Employee Benefits” section of the Employee Manual by removing statements referring to forfeiting compensated days off and length of service period as eligibility for leave. We have made the requisite changes to the Employee Manual, which is now presently in effect.
- E. Calculate the amount of Compensated Time Off due to each employee and issue back pay.

**Appendix – Sunshine Residence Response and Auditor’s Follow Up**

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F. Provide proof of any and all payments to employees to the Comptroller’s Office.

Please note that we intend to fully comply with all rules, laws and mandates and have our attorneys and accountants regularly ensuring compliance.

**Auditor’s Follow-up:**

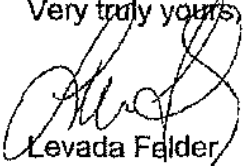
*The Comptroller’s Office has provided SR with the supporting documentation including the names of the employees and the auditor’s calculation of the amounts due each employee.*

**Audit (7)**

IRS form 990 for the year 2013 is currently being prepared and will be submitted no later than August 15, 2015. Additionally the 990 form for calendar year 2014 will follow approximately ninety (90) days thereafter.

**Auditor’s Follow-up:**

*At the June 9, 2015 Exit Conference, SR provided the Comptroller’s Office with a copy of the 2012 Form 990 that was filed with the IRS and advised us that they are in the process of filing for years 2013 and 2014.*

Very truly yours,  
  
Levada Felder

Appendix – Sunshine Residence Response and Auditor’s Follow Up

Employee Information	Earnings	Rate	Hours	Amount	Federal Taxes	State/Local Taxes	Deductions	Net Pay	Check Number
95 - CONGREGATE									
#0011 Single01	Gross SALARY			2,878.00	SS/Med Fed Wt	220.17 NY State 318.26 NY DIS	114.70 2.80	Net Pay Check	2222.27 #5361
95 - CONGREGATE	Gross SALARY			2,878.00	SS/Med Fed Wt	220.17 NY State 318.26 NY DIS	114.70 2.80	1 Pay	2222.27
CLIENT TOTALS	Gross SALARY			2,878.00	SS/Med Fed Wt	220.17 NY State 318.26 NY DIS	114.70 2.80	1 Chk	2,222.27
<b>Payroll Statistics</b>	Employees Paid:	1							
	Active Employees Not Paid:	12							
	Terminated Employees Paid:	0							

p.3

516 223 7886

Eager To Serve, Inc.

Jun 14 15 10:44p



Client: UDJ  
EAGER TO SERVE, INC.  
Branch: 15

Payroll Register

Period Covered: 04/07/2012 - 05/18/2012 Run: 13  
Check Date: 06/18/2013 Week: 32  
Ctr: 3  
Page: 1

Appendix – Sunshine Residence Response and Auditor’s Follow Up

JUL 14 10:47p

Eager to Serve, Inc.

016 223 7500

p.4



EAGER TO SERVE, INC

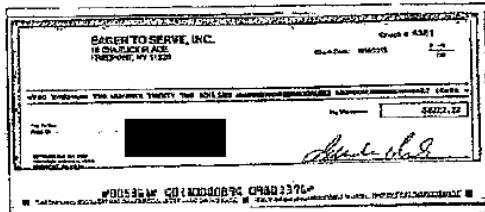
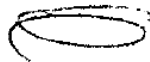
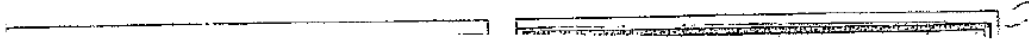
Account 9802376 Page 5 of 6  
Statement Period: Aug 1 - Aug 31, 2013

CitiBusiness™

00117120F000

Note: Imaged checks can be used as evidence of payment. Imaged checks appear in numeric order. Non-numbered checks will appear first. Non-check items will appear last.

Check images for account # 9802376



127056240000660005  
ANNOUNCING-NUMBERING

Ck Date: 08/19/2013 Ck No: 5361 Amt: \$2222.27

**Appendix – Sunshine Residence Response and Auditor’s Follow Up**

Jun 14 15:10:44p

Eager To Serve, Inc.

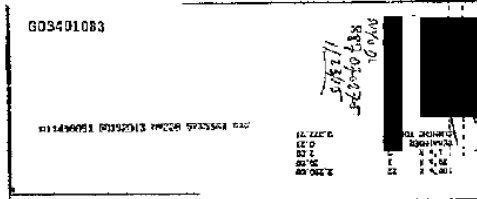
516.223.7666

p.5

**EAGER TO SERVE, INC**

**Account 9802376**      **Page 6 of 6**  
**Statement Period: Aug 1 - Aug 31, 2013**

001R1/2013000



**Ck Date: 08/19/2013 Ck No: 5361 Amt: \$2222.27**