

# OFFICE OF THE NASSAU COUNTY COMPTROLLER



**Limited Review of  
Peace Valley Haven  
Compliance with the Nassau  
County Living Wage Law  
2018-2020**

*December 17, 2021*

**JACK SCHNIRMAN  
COMPTROLLER**

# OFFICE OF THE NASSAU COUNTY COMPTROLLER

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**OFFICE OF THE NASSAU COUNTY COMPTROLLER**  
**LIMITED REVIEW OF PEACE VALLEY HAVEN (EMERGENCY SHELTER)**  
***COMPLIANCE WITH THE NASSAU COUNTY LIVING WAGE LAW***

**WHY WE DID THIS REPORT**

This audit was commenced to determine if Peace Valley Haven, a non-profit agency providing emergency shelter services to Nassau County residents, was in compliance with the Nassau County Living Wage law which requires payment of a living wage to its employees and provision for health benefits, and was in compliance with its Memorandum of Understanding (MOU) with Nassau County.

**WHAT WE FOUND**

Auditors found a general lack of financial and operational oversight at the shelter. The major findings of the report include the following:

- Questionable oversight exists over the financial and operational functions of Peace Valley Haven.
- Peace Valley Haven has not exercised proper stewardship of funds by not following Federal guidelines; Auditors noted over \$236,000 in withdrawals which could not be explained.
- Poor internal controls were noted regarding cash disbursements as proper segregation of duties did not exist and inadequate supporting documentation was noted.
- Auditors' requests for comprehensive payroll records from Peace Valley Haven were not adequately responded to and payroll files which were provided could not be reconciled to documents Peace Valley Haven provided to taxing authorities.
- Peace Valley Haven failed to report certain vendor and professional service payments to taxing authorities.
- Evidence was not provided that Peace Valley Haven granted employees compensated time off as required by the Living Wage Law.

**WHAT WE RECOMMENDED**

We made specific recommendations to Peace Valley Haven to improve their financial and operational oversight, including the following:

- Ensure that a qualified individual that is employed by Peace Valley Haven, fulfill the duties of the Executive Director, in their absence.
- Use funds in accordance with the Code of Federal Regulations, Chapter II, Part 230, making only allowable expenditures that fulfill their mission.
- Hire a bookkeeper to perform certain financial functions that will enable them to have a person independent of the Executive Director handling daily transactions.
- Peace Valley Haven maintain one comprehensive set of payroll files, W-2 files and NYS-45 ATT files.
- Comply with IRS regulations and issue Form 1099-MISC to certain vendors utilized by Peace Valley Haven who received over \$600 in a calendar year.
- Maintain proper records of each employee's compensated time accruals, usage and payments as required by the organization's MOU with Nassau County.



**OFFICE OF THE NASSAU COUNTY COMPTROLLER**  
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***COMPLIANCE WITH THE NASSAU COUNTY LIVING WAGE LAW***

**WHAT WAS THE RESPONSE?**

Peace Valley Haven stated they hired a part-time bookkeeper which could improve financial record keeping. Additionally, Peace Valley Haven's Board voted to install a new Executive Director.

Peace Valley Haven did not provide adequate responses to each recommendation and did not provide any details for corrective actions to be taken.

**WHY IS THIS REPORT IMPORTANT?**

Living Wage audits such as this provide an important check on employers and provide real results in the form of back wages and uncompensated time off being paid directly to impacted employees. The expansion of the scope of a traditional Living Wage audit to include review of an agency's compliance with their Nassau County MOU is an important step to hold Nassau County service providers accountable. We must continue to demand accountability from employers to assure that Living Wage requirements are strictly enforced and that the County's MOU is respected. Solving the problems identified in this audit allows the executive staff of Peace Valley Haven to focus on the important work of this organization.

## Executive Summary

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### Purpose

The purpose of the review was to determine whether Peace Valley Haven, an emergency shelter under contract with Nassau County, was in compliance with both the Nassau County Living Wage Law and the related Memorandum of Understanding.

### Introduction:

The Nassau County Living Wage Law (“Law”) ensures that employees of certain companies that receive County funds are earning a living wage and are receiving health benefits or a health benefit supplement. Additionally, the Law provides that full time employees receive 12 paid days off a year, and part time employees who work at least 20 hours per week, receive a proportionate share of compensated days off.<sup>1</sup>

The Summary of Findings and Recommendations as a result of this audit can be found on the next page.

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<sup>1</sup> Miscellaneous Laws of Nassau County, Title 57 – Nassau County Living Wage Law.

## Executive Summary

<b>Summary of Audit Findings and Recommendations</b>		
#	Audit Finding	Audit Recommendation(s)
1	<b>Questionable Oversight Exists over the Financial and Operational Functions of Peace Valley Haven</b>	We recommend that: a) a qualified individual that is employed by Peace Valley Haven, fill in for the Executive Director during the leave of absence; and b) in addition to the Executive Director, another qualified individual has access to the ADP payroll records.
2	<b>Internal Controls over Cash Disbursements were Lacking and There was No Segregation of Duties Increasing the Risk for Fraud and Abuse</b>	We recommend that Peace Valley Haven: a) hire a bookkeeper to perform certain financial functions that will enable them to have a person independent of the Executive Director handling daily transactions; and b) investigate the use of a software program such as QuickBooks to maintain a check register and keep track of financial transactions.
3	<b>Peace Valley Haven Has Not Exercised Proper Stewardship of Funds By Not Following Federal Guidelines: Certain Expenses Are Not Allowable with Not For Profit Funds</b>	We recommend Peace Valley Haven: a) use charitable funds in accordance with the Code of Federal Regulations, Chapter II, Part 230, making only allowable expenditures that fulfill their mission; b) comply with the terms of their MOU with the County; and c) hire a bookkeeper to oversee finances more closely.
4	<b>Auditors' Requests for Comprehensive Payroll Records from Peace Valley Haven Were Not Adequately Responded To; Payroll Files That Were Provided Could Not Be Reconciled to Documents Peace Valley Haven Provided to Tax Authorities</b>	We recommend that: a) Peace Valley Haven hire a bookkeeper to reconcile payroll reports generated by ADP to appropriate taxing authority documents; b) Peace Valley Haven maintain complete and accurate timesheets to support the payroll; and c) Peace Valley Haven maintain one comprehensive set of payroll files, W-2 files and NYS-45 ATT files.
5	<b>Improper Accounting Practices Were Used By Peace Valley Haven; One Employee Received Multiple W-2 Forms and Several Employees Received W-2 Forms for Amounts that Did Not Agree With the Payroll</b>	We recommend that Peace Valley Haven: a) hire a qualified individual to properly record financial transactions; and b) issue corrected W-2 Forms to employees identified for the years 2018, 2019 and 2020 to accurately reflect all compensation paid to employees.
6	<b>Peace Valley Haven Failed to Report to Taxing Authorities for Vendor and Professional Service Payments</b>	We recommend that Peace Valley Haven: a) require all independent contractors annually complete a W-9 Form indicating the business entity type and tax identification number prior to any payments for services being rendered; b) issue Form 1099-MISC to all vendors utilized by Peace Valley Haven who received over \$600 in a calendar year and have not received a Form 1099-MISC; and c) in the future, issue Form 1099-MISC when required.

## Executive Summary

<b>Summary of Audit Findings and Recommendations</b>		
#	Audit Finding	Audit Recommendation(s)
7	<b>Peace Valley Haven Did Not Provide Evidence They Maintained Earned Compensated Time Off Records and Granted Employees Compensated Leave Time as Required by the Living Wage Law</b>	<p>We recommend Peace Valley Haven:</p> <p>a) maintain proper records of each employee's compensated time off accruals, usage and payments as required by the Organizations MOU with Nassau County;</p> <p>b) pay or provide the 11 employees identified the \$11,821 for earned compensated time off owed, less what was used, for 2018 through 2020; and</p> <p>c) provide proof of payment or proof that employees were credited for compensated leave time to the Comptroller's Office.</p>
8	<b>Peace Valley Haven is Not Operating in Compliance with their By-Laws Filed with New York State, Since Meeting Activity is Insufficiently Documented</b>	<p>We recommend Peace Valley Haven:</p> <p>a) adopt a formal process for recording meeting minutes which includes the Secretary and/or President sign the minutes; and</p> <p>b) maintain adequate Board minutes including the time the meeting began and adjourned, names of Board members in attendance, number of motions made and passed and full name of any guest speakers.</p>
9	<b>The Executive Director of Peace Valley Haven Received Monetary Compensation in Excess of the Amount Authorized in the By-Laws</b>	<p>We recommend Peace Valley Haven adhere to the salary schedule approved by the Board or modify the salary schedule in the By-Laws with Board approval.</p>
10	<b>Peace Valley Haven was Not in Compliance with the Living Wage Law with Respect to One Employee who was Underpaid a Total of \$1,264</b>	<p>We recommend that Peace Valley Haven:</p> <p>a) pay the employee the \$1,264 that is owed to them; and</p> <p>b) provide proof of payment to the Comptroller's Office.</p>

## Executive Summary

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On November 9, 2021 we submitted a draft report to Peace Valley Haven for their review. Peace Valley Haven provided their response on November 22, 2021. Their response and our follow up to their response are included at the end of this report. Revised pages were sent to Peace Valley Haven on December 13, 2021.



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## Introduction

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### **Background**

The Nassau County Living Wage Law ensures that employees of certain companies that receive County funds are earning a living wage and are receiving health benefits or a health benefit supplement. Additionally, the law provides that full-time employees receive 12 paid days off a year, and part time-time employees who work at least 20 hours per week, receive proportionate compensated days off.

The Living Wage Rates applicable to the period under review are shown in Exhibit I below:

### **Exhibit 1**

<b>LIVING WAGE LAW RATES</b>				
<b>EFFECTIVE DATES</b>		<b>HOURLY RATES</b>		
<b>FROM</b>	<b>TO</b>	<b>WITH HEALTH BENEFITS</b>	<b>HEALTH BENEFIT SUPPLEMENT</b>	<b>WITHOUT HEALTH BENEFITS</b>
August 1, 2017	July 31, 2018	\$13.98	\$2.09	\$16.07
August 1, 2018	July 31, 2019	\$14.27	\$2.14	\$16.41
August 1, 2019	July 31, 2020	\$14.51	\$2.25	\$16.76
August 1, 2020	July 31, 2021	\$14.69	\$2.37	\$17.06

Nassau County, acting on behalf of the Nassau County Office of Housing & Community Development and the Department of Social Services (“DSS”), entered into a Memorandum of Understanding (“MOU”) with Peace Valley Haven, a not-for-profit agency, to provide housing to homeless adult men seeking emergency shelter. The current MOU, which is effective from May 1, 2017 until April 30, 2022, provides program guidelines including funding, expenditures and compliance with the Nassau County Living Wage Law.

Peace Valley Haven, a 501 (c) 3 non-profit organization, was founded in 2004. The Board is comprised of seven members. Peace Valley Haven currently has two houses both located in Uniondale. One house is used as an emergency shelter for homeless men; the other house is a transitional housing facility. Peace Valley Haven provides various support services to help the clients find permanent housing, as well as emergency shelter for single male adults.

Peace Valley Haven received shelter payments from the Nassau County Department of Social Services as follows:

- For 2018 - \$317,320
- For 2019 - \$223,778
- For 2020 - \$273,693

## **Introduction**

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### **Audit Scope and Methodology**

The objective of this review was to determine whether Peace Valley Haven was in compliance with the Nassau County Living Wage Law and related Rules and with the County's Memorandum of Understanding. The review period was January 1, 2018 through December 31, 2020.

To achieve these objectives, we performed the following:

- Compared the payroll rate of pay for each employee with the applicable Living Wage rate.
- Calculated the compensated leave accrued, based on 20 or more hours worked in a 40-hour work week and compared to Peace Valley Haven's records for accuracy.
- Reviewed the internal controls over cash disbursements to determine adequacy and the appropriate use of non-profit funds.
- Tested compliance with the County's Memorandum of Understanding.
- Reviewed emergency shelter claims submitted to the County.

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

### **Prior Audit**

A previous audit of Peace Valley Haven was issued by the Office of the Nassau County Comptroller on January 8, 2015 for the period January 1, 2012 through August 31, 2013. The audit found that Peace Valley Haven:

- Did not complete the repayments to all of the employees identified in the prior audit report who were underpaid in 2010/2011;
- Failed to comply with the terms of their MOU with Nassau County by failing to provide complete original payroll records to the Auditors for 2012;
- Hourly rates paid to employees in 2013 were less than the rates mandated by the Living Wage Law;
- Compensated time off was not being tracked by Peace Valley Haven. Provisions for loss of compensated time off upon the termination of employment are not in accordance with the Law as noted in a prior audit;
- Overtime is not being paid to employees of Peace Valley Haven as stated in their Personnel Manual. For the period 2012-2013 overtime in the amount of \$13,354 is due to nine employees; and
- Was not in compliance with Federal OMB Circular A-122<sup>2</sup> "Cost Principles for Non-Profit Organizations" with respect to charitable donations.

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<sup>2</sup> Federal OMB Circular A-122 subsequently codified in the CFR Appendix B Part 230.

## **Findings and Recommendations**

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### **AUDIT FINDING (1)**

#### **(1) Questionable Oversight Exists over the Financial and Operational Functions of Peace Valley Haven**

Auditors assessed that adequate oversight may not exist over the operational and financial functions of Peace Valley Haven. The Executive Director (ED) of Peace Valley Haven was on a leave of absence that precludes the ED from fulfilling daily responsibilities of the position. This was the case for most of the duration of the audit. The ED's absence was confirmed by the outside accountant during a call with the Auditors on March 31, 2021. During her absence, it does not appear anyone was designated to assume responsibility for the daily operations of the shelter or the financial responsibilities.

On several occasions the Auditors requested documentation connected with payroll and cash disbursements. Auditors never received all the appropriate documents, nor did it appear there was there any person designated or available to respond to the Auditors requests. As such, during a call with Peace Valley's accountant, Auditors questioned who was in charge. The accountant provided Board minutes from a March 3, 2021 meeting. The minutes state the current Executive Director has taken a leave of absence and has appointed one of the employees as Acting Director, and one of her relatives, who is not an employee of Peace Valley Haven, as the Interim Acting Director. The Interim Acting Director is not an employee of Peace Valley Haven. Auditors lack information to determine if this individual is qualified to perform these duties.

Board minutes noted that an individual will continue to donate their time to process payroll and check payments for the Agency. The Executive Director stated she is in contact on a daily basis with this individual, who is not an employee, and this individual will be responsible for approving all decisions for the Agency. Auditors were told by the outside accountant that this individual is the only person authorized to access the payroll through ADP.

Since these functions are critical to the operation of the Agency and are of a sensitive nature, Auditors are concerned that a qualified individual working for the Agency has not been assigned to perform these functions.

#### **Audit Recommendations:**

We recommend that:

- a) a qualified individual that is employed by Peace Valley Haven, fill in for the Executive Director during the leave of absence; and
- b) in addition to the Executive Director, another qualified individual has access to the ADP payroll records.

## Findings and Recommendations

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### **AUDIT FINDING (2)**

#### **(2) Internal Controls over Cash Disbursements were Lacking and There was No Segregation of Duties Increasing the Risk For Fraud and Abuse**

The Auditors reviewed the Operations Manual provided by Peace Valley Haven which was requested at the entrance conference and found that this Manual is not a compilation of Operating procedures, it is an employee handbook.

The Executive Director has sole responsibility for authorizing the expenditure, recording the transaction, and approving the payment by signing the check. Proper segregation of duties is important so that one person acting alone cannot compromise the Agency's security in any way. When work duties are divided among different people, it reduces the risk of error or inappropriate actions.

When the Auditors requested the check register for the audit period, they were informed that there is no software used to track receipts and disbursements. A manual checkbook is used to pay expenditures incurred by the Agency. Checks are written by the Executive Director, without any independent review by any other individual of the expenditure for appropriateness and supporting documentation.

Using bank statement from 2018, 2019 and 2020 that were provided, Auditors selected 55 disbursements for review. Of the 55 disbursements selected for review, three transactions were deemed to be payroll checks. Auditors were unclear as to why payroll checks would be written from the bank account. These three disbursements were removed from the sample. Peace Valley Haven failed to provide the Auditors with supporting documentation for twenty eight of fifty-two or 54% of disbursements tested.

The following deficiencies were noted with the cash disbursements tested:

- For ten of the twenty-four disbursements, sufficient documentation was not provided since it did not contain an invoice, a copy of the policy if it was insurance related or an explanation for the expenditure;
- Twenty-four of twenty-four disbursements were not properly approved. Those that were approved had the signature of the Executive Director who also signed the checks; and
- Twenty-four of twenty-four disbursements did not have an invoice number on the check or check stub to minimize the risk of making a duplicate payment.

## Findings and Recommendations

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### **Audit Recommendations:**

We recommend that Peace Valley Haven:

- a) hire a bookkeeper to perform certain financial functions that will enable them to have a person independent of the Executive Director handling daily transactions; and
- b) investigate the use of a software program such as QuickBooks to maintain a check register and keep track of financial transactions.

### **AUDIT FINDING (3)**

#### **(3) Peace Valley Haven Has Not Exercised Proper Stewardship of Funds By Not Following Federal Guidelines: Certain Expenses Are Not Allowable with Not For Profit Funds**

The Code of Federal Regulations 2 CFR Part 230 (which codified OMB Circular A-122) establishes cost principles for not-for-profit organizations. Peace Valley Haven routinely made cash disbursements for items that are unallowable under this Federal regulation.

The Memorandum of Understanding between the County and Peace Valley Haven states that Peace Valley Haven must comply with these accounting guidelines. Peace Valley Haven has violated the terms of the MOU with the County, specifically Section 18, which states: if the provider is a non-profit entity, they shall comply with accounting guidelines set forth in the Code of Federal Regulations. In determining the reasonableness of a given expense, consideration must be given to whether the cost is recognized as ordinary and necessary for the operation of the organization.

A review of the bank statements for the bank accounts of Peace Valley Haven revealed several instances where questionable purchases were made and paid for with Charitable funds. The Code of Federal Regulations, Chapter II, Part 230, specifically prohibits the use of charitable funds for lodging, meals, and entertainment. Auditors observed the following irregularities:

- a hotel bill for \$167, with no explanation for why Peace Valley Haven incurred the charge;
- various restaurants and fast food establishment charges totaling \$1,750, with no indication these meals were necessary in the normal course of business;
- photography and video charges totaling \$570, for which a business purpose could not be determined;
- over \$16,500 was spent on storage fees, however, Auditors were unable to determine what was being stored; and
- Over \$300 in charges were noted for Facebook and Yahoo, without specifying the reason for such expenses. Auditors were unable to determine if these expenses were allowable since no explanation was provided.

**Auditors also noted over \$236,000 in withdrawals which could not be explained and \$665 in overdraft and other bank fees due to improper financial oversight.**

## Findings and Recommendations

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### **Audit Recommendations:**

We recommend Peace Valley Haven:

- a) use charitable funds in accordance with the Code of Federal Regulations, Chapter II, Part 230, making only allowable expenditures that fulfill their mission;
- b) comply with the terms of their MOU with the County; and
- c) hire a bookkeeper to oversee finances more closely.

### **AUDIT FINDING (4)**

#### **(4) Auditors' Requests for Comprehensive Payroll Records from Peace Valley Haven Were Not Adequately Responded To; Payroll Files That Were Provided Could Not Be Reconciled to Documents Peace Valley Haven Provided to Tax Authorities**

Auditors requested detailed payroll records on 16 separate occasions. Auditors were consistently told that the Executive Director was not available, and they were unable to obtain the payroll records from ADP. The accountants for Peace Valley Haven provided the Auditors two separate sets of payroll records for 2019 and two sets of NYS-45 ATT files<sup>3</sup> for the same period. Additionally, the Auditors were provided two sets of payroll records and NYS-45 ATT files for 2020. When the Auditors questioned the accountants, they were told that Peace Valley Haven originally maintained two sets of payroll files in order to keep a separate record of the employees working at their Transitional Housing Facility from the employees working at the Emergency Shelter.

In addition, Peace Valley Haven provided the Auditors with the same 2018 and 2019 payroll records and NYS-45 ATT files on two separate occasions, but they did not agree with each other. The Auditors received one set of payroll records and NYS-45 ATT files for 2018 that totaled \$139,830 and then received a second set of the same records about a month later, totaling \$140,399. Neither of the sets of records sent were marked as amended.

After several discussions with the accountant for Peace Valley Haven, they were able to reconcile the payroll records and provide the Auditors with the amended files for 2018. Additionally, Peace Valley Haven provided two sets of the same payroll records and NYS-45 ATT files for 2019 on two separate occasions but never provided a reconciliation. The first set of 2019 payroll records and NYS-45 ATT files totaled \$87,220 and the second set provided about a month later totaled \$87,507. Auditors were unable to determine which set of payroll and NYS-45 ATT files were the correct records since neither was marked as amended.

Auditors were provided with two separate sets of payroll records and NYS-45 ATT files for 2020. Auditors totaled the two sets of payroll records and two NYS-45 ATT files for 2020 and determined that there are four employees whose wages reported on their payroll do not agree to

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<sup>3</sup> NYS 45\_ATT is the Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return.

## **Findings and Recommendations**

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the wages reported on their NYS-45 ATT files. In all four cases there were more wages reported on the payroll records than the NYS-45 ATT files. There was no explanation provided to explain the differences. Additionally, Auditors noted that a payroll was missing for one biweekly pay period, with the pay date of 8/28/20.

Peace Valley Haven appears to be in violation of their MOU with the County. Specifically, Section 18 Accounting Procedures; Records states: ... *“The Provider shall maintain and retain, for a period of six (6) years following the later of termination of or final payment under this Agreement, complete and accurate records, documents, accounts and other evidence, whether maintained electronically or manually”. “Such Records shall at all times be available for audit and inspection by the Comptroller....”* Peace Valley Haven uses an electronic service through ADP to perform payroll. Payroll records should be readily available and accurate.

The Audit team met with the accountant for Peace Valley Haven on June 3, 2021 to clarify the issues they identified with the payroll records for the three-year period 2018-2020. The accountant explained that since the Executive Director has been unavailable [eventually taking a medical leave of absence] the accountants have had difficulty obtaining the payroll data needed. The accountant indicated that an individual associated with Peace Valley Haven may be able to obtain the payroll information needed from ADP. Auditors note that with the absence of the Executive Director, unauthorized individuals may have access to Peace Valley Haven payroll information.

### **Audit Recommendations:**

We recommend that:

- a) Peace Valley Haven hire a bookkeeper to reconcile payroll reports generated by ADP to appropriate taxing authority documents;
- b) Peace Valley Haven maintain complete and accurate timesheets to support the payroll, and;
- c) Peace Valley Haven maintain one comprehensive set of payroll files, W-2 files and NYS 45 ATT files.

### **AUDIT FINDING (5)**

#### **(5) Improper Accounting Practices Were Used By Peace Valley Haven; One Employee Received Multiple W-2 Forms and Several Employees Received W-2 Forms for Amounts that Did Not Agree With the Payroll**

Auditors reviewed the IRS Form W-2 file provided by Peace Valley Haven which did not always agree with the payroll provided. Auditors compared payroll register information (gross wages) for 2018 through 2020 to the corresponding W-2 forms provided in order to ensure completeness and accuracy of the payroll and noted discrepancies for several employees for multiple years.

Best practices would include a reconciliation of wages to ensure accuracy before issuing Form W-2.



## **Findings and Recommendations**

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In 2019, one employee received two W-2 forms for the same year and during 2018 and 2019, Auditors identified two employees who received compensation which exceeded the amount reported on their W-2 form. The detail for these differences is noted below:

- One employee was on two separate 2019 payroll files that were provided. On one payroll file they received \$1,870 and the other payroll file they received \$16,524. The employee received two separate W-2s, one agreeing with each payroll. An employer should not issue two W-2 forms with different amounts to the same employee with the same Employer Identification Number (EIN).
- In 2018, one employee received \$2,200 compensation for case management that was not included in their W-2 Form and they were not an independent contractor.
- In 2019, one employee received \$1,430 compensation for case management that was not included in their W-2 and they were not an independent contractor.

Auditors were told by Peace Valley Haven that there were two separate payroll records, one for their emergency shelter location and one for their transitional housing location. The first payroll report included wages for all bi-weekly pay periods in 2020 while the second payroll report, only included records for the first two biweekly pay periods of 2020. The W-2 forms provided do not agree with wages stated on the combined payroll records.

The IRS states that non-profit tax-exempt organizations must include total wages and other compensation on each employee's W-2 form, even if the wages are not subject to withholding.

Records were not provided to determine if these amended W-2 Forms were issued that would reconcile to the combined payroll. In 2020 the W-2 Forms were understated by \$15,611 compared to the combined payroll records.

There were a total of nine employees on the 2020 payroll. Of the nine employees on the 2020 payroll, six of them had wages reported on their W-2 Forms that were less than what was stated on the payroll records.

### **Audit Recommendations:**

We recommend that Peace Valley Haven:

- a) hire a qualified individual to properly record financial transactions; and
- b) issue corrected W-2 Forms to employees identified for the years 2018, 2019 and 2020 to accurately reflect all compensation paid to employees.

## Findings and Recommendations

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### **AUDIT FINDING (6)**

#### **(6) Peace Valley Haven Failed to Report to Taxing Authorities for Vendor and Professional Service Payments**

Auditor review of Peace Valley Haven's compliance with IRS Regulations regarding miscellaneous income reporting on Form 1099-MISC ("1099") found that 1099s were not prepared for numerous vendors and professional service providers in 2018 and 2019. Additionally, there was no evidence 1099s were issued in 2020, although Peace Valley Haven's accountant stated they were issued.

Peace Valley Haven did not issue any 1099s throughout the audit period reviewed. Based on our review of bank statements, Auditors determined that at least 18 individuals or entities should have been issued 1099s, totaling \$78,655 for calendar years 2018, 2019 and 2020. Non-issuance of 1099s is a violation of IRS Code and could result in these earnings not being reported to the IRS.

Peace Valley Haven does business with a variety of vendors who provide different services. They hire individuals to perform various services such as; social worker, service providers who do home repairs and improvements, accounting services, legal services and consultants.

The agency is required to issue a Form 1099-MISC for most payments made to a vendor for services which exceed \$600 in a calendar year<sup>4</sup>. The IRS instructions for issuing Form 1099-MISC state that all attorneys, regardless of whether they are incorporated or not, must receive a 1099 for services rendered. Auditors found that Peace Valley Haven did not issue 1099s to any attorneys that provided over \$9,700 of legal services on their behalf from 2018-2020.

The IRS also states that the organization should always ask the independent contractor or professional service firm to complete a Form W-9 (Request for Taxpayer Identification Number and Certification) before beginning work. Record were not provided to demonstrate that any of the independent contractors or professional service firms utilized by Peace Valley Haven were required to complete a form W-9.

Exhibit II below is a summary of amounts paid to vendors from 2018-2020 that should have been issued IRS Form 1099-MISC.

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<sup>4</sup> Form 1099-MISC, Miscellaneous Income. <https://www.irs.gov/forms-pubs/about-form-1099-miscellaneous-income>

## Findings and Recommendations

### Exhibit II

<b>Vendors that Should Have Been Issued IRS Form 1099-MISC January 1, 2018 through December 31, 2020</b>				
#	Year	Amount Paid by		Type of Entity
			Peace Valley Haven	
1	2018	\$	936.00	Sole Proprietor
2	2018	\$	1,500.00	Unknown - Information Not Provided
3	2018	\$	3,000.00	Attorney/Law Firm
4	2018	\$	4,000.00	Attorney/Law Firm
5	2018	\$	1,900.00	Sole Proprietor
6	2018	\$	800.00	Sole Proprietor
7	2018	\$	14,505.00	Accountant/CPA Firm
8	2018	\$	1,148.00	Attorney/Law Firm
<b>2018 Total</b>		<b>\$</b>	<b>27,789.00</b>	
9	2019	\$	9,850.00	Accountant/CPA Firm
10	2019	\$	1,000.00	Attorney/Law Firm
11	2019	\$	600.00	Attorney/Law Firm
12	2019	\$	2,982.00	Sole Proprietor
13	2019	\$	1,203.00	Sole Proprietor
<b>2019 Total</b>		<b>\$</b>	<b>15,635.00</b>	
14	2020	\$	16,500.00	Accountant/CPA Firm
15	2020	\$	13,000.00	Accountant/CPA Firm
16	2020	\$	3,876.00	Sole Proprietor
17	2020	\$	1,000.00	Sole Proprietor
18	2020	\$	855.00	Sole Proprietor
<b>2020 Total</b>		<b>\$</b>	<b>35,231.00</b>	
<b>Grand Total</b>		<b>\$</b>	<b>78,655.00</b>	

### Audit Recommendations:

We recommend that Peace Valley Haven:

- a) require all independent contractors annually complete a W-9 Form indicating the business entity type and tax identification number prior to any payments for services being rendered;
- b) issue Form 1099-MISC to all vendors utilized by Peace Valley Haven who received over \$600 in a calendar year and have not received a Form 1099-MISC; and
- c) in the future, issue Form 1099-MISC when required.

## Findings and Recommendations

### AUDIT FINDING (7)

#### **(7) Peace Valley Haven Did Not Provide Evidence They Maintained Earned Compensated Time Off Records and Granted Employees Compensated Leave Time as Required by the Living Wage Law**

The Nassau County Living Wage Law states each full-time employee is entitled to 12 paid days off per year, while part-time employees working at least 20 hours per week receive proportionate compensated days off.

During the audit, the Auditors requested compensated leave time records on at least four separate occasions to ensure that Peace Valley Haven is in compliance with the Living Wage Law. As per section 18(a) of the MOU, *“The provider shall maintain and retain, for a period of six (6) years following the later of termination of or final payment under this Agreement, complete and accurate records, documents, accounts and other evidence, whether maintained electronically or manually (“Records”), pertinent to performance under this agreement.”*

While reviewing the payroll files, Auditors noticed on occasion, employees using compensated time in the form of sick or vacation leave. It is unclear if Peace Valley Haven maintained accrued compensated time off records, since they did not provide such records to the Auditors.

Based on the payroll records provided from 2018 through 2020, there were 11 employees that were entitled to compensated time off. Since Peace Valley Haven’s bi-weekly payroll records did not indicate the number of hours each employee worked per week, the Auditors could not validate if employees worked at least 20 hours in each work week, entitling employees to proportionate compensated time off. Using the methodology that full-time employees work a 40-hour work week, Auditors determined the following:

- In 2018, it was estimated that employees are owed 245 hours of accrued compensated time totaling \$3,958. Of the eight employees that were owed compensated time off, one was a salaried employee and seven were part-time employees;
- In 2019, it was estimated that employees are owed 154 hours of accrued compensated time totaling \$2,571. Of the five employees owed compensated time off, two were salaried and three were part-time; and
- In 2020, it was estimated that employees are owed 313 hours of accrued compensated time totaling \$5,292. Of the eight employees that were owed compensated time off, two were salaried and six were part-time.

Appendix A includes a summary of estimated compensated time off in hours and dollars that is due to each employee.

## **Findings and Recommendations**

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### **Audit Recommendations:**

We recommend Peace Valley Haven:

- a) maintain proper records of each employee's compensated time off accruals, usage and payments as required by the Organization's MOU with Nassau County;
- b) pay or provide the 11 employees identified the \$11,821 for earned compensated time off owed, less what was used, for 2018 through 2020; and
- c) provide proof of payment or proof that employees were credited for compensated leave time to the Comptroller's Office.

### **AUDIT FINDING (8)**

#### **(8) Peace Valley Haven is Not Operating in Compliance with their By-Laws Filed with New York State, Since Meeting Activity is Insufficiently Documented**

A review of the Board minutes provided by Peace Valley Haven for the period 2016-2020, revealed insufficient notes were maintained and used as Board minutes. Minutes presented to the Auditors were in the form of simple notes rather than formal minutes.

Meeting minutes should specify and contain whether the prior meetings minutes were read and approved, a notation if any previous meeting minutes were corrected, the date and time the Board meeting began and the time the meeting was adjourned. The minutes should be signed by the Secretary and/or President.

Best practice for Non-Profits is that the Board should implement a policy whereby minutes of all Board meetings and committee meetings for each committee with authority to act on behalf of the governing body, are maintained. This allows there to be a log of topics discussed and decisions made and supports the governance process in running the organization.

Auditors reviewed Peace Valley Haven's By-Laws and noted that Section 5(f) Order of Business specifically calls for the Order of Business at all meetings to be as follows:

- Roll call
- Reading of the minutes of the preceding meeting
- Reports of Committees
- Reports of Officers
- Old and unfinished business
- New business
- Good and welfare
- Adjournments

## **Findings and Recommendations**

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Auditors reviewed the Board minutes provided by Peace Valley Haven for the period 2016-2020 and noted the following deficiencies:

- Board minutes were not signed by the Secretary and/or President;
- Board minutes did not contain the time the meeting began or adjourned;
- Names of Board members who were in attendance or who were absent were not clearly stated;
- There was no evidence that any motions were made and whether such motions were adopted or disposed of;
- The full names of any guest speakers were not clearly identified.

The Board minutes provided to the Auditors could not be classified as formal Board minutes. They were notes jotted down by the Executive Director of Peace Valley Haven.

### **Audit Recommendations:**

We recommend Peace Valley Haven:

- a) adopt a formal process for recording meeting minutes which includes the Secretary and/or President sign the minutes; and
- b) maintain adequate Board minutes including the time the meeting began and adjourned, names of Board members in attendance, number of motions made and passed and full names of any guest speakers.

### **AUDIT FINDING (9)**

#### **(9) The Executive Director of Peace Valley Haven Received Monetary Compensation in Excess of the Amount Authorized in the By-Laws**

For two of the three years reviewed, Auditors found that the Executive Director of Peace Valley Haven received a salary in excess of the amount approved by the Board as stated in the Peace Valley Haven's By-Laws.

The By-Laws of Peace Valley Haven Article V Section 2 states "The salary of all officers shall be fixed by the Board." Article VI Section 4 of the same document specifically states that for services as a Senior Executive Officer, the compensation shall be \$40,000 per year.

A review of the limited payroll provided by Peace Valley Haven and the IRS W-2 files provided by their accountant, show:

- for 2018, the Executive Director was paid a salary of \$52,307;
- for 2019, the Executive Director was paid a salary of \$40,000;
- for 2020, the Executive Director was paid \$67,690.

## **Findings and Recommendations**

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According to the By-Laws of Peace Valley Haven, the Senior Executive Officer is to be paid a salary of \$40,000. The cumulative amount paid for both years 2018 and 2020, exceeded the allowable amount by a total of \$39,997.

Auditor's observed health premiums being paid out of Peace Valley Haven's bank account in 2018, 2019 and the beginning of 2020. Auditors were told by the Peace Valley Haven accountant that the Executive Director is receiving health benefits and these premiums are being paid with non-profit funds. These fringe benefits are considered to be additional taxable compensation.

This additional compensation would increase her total compensation over the specified \$40,000 allowed for all three years reviewed.

### **Audit Recommendation:**

We recommend Peace Valley Haven adhere to the salary schedule approved by the Board or modify the salary schedule in the By-Laws with Board approval.

### **AUDIT FINDING (10)**

#### **(10) Peace Valley Heaven Was Not in Compliance with the Living Wage Law with Respect to One Employee who was Underpaid a Total of \$1,264**

Auditors tested the hourly wage rates paid to employees using the applicable Living Wage Rate in effect for the period January 1, 2018 through October 3, 2020. Auditors found that Peace Valley Haven paid one employee below the Living Wage rate for a short period of time in 2018. The total amount owed to the employee for underpayment of wages is \$1,264.

The underpaid employee was a salaried employee and therefore no hours were listed on the payroll. The Auditors assumed that a salaried employee works a full-time schedule of 40 hours per week. Based on this assumption, Auditors determined that the employee was paid \$12.02 per hour. Pursuant to the Living Wage law the employee should have been paid \$16.07 per hour for three of the pay periods and \$16.41 per hour for the pay period in August 2018. As a result, the employee is owed \$1,264

The employee was on the payroll for the first 3 pay periods of 2018 and one additional pay period in August 2018.

Auditor review of the 2019 and 2020 payroll records indicate this individual was not on the payroll but subsequent review of the bank statements revealed that this individual received additional checks in 2018 and 2020. This employee also did not receive any compensated paid time off during this time period.

## **Findings and Recommendations**

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### **Audit Recommendations:**

We recommend that Peace Valley Haven:

- a) pay the employee the \$1,264 that is owed to them; and
- b) provide proof of payment to the Comptroller's Office.



**Appendix A – Amounts Due to Employees for Earned Compensated Time Off**

Amounts Due to Employees for Earned Compensated Time Off								
January 1, 2018 through December 31, 2020								
	2018		2019		2020		Grand Total	
Employee Assigned No	Unpaid Accrued Hours	Amount Unpaid	Unpaid Accrued Hours	Amount Unpaid	Unpaid Accrued Hours	Amount Unpaid	Unpaid Accrued Hours	Amount Unpaid
1	7	\$ 113.09					7	\$ 113.09
2	9	\$ 146.83					9	\$ 146.83
3	46	\$ 736.13			30	\$ 504.58	76	\$ 1,240.71
4	14	\$ 228.38					14	\$ 228.38
5	63	\$ 1,021.10	44	\$ 739.90	81	\$ 1,367.86	188	\$ 3,128.86
6	2	\$ 30.29	18	\$ 298.93	60	\$ 1,009.30	80	\$ 1,338.52
7	59	\$ 955.60	55	\$ 921.64	90	\$ 1,525.87	204	\$ 3,403.11
8	45	\$ 726.14	29	\$ 477.48	30	\$ 508.54	104	\$ 1,712.16
9			8	\$ 133.41	12	\$ 205.34	20	\$ 338.75
10					6	\$ 99.77	6	\$ 99.77
11					4	\$ 70.85	4	\$ 70.85
	<b>245</b>	<b>\$ 3,957.56</b>	<b>154</b>	<b>\$ 2,571.36</b>	<b>313</b>	<b>\$ 5,292.11</b>	<b>712</b>	<b>\$ 11,821.03</b>

**Appendix B – Auditor’s Follow Up Comments to Peace Valley Haven Response**

**Appendix B contains an analysis of Peace Valley Haven’s response to the Draft Audit report and the Auditor’s follow up comments to their response. The Peace Valley Haven response to the Audit Recommendations as submitted is included in Appendix C.**

**AUDIT FINDING (1)**

**(1) Questionable Oversight Exists over the Financial and Operational Functions of Peace Valley Haven**

**Audit Recommendations:**

We recommend that:

- a) a qualified individual that is employed by Peace Valley Haven, fill in for the Executive Director during the leave of absence; and
- b) in addition to the Executive Director, another qualified individual has access to the ADP payroll records.

**Peace Valley Haven Response to Finding (1) Recommendations**

*“As of January 31, 2021, ██████████ had to take a leave of absence as Executive Director, due to medical reasons. On the banking and payroll accounts (ADP), thankfully a board member, ██████████, had already been given access over these accounts for security purposes. On February 1, 2021, ██████████ was appointed (by the board of directors) as "Acting Director" in ██████████ absence. ██████████ was already an employee of Peace Valley Haven Inc., so he had an understanding of the daily operations. On October 2, 2021, ██████████ became Executive Director by board approval, as ██████████ had to permanently step down from her position. ██████████ now had access to the ADP payroll and the banking accounts. He is implementing new systems over all operations, both financial and operational functions of Peace Valley Haven Inc. Issues that were noted in the past are being addressed. ██████████ is implementing QuickBooks in house, and a new P.O. system with approvals. He is also addressing the issue of better recordkeeping, documentation of accurate minutes of board meetings, and preventing recurrence of the issues observed.”*

**Auditor’s Follow Up Comments to Peace Valley Haven’s Response to Finding 1 Recommendations**

- a) We are pleased that the Board of Peace Valley Haven has appointed a permanent Executive Director.
- b) We reiterate that an individual employee other than Board members or the Executive Director should also have access to these records.

**AUDIT FINDING (2)**

**(2) Internal Controls over Cash Disbursements were lacking and There was No Segregation of Duties Increasing the Risk For Fraud And Abuse**

**Audit Recommendations:**

We recommend that Peace Valley Haven:

- a) hire a bookkeeper to perform certain financial functions that will enable them to have a person independent of the Executive Director handling daily transactions; and
- b) investigate the use of a software program such as QuickBooks to maintain a check register and keep track of financial transactions.

**Peace Valley Haven Response to Finding (2) Recommendations**

*“On March 22, 2021, Peace Valley hired a part-time bookkeeper in house, [REDACTED]. [REDACTED] is knowledgeable in recordkeeping, and QuickBooks. She is handling the financial functions of Peace Valley, with [REDACTED] overseeing the operations. We will monitor for the progress and effectiveness of these actions taken.”*

**Auditor’s Follow Up Comments to Peace Valley Haven’s Response to Finding 2 Recommendations**

- a) We are pleased that Peace Valley Haven has hired a part-time bookkeeper to perform financial functions to ensure there is a segregation of duties.
- b) We reiterate the need to investigate the use of a software program to track and manage financial transactions.

**AUDIT FINDING (3)**

**(3) Peace Valley Haven Has Not Exercised Proper Stewardship of Funds By Not Following Federal Guidelines: Certain Expenses Are Not Allowable with Not For Profit Funds**

**Audit Recommendations:**

We recommend Peace Valley Haven:

- a) use charitable funds in accordance with the Code of Federal Regulations, Chapter II, Part 230, making only allowable expenditures that fulfill their mission;
- b) comply with the terms of their MOU with the County; and
- c) hire a bookkeeper to oversee finances more closely.

**Appendix B – Auditor’s Follow Up Comments to Peace Valley Haven Response**

**Peace Valley Haven Response to Finding (3) Recommendations**

*“Reference Number 1 and 2.”*

**Auditor’s Follow Up Comments to Peace Valley Haven’s Response to Finding 3 Recommendations**

- a) Peace Valley Haven failed to respond to our recommendation that they only use charitable funds in accordance with the Code of Federal Regulations.
- b) Auditors reiterate that Peace Valley Haven violated the terms of their MOU with the County and has not provided sufficient supporting documentation for any of the cash disbursements reviewed by the Auditors.
- c) Auditors see potential for improvement in the financial record keeping if they hire a bookkeeper.

**AUDIT FINDING (4)**

**(4) Auditors’ Requests for Comprehensive Payroll Records from Peace Valley Haven Were Not Adequately Responded To; Payroll Files That Were Provided Could Not Be Reconciled to Documents Peace Valley Haven Provided to Tax Authorities**

**Audit Recommendations:**

We recommend that:

- a) Peace Valley Haven hire a bookkeeper to reconcile payroll reports generated by ADP to appropriate taxing authority documents;
- b) Peace Valley Haven maintain complete and accurate timesheets to support the payroll, and;
- c) Peace Valley Haven maintain one comprehensive set of payroll files, W-2 files and NYS 45 ATT files.

**Peace Valley Haven Response to Finding (4) Recommendations**

*“Again, with the new controls and systems in place, as well as [REDACTED] and [REDACTED], these will be addressed and taken care of. Reports will be maintained and payroll detail and time approvals as well.”*

**Appendix B – Auditor’s Follow Up Comments to Peace Valley Haven Response**

**Auditor’s Follow Up Comments to Peace Valley Haven’s Response to Finding 4 Recommendations**

- a) The Auditors reiterate that one comprehensive payroll file must be maintained that can be reconciled to documents being provided to taxing authorities to ensure that accurate payroll is being maintained.
- b) We reiterate that Peace Valley Haven must maintain accurate timesheets that agree to the payroll.
- c) We reiterate the need for Peace Valley Haven maintain one comprehensive set of records including payroll files, W-2 files and NYS-45 ATT files.

**AUDIT FINDING (5)**

**(5) Improper Accounting Practices Were Used By Peace Valley Haven; One Employee Received Multiple W-2 Forms and Several Employees Received W-2 Forms for Amounts that Did Not Agree With the Payroll**

**Audit Recommendations:**

We recommend that Peace Valley Haven:

- a) hire a qualified individual to properly record financial transactions; and
- b) issue corrected W-2 Forms to employees identified for the years 2018, 2019 and 2020 to accurately reflect all compensation paid to employees.

**Peace Valley Haven Response to Finding (5) Recommendations**

*“In the past Peace Valley had two separate payrolls, that flowed in one “federal reporting”. As of January, 2020 the second payroll was discontinued.”*

**Auditor’s Follow Up Comments to Peace Valley Haven’s Response to Finding 5 Recommendations**

- a) We are pleased that Peace Valley Haven has hired a part-time bookkeeper to properly record financial transactions.
- b) We reiterate that Peace Valley Haven must issue corrected W-2 forms to individuals whose wages were incorrectly recorded on the W-2 files.

## **Appendix B – Auditor’s Follow Up Comments to Peace Valley Haven Response**

### **AUDIT FINDING (6)**

#### **(6) Peace Valley Haven Failed to Report to Taxing Authorities for Vendor and Professional Service Payments**

##### **Audit Recommendations:**

We recommend that Peace Valley Haven:

- a) require all independent contractors annually complete a W-9 Form indicating the business entity type and tax identification number prior to any payments for services being rendered;
- b) issue Form 1099-MISC to all vendors utilized by Peace Valley Haven who received over \$600 in a calendar year and have not received a Form 1099-MISC; and
- c) in the future, issue Form 1099-MISC when required.

##### **Peace Valley Haven Response to Finding (6) Recommendations**

*“With improved and timely recordkeeping, Form 1099s will be prepared and completed accurately in a timely matter.”*

##### **Auditor’s Follow Up Comments to Peace Valley Haven’s Response to Finding 6 Recommendations**

- a) Peace Valley Haven failed to respond to the Auditors recommendation that a W-9 form be required for all independent contractors used. We reiterate the need to have independent contractors complete a W-9 annually before services are rendered.
- b) We reiterated the need for Peace Valley Haven to issue form 1099-MISC to all contractors who were paid in excess of \$600 in 2018, 2019 and 2020.
- c) We are hopeful that with improved record keeping, Form 1099-MISC will be prepared timely and accurately.

## Appendix B – Auditor’s Follow Up Comments to Peace Valley Haven Response

### AUDIT FINDING (7)

#### (7) Peace Valley Haven Did Not Provide Evidence They Maintained Earned Compensated Time Off Records and Granted Employees Compensated Leave Time as Required by the Living Wage Law

#### Audit Recommendations:

We recommend Peace Valley Haven:

- a) maintain proper records of each employee’s compensated time off accruals, usage and payments as required by the Organization’s MOU with Nassau County;
- b) pay or provide the 11 employees identified the \$11,821 for earned compensated time off owed, less what was used, for 2018 through 2020; and
- c) provide proof of payment or proof that employees were credited for compensated leave time to the Comptroller’s Office.

#### Peace Valley Haven Response to Finding (7) Recommendations

*“With regard to payroll time accruals, we have updated our reports and are maintaining accurate records with ADP on accruals, per payroll period.”*

#### Auditor’s Follow Up Comments to Peace Valley Haven’s Response to Finding 7 Recommendations

- a) The Auditors reiterate that Peace Valley Haven violated the terms of their MOU with the County and the Living Wage Law by not maintaining accurate records of accrued, used and paid compensated leave time.
- b) Peace Valley Haven must pay the employees that are due earned compensated leave time in accordance with the Living Wage Law.
- c) The Auditors reiterate that Peace Valley Haven must provide proof of payment to the Comptroller’s Office.

**Appendix B – Auditor’s Follow Up Comments to Peace Valley Haven Response**

**AUDIT FINDING (8)**

**(8) Peace Valley Haven is Not Operating in Compliance with their By-Laws Filed with New York State, Since Meeting Activity is Insufficiently Documented**

**Audit Recommendations:**

We recommend Peace Valley Haven:

- a) adopt a formal process for recording meeting minutes which includes the Secretary and/or President sign the minutes; and
- b) maintain adequate Board minutes including the time the meeting began and adjourned, names of Board members in attendance, number of motions made and passed and full names of any guest speakers.

**Peace Valley Haven Response to Finding (8) Recommendations**

*“Peace Valley is in the process of implementing a formal process with regard to maintaining board minutes, such as suggested.”*

**Auditor’s Follow Up Comments to Peace Valley Haven’s Response to Finding 8 Recommendations**

- a) & b) We are pleased that Peace Valley Haven acknowledged the need to implement a process for recording meeting minutes.

**AUDIT FINDING (9)**

**(9) The Executive Director of Peace Valley Haven Received Monetary Compensation in Excess of the Amount Authorized in the By-Laws**

**Audit Recommendation:**

We recommend Peace Valley Haven adhere to the salary schedule approved by the Board or modify the salary schedule in the By-Laws with Board approval.

**Peace Valley Haven Response to Finding (9) Recommendations**

*“With regard to the Executive Director salary, reference number 1 for the changes within Peace Valley Haven Inc.”*



**Appendix B – Auditor’s Follow Up Comments to Peace Valley Haven Response**

**Auditor’s Follow Up Comments to Peace Valley Haven’s Response to Finding 9 Recommendation**

Peace Valley Haven responded that they have appointed the Interim Acting Director as the permanent Executive Director but failed to respond to our recommendation for the need to adhere to the salary schedule approved by the Board as stated in the By-Laws.

**AUDIT FINDING (10)**

**(10) Peace Valley Heaven Was Not in Compliance with the Living Wage Law with Respect to One Employee who was Underpaid a Total of \$1,264**

**Audit Recommendations:**

We recommend that Peace Valley Haven:

- a) pay the employee the \$1,264 that is owed to them; and
- b) provide proof of payment to the Comptroller’s Office.

**Peace Valley Haven Response to Finding (10) Recommendations**

*“Peace Valley will provide payment of \$1,264 and submit proof of payment. Please prove us with name of employee that we should issue payment to.”*

**Auditor’s Follow Up Comments to Peace Valley Haven’s Response to Finding 10 Recommendations**

- a) We are pleased that Peace Valley Haven has agreed to pay the employee the \$1,264 that is owed to them.
- b) The Auditors have provided Peace Valley Haven with the name of the employee that is owed money and are waiting for proof of payment to be supplied to the Comptroller’s Office.

## Appendix C – Peace Valley Haven’s Response

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### Peace Valley Haven Inc.



Transitional and Emergency Housing for Homeless Men and Women  
275 Bedford Ave, Uniondale NY 11553  
Phone: 516-223-2355; Fax: 516-385-5063  
Email: [peacevalhaven@yahoo.com](mailto:peacevalhaven@yahoo.com)  
Website: <http://peacevalleyhaveninc.com>

November 22, 2021

JoAnn Greene, Director of Field Audit  
Office of The Nassau County Comptroller  
240 Old Country Road  
Mineola, NY 11501

Dear Ms. Greene:

We are in receipt of your letter and draft report dated November 9, 2021 for the Nassau County Living Wage Law Compliance Audit.

In response to your findings, the following actions will be/or are currently being taken.

**Audit Findings:**

1. As of January 31, 2021, [REDACTED] had to take a leave of absence as Executive Director, due to medical reasons. On the banking and payroll accounts (ADP), thankfully a board member, [REDACTED] had already been given access over these accounts for security purposes. On February 1, 2021, [REDACTED] was appointed (by the board of directors) as “Acting Director” in [REDACTED] absence. [REDACTED] was already an employee of Peace Valley Haven Inc., so he had an understanding of the daily operations. On October 2, 2021, [REDACTED] became Executive Director by board approval, as [REDACTED] had to permanently step down from her position. [REDACTED] now had access to the ADP payroll and the banking accounts. He is implementing new systems over all operations, both financial and operational functions of Peace Valley Haven Inc. Issues that were noted in the past are being addressed. [REDACTED] is implementing QuickBooks in house, and a new P.O. system with approvals. He is also addressing the issue of better recordkeeping, documentation of accurate minutes of board meetings, and preventing recurrence of the issues observed.
2. On March 22, 2021, Peace Valley hired a part-time bookkeeper in house, [REDACTED] [REDACTED] is knowledgeable in recordkeeping, and QuickBooks. She is handling the financial

## Appendix C – Peace Valley Haven’s Response

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functions of Peace Valley, with [REDACTED] overseeing the operations. We will monitor for the progress and effectiveness of these actions taken.

3. Reference Number 1 and 2.
4. Again, with the new controls and systems in place, as well as [REDACTED] and [REDACTED] these will be addressed and taken care of. Reports will be maintained and payroll detail and time approvals as well.
5. In the past Peace Valley had two separate payrolls, that flowed in one “federal reporting”. As of January, 2020 the second payroll was discontinued.
6. With improved and timely recordkeeping, Form 1099s will be prepared and completed accurately in a timely matter.
7. With regard to payroll time accruals, we have updated our reports and are maintaining accurate records with ADP on accruals, per payroll period.
8. Peace Valley is in the process of implementing a formal process with regard to maintaining board minutes, such as suggested.
9. With regard to the Executive Director salary, reference number 1 for the changes within Peace Valley Haven Inc.
10. Peace Valley will provide payment of \$1,264 and submit proof of payment. Please prove us with name of employee that we should issue payment to.

Please let us know if you have any questions, or need additional information.

Sincerely,



Danzel Lemard  
Executive Director

*End of Report*

