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**DEPARTMENT OF
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CITY OF YONKERS**

GRANT INSPECTION AND REVIEW

Organization: Yonkers Community Action Program, Inc. (YCAP)

**Grants:
(YR 33) Public Facilities – \$30,000
After School Program – \$12,600**

Loans: CDBG Revolving Loan Program - \$91,408

By: Philip A. Zisman, Inspector General

Date: February 6, 2008

Review

Organization Overview

YCAP is a non-profit organization that administers anti-poverty programs in Southwest Yonkers. YCAP owns and operates a former school building located at 164 Ashburton Avenue, which also houses other non-profit agencies. YCAP's annual budget is approximately \$1 million and is funded primarily through public grants. Approximately half of the budget is funded through a New York State Community Service Block Grant. There are multiple programs for seniors, youths, and families. YCAP also operates a food pantry.

Grant Programs Overview and Budget

In CDBG YR 33, the City of Yonkers provided two grants totaling \$42,600 to YCAP.

Public Facilities: \$30,000 – The grant funds were used for the maintenance and improvement of the YCAP building. The grant budget included payment for YCAP’s maintenance superintendent, contractors and equipment as follows:

\$ 10,401	Salaries and Fringe Benefits
\$ 18,264	Contracted Services
<u>\$ 1,335</u>	Maintenance/Repair of Equipment
Total: \$ 30,000	

After School Program, Martial Arts: \$12,600 – A free, twice a week after-school program in martial arts training for children.

\$ 9,400	Salaries and Fringe Benefits
\$ 1,000	Insurance
<u>\$ 2,200</u>	Administrative Costs
Total: \$ 12,600	

Payments

All payments submitted to the City for reimbursement under the grants were well documented, and consistent with the approved grant contract between the City and YCAP.

Loan

On March 28, 2001 YCAP was approved for a 10 year \$100,000 loan, at an interest rate of 3% per annum, from the CDBG Revolving Loan program. The purpose of the loan was to replace the roof at their building located at 164 Ashburton Avenue. The actual amount of funds dispersed on the loan was \$91,408.25, and the monthly payment amount due is \$965.60. The Loan is current through January 31, 2009 and the present loan balance is \$33,174.35.

Executive Director Interview

On November 24, 2008, Inspector General Philip Zisman and Senior Investigator Harvey Green meet with YCAP’s Executive Director Linda Heyward at the YCAP offices at 164 Ashburton Avenue. We discussed overall YCAP operations, accounting procedures and the two CDBG funded programs. We also reviewed YCAP records related to enrollment in the after school martial arts program.

With respect to the \$30,000 public facilities grant, in addition to paying the building superintendent’s salary, the funds were used, in part, to upgrade the fire alarm system in order to maintain childcare certification requirements.

Ms. Heyward also told us that, in conjunction with its annual Community Service Block Grant, the State of New York was currently conducting its five year audit known as the Grantor Comprehensive Assessment Protocol (GCAP) which is both a fiscal and program audit conducted over a three day period by a five person audit team. Ms. Heyward said that she did not anticipate any problems with the audit's findings when the audit report is issued in the near future. (The Inspector General's Office will review the audit report as a follow up to our inspection and review.)

Program Participants

Grant recipients are required to submit to the City Quarterly Progress Reports that provide statistical information regarding the ethnicity and income levels of the persons who participated in the grant funded program. We reviewed the documentation for the after school martial arts program. YCAP has a detailed enrollment form that provides the required information. We reviewed the enrollment forms for the martial arts program and are satisfied that they meet reporting requirements.

Internal Controls

YCAP has a comprehensive fiscal policy and procedure manual that was updated in 2008. Among other things, the manual provides a code of business ethics, purchasing and travel policies, and payment and accounting procedures.

After discussing YCAP's internal controls with Ms. Heyward and reviewing the policy and procedure manual, we are satisfied that the organization has the necessary internal controls to safeguard the City's and other public grant funds. With respect to payments, invoices must be approved by both the fiscal director and Executive Director Hayward. All checks, regardless of the dollar amount, require two signatures from a group of four signatories: the Executive Director, the Board of Director's President, Vice President or Treasurer. Monthly bank statements are first reviewed by Ms. Hayward before they are reconciled by the fiscal director.

Conclusions

- Grant funds are being spent in accordance with the approved grant applications.
- All grant fund reimbursements contained proper supporting documentation.
- The Loan from the CDBG Revolving Loan Program is current through January 31, 2009 and the present loan balance is \$33,174.35

- YCAP has appropriate internal controls and accounting procedures in place to ensure that grant funds are properly accounted for and not misappropriated.