

**OFFICE OF ECONOMIC OPPORTUNITY  
WATEREE COMMUNITY ACTIONS, INC.**

**PRELIMINARY FIELD AUDIT REPORT  
FISCAL YEARS ENDING DECEMBER 31, 2009 and 2010**

**Condition:** During our review, we noted that several reconciliations had checks that were outstanding more than 90 days. We also noted that there was no actual report that listed all outstanding checks. Further review of documentation revealed that there were handwritten check copies where the preparer had erased, scratched out, or added amounts to the outstanding checks. In addition, check number 11691, 11908, and 12074 were all written in October of 2009. These checks remained on the outstanding check list through September 2010. Because reconciliations for October, November, and December 2010 had not been completed at the time the audit was performed, verification could not be made as to whether the checks remained outstanding.

**Cause:** Unknown.

**Effect:** To ensure accountability of the Agency's funds and actual operational cash, voided check registers should be used to accurately account for funds. In addition, checks outstanding for more than 90 days should be researched and a determination made to void and add such checks to the voided check register. An accounts payable aging report can aid in this endeavor.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** All checks which are outstanding for more than 90 days should be voided and added to a Voided Transaction (check) Register. This procedure will provide verification, timely preparation and assurance of actual operational cash.

**Area of Concern Number:** AOC 07-10

**Finding Title:** Handwritten Checks

**Programs Impacted:** All OEO Programs

**Condition:** We noted that check number 17417 was a hand written check in the amount of \$102,577.00. Because the check was not entered electronically on the check register for the month of August, it was written in by hand. When fiscal was questioned about this procedure, they informed us that they would pull a hard copy of the check from the bank records. At the time the audit was performed, no one could explain why the check had to be hand written.

**Cause:** Unknown.

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**Effect:** To ensure accountability of the Agency's funds and actual operational cash, handwritten checks should be kept to a minimum with supporting documentation attached to them in order to accurately account for funds. A written explanation should also be provided with the documentation describing the need for the check to be hand written.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** Handwritten checks should be limited since the Agency has a check processing system. If a check must be manually written, all supporting documentation should be attached to the check copy along with a written explanation and approving signatures from the Executive Director and possibly the Board Chairperson.

**Area of Concern Number: AOC 08-10**

**Finding Title: Salaried Employees Paid Hourly**

**Programs Impacted: All OEO Programs**

**Condition:** During our review of payroll, an actual determination could not be made for payment of annual leave for Rebecca Duncan, a former employee of the Agency. We noted that on payroll date 12/3/10, period ending 11/26/10, Ms. Duncan appeared to have received an over payment of annual leave. The payroll listed her as making \$49.46 per hour at 260.29 hours of annual leave for a total that should have been \$12,873.94. She was actually paid \$12,920.80. She also worked 8 hours during this particular pay period in which her gross amount totaled 395.68. Upon reviewing her deductions, her net pay should have been 181.82; however, she was paid \$198.00.

In addition, after an extensive review of the entire fiscal year 2010 payroll, we noted that all employees had an hourly rate of pay. Certain employees are considered exempt and therefore should be paid as salaried not hourly.

**Cause:** Unknown.

**Effect:** Employees may have been over or under paid. The Agency's human resources policies and procedures may not be appropriately implemented.

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**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** The Agency should evaluate which employees are Exempt and which ones are Non-Exempt and pay them accordingly to ensure that they are in compliance with Federal and State regulations. The Agency is to research this matter to determine the correct pay for Ms. Duncan and documentation submitted to the OEO clarifying amount paid and procedures taken for any over payment of funds.

**Area of Concern Number:** AOC 09-10

**Finding Title:** Human Resources Compliance

**Programs Impacted:** All OEO Programs

**Condition:** After review of several employee files, we found a conflict of interest with an employee hire and promotion. Employee Ashley Burgess was hired and later up for a promotion against Ms. Robinson, another employee within the CSBG/ LIHEAP programs. Ms. Robinson had more seniority and experience than Ms. Burgess. Ms. Burgess' hire and promotion was done by the CSBG/ LIHEAP Director which causes a conflict of interest since Ms. Burgess is the mother of the CSBG/ LIHEAP Director's grandson. Ms. Burgess' interview and promotion was handled by the CSBG/ LIHEAP Director, which should have been handled by the Deputy Director or other authorized personnel. It appears that Ms. Burgess received a promotion that may be questionable or possibly unfair because of the relationship connection.

**Cause:** Unknown.

**Effect:** It appears now that Ms. Burgess received a promotion that could present a Conflict of Interest or potential nepotism due to the relationship between Ms. Burgess and the CSBG/ LIHEAP Director.

**Criteria:** The Agency's Personnel Manual states that the corporation prohibits the employment of persons under conditions that would result in nepotism or would create a conflict of interest. Office of Government Ethics states "...employees are required to consider whether their impartiality may be questioned whenever their involvement in a particular matter involving specific parties might affect certain personal and business relationships. If a particular matter involving specific parties would have an effect on the financial interest of a member of the employee's household, or if a person with whom the employee has a "covered relationship" is or

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represents a party to such a matter, then the employee must consider whether a reasonable person would question his impartiality in the matter. An employee has a “covered relationship” with the following persons – ...a person who is a member of the employee’s household or is a relative with whom the employee has a close relationship...”.

The business dictionary defines nepotism as “Practice of appointing relatives and friends in one’s organization to positions for which outsiders might be better qualified”.

**Recommendation:** The Agency should ensure that appropriate Human Resource procedures and policies are implemented to avoid possible conflicts of interest issues and corrective actions to be taken when the procedures are not followed.

**Area of Concern Number: AOC 10-10**

**Finding Title:** Missing Journal Entries and Expenditure Copies

**Programs Impacted:** All OEO Programs

**Condition:** Several journal entries and invoices of expenditures could not be found upon request during our audit review. Because audit did not receive adequate documentation requested, verification of all OEO program expenditures selected could not be performed.

**Cause:** Unknown.

**Effect:** There was no supporting documentation of certain journal entries and expenditures that were reviewed; therefore, there was no way to verify that those documents were bona-fide expenses of the Agency. Insufficient documentation of program activities could cause the Agency to be noncompliant to the OEO grant agreement and state and federal regulations.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states “Recipients’ financial management systems shall provide for effective control over and accountability for all funds”.

**Recommendation:** All financial and supporting documentation should be appropriately maintained by the Agency and made available upon request.

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**Area of Concern Number:** AOC 11-10

**Finding Title:** Inventory

**Programs Impacted:** All OEO Programs

**Condition:** During our review of the Agency's inventory, we noted that several non-expendable items were not recorded on the inventory list submitted for review. We also noted several items that the Agency stated were in their possession could be not verified. In addition, we noted that there was a separate inventory list between the fiscal department and each program department. In audit's comparison of the two inventory lists, it was found that the fiscal inventory list did not agree to each program's inventory list. The inventory lists that were submitted from both areas were not complete or updated.

**Cause:** Unknown.

**Effect:** Due to the Agency's inability to present an adequate inventory list, audit could not effectively verify all non-expendable items that were purchased with OEO grant funds. The Agency, could not accurately account for inventory which prevented effective verifications of the inventory. Incomplete or inadequate records of non-expendable items purchased with OEO grant funds can cause the Agency to be noncompliant to OEO grant programs, and state and federal regulations.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds". In addition, Section 23.1-1 of the Agency's Fiscal Manual States, "Property records must be maintained for all non-expendable property costing or valued more than \$500.00 per unit".

**Recommendation:** An updated and complete inventory list of non-expendable items purchased with OEO program funds is to be submitted to OEO. After receipt of the updated list, verification will be performed by OEO of all non-expendable items purchased with OEO grant program funds.

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**Area of Concern Number:** AOC 12-10

**Finding Title:** Quotes and Bids for Qualified Expenditures

**Programs Impacted:** All OEO Programs

**Condition:** A payment voucher for check number 20262 for \$27,998.40 did not have bids attached as supporting documentation.

**Cause:** Unknown.

**Effect:** OEO was not able to verify that the purchase met specifications for procurement of items purchased in accordance to the OEO procurement guideline for purchases over \$10,000. Purchase procedures not followed in accordance to the OEO procurement guidelines could cause the Agency to be noncompliant to the OEO grant programs requirements, state and federal regulations.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds". Procurement requirement in accordance to the OEO Fiscal Manual requires purchases over \$10,000 to be advertise in a major metropolitan newspaper for three consecutive days to obtain competitive quotes for the purchase. Approval of purchase must be documented in the minutes of the Board of Directors meeting and the documentation of Board approval and bids must be submitted to the OEO for review and approval.

**Recommendation:** Documentation verifying that appropriate procurement procedures were followed is to be submitted to the OEO.

**Area of Concern Number:** AOC 13-10

**Finding Title:** Travel Expenditures

**Programs Impacted:** All OEO Programs

**Condition:** During our review, we noted that documentation of several travel expenditures forms pertaining to mileage had been altered. We also noted that there were various forms used to record employee travel. The Agency did not have a standard travel/ mileage form. Some of

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the forms reviewed did not contain all the appropriate signatures of management or authorized personnel. There was also a substantial delay between the time when a staff member turns in their travel expenses and when the reimbursements are received. In some instances we noted a time frame in excess of 45 days for reimbursements.

**Cause:** Unknown.

**Effect:** The Agency has no uniformity pertaining to travel procedures and forms which could present questionable reimbursements or adequate records of employee travel.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** The Agency should consider standardizing the employee travel expenditure form to be used by all departments. The form should include the current mileage rate to ensure accurate calculation and reimbursement of employee travel expenses. The form should also contain the appropriate signature of authorized personnel.

**Area of Concern Number:** AOC 14-10

**Finding Title:** Extensive Corrections

**Programs Impacted:** All OEO Programs

**Condition:** During our review of expenditures, journal entries, and bank reconciliations, we noted extensive corrections on the Agency's documentation. Much of the documentation was handwritten instead of computer generated and appeared to be revised frequently. The documents contained an extensive use of white-out and other correction materials which could cause concern for appropriate oversight or mismanagement of funds. Reconciliations appeared to be altered to create a balance within categories instead of the use of true figures.

**Cause:** Unknown.

**Effect:** Frequent handwritten adjustments to documents causes concern for an adequate account of grant program funds as well as accurate records of expenditures and operational cash. Handwritten adjustments could also cause concern for mismanagement of funds and adequate internal controls.

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**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** The Agency should utilize the computerized accounting system in order to ensure financial accuracy with as few handwritten adjustments as possible. Necessary changes or adjustments of documentation should contain an explanation for the adjustments as well as appropriate signatures and dates.





## State of South Carolina

### Office of the Governor

NIKKI R. HALEY  
GOVERNOR

July 25, 2011

OFFICE OF EXECUTIVE  
POLICY AND PROGRAMS

Dr. James L. Coleman, Executive Director  
Wateree Community Actions, Inc.  
13 South Main Street  
P. O. Box 1838  
Sumter, SC 29151

Dear Dr. Coleman:

Wateree Community Actions, Inc. (the Agency) as a subrecipient of several federal grants awarded by the Office of Economic Opportunity (OEO) is required per OEO Fiscal Guidance Manual Section V to have periodic field monitoring / audit by the OEO's Audit Division.

As you know, we performed an audit on March 14-18, 2011 during which we reviewed fiscal activities of the Agency for the fiscal year ending December 31, 2009 and December 31, 2010. A preliminary report was issued on May 25, 2011 informing the agency of the field monitoring results that required a written response within thirty (30) days from the date of the preliminary report. The OEO has received the Agency's response. This letter is to advise the Agency of the issuance of our audit report for this visit.

As required by the OEO Fiscal Guidance Manual, Section V, we have performed our audit. The audit included, but was not limited to the following:

1. Reviewed cash management to ensure revenue is received, deposited, and properly recorded in a timely manner and payments were properly supported.
2. Ensured assets were properly supported, recorded, maintained and safeguarded.
3. Inventory, where appropriate, was properly accounted for and valued.
4. Accruals were properly supported or used reasonable estimations.
5. Payroll was properly supported by time sheets, payroll reports and cancelled checks, and human resource policies and procedures were followed, i.e. pay and authorized deductions were documented in employee files.
6. Client eligibility and assistance were properly documented.
7. Other expenditures complied with program objectives and were adequately supported by proper documents.

Dr. James Coleman  
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8. Balance sheet and income statement accounts were used in a consistent manner to ensure comparability.
9. Proper procurement and disposition procedures were followed.

The field visit revealed several discrepancies in the fiscal administration of the programs awarded to the Agency. Our discussion of these findings and areas of concern is in the audit report enclosed. Due to the findings and areas of concern that were noted, a management letter / corrective action plan was required to be submitted to the OEO by the Agency in response to the noted findings. The OEO has accepted the Agency's correction action plans submitted. However, there are some Findings and Areas of Concern that are considered to be unresolved which may be reviewed within the enclosed field audit report. A determination will be made regarding the resolution of the issues once the required actions as stated in the audit report are taken. The unresolved findings and areas of concern are as follows:

- Finding Number: F04-10
- Area of Concern Number: AOC 06-10
- Area of Concern Number: AOC 08-10
- Area of Concern Number: AOC 11-10
- Area of Concern Number: AOC 12-10.

We ask that OEO receive your response within thirty (30) days from the date of this letter. If you do not respond, we will conclude that the Agency agrees with our findings/areas of concern and that corrective action will be taken to address the noted deficiencies.

If you need additional information or have any questions, please call me at (803) 734-0521 or email me at [dgraham@oepp.sc.gov](mailto:dgraham@oepp.sc.gov).

Sincerely,



Diana Graham  
Senior Audit Manager

Enclosure

cc: Rev. Joseph Postell, Board Chairman  
Eric Morris, Fiscal Officer  
Ken McManus, OEO Director  
OEO Senior Managers  
OEO files

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AGENCY: Wateree Community Actions, Inc.  
13 South Main Street, PO Box 1838  
Sumter, SC 29151

EXECUTIVE DIRECTOR: Dr. James L. Coleman

FISCAL OFFICER: Eric Morris

PROGRAM DIRECTOR: Frederica Brailsford, CSBG and LIHEAP  
Kenny Barnes, WAP  
Ken Buxton, HPRP

FIELD AUDIT DATE: March 14 – 18, 2011

REPORT DATE: July 25, 2011

AUDIT STAFF: Diana Graham, Senior Audit Manager  
Keisha Dyer, Auditor-In-Charge  
Myranda Butler, Auditor  
Niya Rhinehart, Auditor

DISTRIBUTION: Rev. Joseph Postell, Board Chairman  
Eric Morris, Fiscal Director  
Kenneth McManus, OEO Director  
OEO Audit Files

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**FIELD AUDIT REPORT  
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**COMMUNITY SERVICES BLOCK GRANT (ARRA)**

**PROGRAM YEAR:** July 1, 2009 – September 31, 2010  
**Effective Period:** July 1, 2009 – December 31, 2009  
and  
January 1, 2010 – September 31, 2010

**Auditor Comments:** Our review of the Agency for the fiscal years noted several findings related to the program and internal controls of the program. See the Findings and Area of Concern Section for further information.

**LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM**

**PROGRAM YEAR:** January 1, 2009 – December 31, 2009  
**Effective Period:** January 1, 2009 – December 31, 2009

**PROGRAM YEAR:** January 1, 2010 – December 31, 2010  
**Effective Period:** January 1, 2010 – December 31, 2010

**Auditor Comments:** Our review of the Agency for the fiscal years noted several findings related to the program and internal controls of the program. See the Findings and Area of Concern Section for further information.

**WEATHERIZATION ASSISTANCE PROGRAM**

**PROGRAM YEAR:** April 1, 2008 – March 31, 2009  
**Effective Period:** January 1, 2009 – March 31, 2009

**PROGRAM YEAR:** April 1, 2009 – March 31, 2010  
**Effective Period:** April 1, 2009 – December 31, 2009  
and  
January 1, 2010 – March 31, 2010

**PROGRAM YEAR:** April 1, 2010 – March 31, 2011  
**Effective Period:** April 1, 2010 – December 31, 2010

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**Auditor Comments:** Our review of the Agency for the fiscal years noted several findings related to the program and internal controls of the program. See the Findings and Area of Concern Section for further information.

**WEATHERIZATION ASSISTANCE PROGRAM (ARRA)**

**PROGRAM YEAR:** June 1, 2009 – May 31, 2012  
**Effective Period:** June 1, 2009 – December 31, 2009  
and  
January 1, 2010 – December 31, 2010

**Auditor Comments:** Our review of the Agency for the fiscal years noted several findings related to the program and internal controls of the program. See the Findings and Area of Concern Section for further information.

**HOMELESS PREVENTION AND RAPID REHOUSING PROGRAM**

**PROGRAM YEAR:** September 1, 2009 – August 31, 2012  
**Effective Period:** September 1, 2009 – December 31, 2009  
and  
January 1, 2010 – December 31, 2010

**Auditor Comments:** Our review of the Agency for the fiscal years noted several findings related to the program and internal controls of the program. See the Findings and Area of Concern Section for further information.

**EMERGENCY SHELTER GRANT**

**PROGRAM YEAR:** July 1, 2008 – June 15, 2009  
**Effective Period:** January 1, 2009 – June 30, 2009

**PROGRAM YEAR:** July 1, 2009 – June 30, 2010  
**Effective Period:** July 1, 2009 – December 31, 2009

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**PROGRAM YEAR:** July 1, 2009 – June 30, 2010  
**Effective Period:** January 1, 2010 – June 30, 2010

**Auditor Comments:** Our review of the Agency for the fiscal years noted several findings related to the program and internal controls of the program. See the Findings and Area of Concern Section for further information.

**PROJECT SHARE  
(Regular)**

**PROGRAM YEAR:** July 1, 2008 – June 30, 2009  
**Effective Period:** January 1, 2009 – June 30, 2009

**PROGRAM YEAR:** July 1, 2009 – June 30, 2010  
**Effective Period:** July 1, 2009 – December 31, 2009  
and  
January 1, 2010 – June 30, 2010

**PROGRAM YEAR:** July 1, 2010 – June 30, 2011  
**Effective Period:** July 1, 2010 – December 31, 2010

**Auditor Comments:** Our review of the Agency for the fiscal years noted several findings related to the program and internal controls of the program. See the Findings and Area of Concern Section for further information.

**PROJECT SHARE  
(Special Allocations)**

**PROGRAM YEAR:** November 1, 2008 – March 31, 2009  
**Effective Period:** January 1, 2009 – March 31, 2009

**Auditor Comments:** Our review of the Agency for the fiscal year noted several findings related to the program and internal controls of the program. See the Findings and Area of Concern Section for further information.

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**FINDINGS, AREAS OF CONCERN, AND RECOMMENDATIONS**

**FINDINGS**

**Finding Number:** F 01-10                      **(RESOLVED)**

**Finding Title:** Documentation of Preparer and Approver Signatures and Dates

**Programs Impacted:** All OEO Programs

**Condition:** A review of 12 bank reconciliations was performed to verify timely preparation and approval. Each of the bank reconciliations reviewed did not contain dates verifying when the reconciliations were approved and three did not contain dates or signatures verifying when reconciliations were prepared.

**Cause:** Unknown.

**Effect:** To ensure accountability of the Agency's funds and actual operational cash, reconciliations should be prepared in a timely manner. Verification of reconciliations timely completion would include the preparer's signature and date. Upon review of the completed reconciliations the authorized person reviewing the reconciliations should sign and date the reconciliation verifying approval of completion and timely completion. Reconciliations that are not prepared in a timely manner may result in inadequate reporting of operational cash and internal controls.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** All reconciliations upon completion should contain the date of completion by the preparer and date reviewed by the reviewer as well as signatures of the preparer and reviewer. This procedure will provide verification of timely preparation and assurance of actual operational cash.

**Agency Response:** All bank reconciliations will be completed within 30 days of receipt of the bank statements. The bank statements will be downloaded by the 5<sup>th</sup> day of the following month and will be attached to the hard copy received via U.S. Mail. This will be documented by the date stamped received. The bank statement reconciliation will be performed by using Cane Garden Bay software. The accounting staff will be required to submit the reconciliation monthly



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as part of the financial report per fiscal staff person. The bank reconciliation report will be date stamped as received and approved by the Chief Financial Officer.

**OEO Comments:** A review of the reconciliations submitted was performed. Two of the reconciliations (October and November 2010) contained computer generated initials for the preparer. We recommend that if the initials are computer generated, the preparer should also initial to verify the computer generated initials. The two reconciliations also did not contain signature and date of the reviewer of the reconciliations. However, the OEO accepts the Agency's corrective action plan submitted for this finding. A follow-up review will be performed during the next field audit. This finding is considered resolved.

**Finding Number:** F 02-10                      **(RESOLVED)**

**Finding Title:** Timeliness of Report Preparation

**Programs Impacted:** All OEO Programs

**Condition:** A review of 12 bank reconciliations was performed to verify timely preparation. During our review we noted that October, November, and December 2010 reconciliations were not prepared. Reconciliations should be prepared no later than 45 days after receipt of the Agency's bank statements. In addition, June and July reconciliations had no preparer or approver dates; therefore, we could not determine whether or not the reconciliation was prepared in a timely manner.

**Cause:** Unknown.

**Effect:** To ensure accountability of the Agency's funds and actual operational cash, reconciliations should be prepared in a timely manner. Verification of reconciliations timely completion would include the preparer's signature and date. Upon review of the completed reconciliations the authorized person reviewing the reconciliations should sign and date the reconciliation verifying approval of completion and timely completion. Reconciliations that are not prepared in a timely manner may result in inadequate reporting of operational cash.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

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**Recommendation:** All reconciliations should be prepared and approved within 45 days. This procedure will provide verification of timely preparation and assurance of actual operational cash.

**Agency Response:** The bank reconciliations will be completed within 30 days of receipt of the bank statement. The bank reconciliations will include the downloaded copy and the hard copy received via the U.S. Mail.

**OEO Comments:** The OEO accepts the Agency's corrective action plan submitted for this finding. This finding is considered resolved.

**Finding Number:** F 03-10                      **(RESOLVED)**

**Finding Title:** Checks Not Included in Transaction Register

**Programs Impacted:** All OEO Programs

**Condition:** During a review of the March 2010 bank reconciliation, we noted that check numbers 15076-15099 and check numbers 15131-15133 were not found on the transaction register. According to documentation, the preparer questioned the number sequence; however, the response noted on the documentation was the checks were voided. None of these checks were on the voided check register. There was no documentation submitted to verify that these checks were actually voided.

**Cause:** Unknown

**Effect:** To ensure accountability of the Agency's funds and actual operational cash, voided check registers should be used and updated monthly to ensure an accurate account of all checks and Agency funds. The register is used as supporting documentation to verify that voided checks are accounted for on the Agency's general ledger. Voided checks which are not listed on a voided check register may result in inadequate reporting of operational cash.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** All voided checks should be listed on a Voided Transaction (check) Register on a monthly basis. This procedure will provide verification of checks that were not disbursed or recorded on the check register and assurance of actual operational cash.

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**Agency Response:** The voided checks will be updated daily to reflect all voided checks written during the week. The voided check register will include the initials of the employee who entered the voided check numbers and the Chief Financial Officer will review and initial the voided check register weekly to ensure compliance with the timely handling of checks.

**OEO Comments:** The OEO accepts the Agency's corrective action plan submitted for this finding. However, there was not an explanation for the voided transactions which caused a number of voided checks in sequential order. Once OEO receives clarification of the cause for the voided transactions the finding will be considered resolved. A follow-up review will be performed during the next field audit to ensure implementation of this procedure. The finding is considered resolved.

**Finding Number:** F 04-10

**Finding Title:** Double Compensation

**Programs Impacted:** All OEO Programs

**Condition:** During our review of payroll, we noted that for payroll date 3/26/10, period ending 3/19/10, 7 employees (Joanne Richardson, Letisa Sherrill, Janice Prince, Jacqueline Smith, Virginia Ragins, Sarah Pearson, and Dylena Wells) were all given double compensation on the payroll register. When the payroll clerk noticed the error had been made, ADP was contacted and confirmation was received that the situation would be rectified; however, ADP also stated it may not be before the pay date. The Agency thought ADP had stopped payment for the 7 employees so the Agency processed manual checks for the employees. It was found later that several employees received not only a manual check from the Agency, but also a check from ADP for the same pay period/ date. Inevitably, the employees were paid twice.

**Cause:** Improper oversight over payroll records/ documentation.

**Effect:** The Agency doubly compensated employees for time worked due to lack of financial oversight. In addition, the Agency's bank accounts may not reflect actual amounts.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

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**Recommendation:** Additional internal controls and oversight should be implemented to ensure that employees are paid correctly. Written documentation of procedures taken to rectify the double compensation of the employees listed and verification of replacement of funds into the appropriate grant programs is to be submitted to the OEO.

**Agency Response:** The bi-weekly payroll report will be imputed by the Payroll Clerk and will be reviewed by the Payroll Clerk along with the Accounting Clerk to ensure all employees time and pay rates are reflected correctly before submission to ADP for processing. ADP will submit a preliminary payroll report to be verified by the agency before checks are prepared. The report verification will be initiated by the Payroll Clerk and the Accounting Clerk for assurance of accuracy. The original copy of the bi-weekly payroll verification report will be attached to the timesheets for that pay period. A copy of this report will be submitted to the Chief Financial Officer as documentation that the payroll report was properly reviewed and verified.

**OEO Comments:** The OEO accepts the Agency's corrective action plan submitted for this finding. However, all requirements have not been met in regards to verification that employees listed received appropriate pay or if employees received double compensation and funds were replaced into the appropriate grant programs. Once this information has been received and reviewed for compliance and accountability to applicable state and federal regulations a determination will be made in regards to the resolution of this issue.

**Finding Number:** F 05-10                      **(RESOLVED)**

**Finding Title:** Program Income

**Programs Impacted:** Weatherization Assistance Program (WAP)

**Condition:** A review of the weatherization documentation submitted for WAP Program Year 2009 revealed that there was no documentation of program income from contractors that used the Agency's equipment purchased with OEO funds to complete the weatherization of clients' homes. However, program income was reported for WAP Program Year 2010.

**Cause:** Unknown

**Effect:** Program income that could be generated from the use of the Agency's equipment could significantly decrease the availability of funds that could be used to offset maintenance cost that the Agency can incur for contractors use of the equipment.

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**Criteria:** OMB Circular A-110, Section .34 states "User charges shall be treated as program income".

**Recommendation:** We recommend that the Agency continue the process of requiring contractors to pay rental fees for usage of the Agency's equipment. OEO will perform a follow up review to ensure this procedure is continued to be implemented and appropriately reported on the Agency's records during the next field audit.

**Agency Response:** The Weatherization Director will maintain an inventory list of equipment that is available to the contractor for rent. The Program Coordinator will maintain a listing of the inventory items for rent and ensure that the agency invoices are prepared and issued monthly to each Contractor. The Program Coordinator will ensure that a copy of the invoice is submitted to bookkeeping on a monthly basis. The Fiscal Department will prepare a monthly report of all outstanding rental fees over 30 days past due and submit to the Weatherization Director.

**OEO Comments:** The OEO accepts the Agency's corrective action plan submitted for this finding. A follow-up review will be performed during the next field audit to ensure implementation of this procedure. The finding is considered resolved.

**AREAS OF CONCERN**

**Area of Concern Number:** AOC 06-10

**Finding Title:** Outstanding Checks

**Programs Impacted:** All OEO Programs

**Condition:** During our review, we noted that several reconciliations had checks that were outstanding more than 90 days. We also noted that there was no actual report that listed all outstanding checks. Further review of documentation revealed that there were handwritten check copies where the preparer had erased, scratched out, or added amounts to the outstanding checks. In addition, check number 11691, 11908, and 12074 were all written in October of 2009. These checks remained on the outstanding check list through September 2010. Because reconciliations for October, November, and December 2010 had not been completed at the time the audit was performed, verification could not be made as to whether the checks remained outstanding.

**Cause:** Unknown.

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**Effect:** To ensure accountability of the Agency's funds and actual operational cash, voided check registers should be used to accurately account for funds. In addition, checks outstanding for more than 90 days should be researched and a determination made to void and add such checks to the voided check register. An accounts payable aging report can aid in this endeavor.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** All checks which are outstanding for more than 90 days should be voided and added to a Voided Transaction (check) Register. This procedure will provide verification, timely preparation and assurance of actual operational cash.

**Agency Response:** The Agency will implement and maintain a stale check policy of 90 days. The stale checks will be maintained on a separate check register and verified by the Accounting Clerk registering the check(s) and the Chief Financial Officer. The program responsible for the check request will be notified of the stale check and will be responsible for contacting the vendor to determine the reason not cashing the check. The Program Director will be responsible for informing the Chief Financial Officer of the reason for the staled check.

**OEO Comments:** The OEO accepts the Agency's corrective action plan submitted for this finding. However, all requirements have not been met in regard to the outstanding checks numbers 12074, 11691, and 11908. As a review of the documents submitted was performed, the checks still appear to be outstanding. The bank reconciliations for October and November 2010 list the checks as outstanding. Although the checks are not listed as outstanding on the December 2010 bank reconciliation, they are not recorded on the bank statement as having cleared the bank account. A determination could not be made as to whether the checks have been cleared or if they were voided. Once documentation is submitted to the OEO verifying the status of the noted checks this area of concern may be determined as resolved. A follow-up review will also be performed during the next field audit to ensure implementation of the corrective action procedure.

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**Area of Concern Number:** AOC 07-10      **(RESOLVED)**

**Finding Title:** Handwritten Checks

**Programs Impacted:** All OEO Programs

**Condition:** We noted that check number 17417 was a hand written check in the amount of \$102,577.00. Because the check was not entered electronically on the check register for the month of August, it was written in by hand. When fiscal was questioned about this procedure, they informed us that they would pull a hard copy of the check from the bank records. At the time the audit was performed, no one could explain why the check had to be hand written.

**Cause:** Unknown.

**Effect:** To ensure accountability of the Agency's funds and actual operational cash, handwritten checks should be kept to a minimum with supporting documentation attached to them in order to accurately account for funds. A written explanation should also be provided with the documentation describing the need for the check to be hand written.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** Handwritten checks should be limited since the Agency has a check processing system. If a check must be manually written, all supporting documentation should be attached to the check copy along with a written explanation and approving signatures from the Executive Director and possibly the Board Chairperson.

**Agency Response:** The check was written for payroll. The agency will ensure that all handwritten checks are accompanied by a written explanation for the handwritten check. The written explanation will be approved by the Chief Financial Officer, Chief Executive Officer and Board Chairman.

**OEO Comments:** The OEO accepts the Agency's corrective action plan submitted for this area of concern and it is considered resolved.

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**Area of Concern Number:** AOC 08-10

**Finding Title:** Salaried Employees Paid Hourly

**Programs Impacted:** All OEO Programs

**Condition:** During our review of payroll, an actual determination could not be made for payment of annual leave for Rebecca Duncan, a former employee of the Agency. We noted that on payroll date 12/3/10, period ending 11/26/10, Ms. Duncan appeared to have received an over payment of annual leave. The payroll listed her as making \$49.46 per hour at 260.29 hours of annual leave for a total that should have been \$12,873.94. She was actually paid \$12,920.80. She also worked 8 hours during this particular pay period in which her gross amount totaled 395.68. Upon reviewing her deductions, her net pay should have been 181.82; however, she was paid \$198.00.

In addition, after an extensive review of the entire fiscal year 2010 payroll, we noted that all employees had an hourly rate of pay. Certain employees are considered exempt and therefore should be paid as salaried not hourly.

**Cause:** Unknown.

**Effect:** Employees may have been over or under paid. The Agency's human resources policies and procedures may not be appropriately implemented.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** The Agency should evaluate which employees are Exempt and which ones are Non-Exempt and pay them accordingly to ensure that they are in compliance with Federal and State regulations. The Agency is to research this matter to determine the correct pay for Ms. Duncan and documentation submitted to the OEO clarifying amount paid and procedures taken for any over payment of funds.

**Agency Response:** The Agency will implement a new process to identify Exempt and Non-Exempt employees. Employees will be designated by the new time clock as Salaried or Hourly. It will also identify the two distinct classifications on the payroll register when payroll is



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submitted and verified. The agency's human resources policies will be updated to include this distinction of employees.

**OEO Comments:** The OEO accepts the Agency's corrective action plan submitted for this finding. However, all requirements have not been met in regards to clarification of funds paid to Ms. Rebecca Duncan, a former employee. Once this information has been received and reviewed for verification that there were no overpayment of funds issued to Ms. Duncan, a determination will be made in regards to the resolution of this issue.

**Area of Concern Number:** AOC 09-10                      **(RESOLVED)**

**Finding Title:** Human Resources Compliance

**Programs Impacted:** All OEO Programs

**Condition:** After review of several employee files, we found a conflict of interest with an employee hire and promotion. Employee Ashley Burgess was hired and later up for a promotion against Ms. Robinson, another employee within the CSBG/ LIHEAP programs. Ms. Robinson had more seniority and experience than Ms. Burgess. Ms. Burgess' hire and promotion was done by the CSBG/ LIHEAP Director which causes a conflict of interest since Ms. Burgess is the mother of the CSBG/ LIHEAP Director's grandson. Ms. Burgess' interview and promotion was handled by the CSBG/ LIHEAP Director, which should have been handled by the Deputy Director or other authorized personnel. It appears that Ms. Burgess received a promotion that may be questionable or possibly unfair because of the relationship connection.

**Cause:** Unknown.

**Effect:** It appears now that Ms. Burgess received a promotion that could present a Conflict of Interest or potential nepotism due to the relationship between Ms. Burgess and the CSBG/ LIHEAP Director.

**Criteria:** The Agency's Personnel Manual states that the corporation prohibits the employment of persons under conditions that would result in nepotism or would create a conflict of interest. Office of Government Ethics states "...employees are required to consider whether their impartiality may be questioned whenever their involvement in a particular matter involving specific parties might affect certain personal and business relationships. If a particular matter involving specific parties would have an effect on the financial interest of a member of the employee's household, or if a person with whom the employee has a "covered relationship" is or

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represents a party to such a matter, then the employee must consider whether a reasonable person would question his impartiality in the matter. An employee has a “covered relationship” with the following persons – ...a person who is a member of the employee’s household or is a relative with whom the employee has a close relationship...”.

The business dictionary defines nepotism as “Practice of appointing relatives and friends in one’s organization to positions for which outsiders might be better qualified”.

**Recommendation:** The Agency should ensure that appropriate Human Resource procedures and policies are implemented to avoid possible conflicts of interest issues and corrective actions to be taken when the procedures are not followed.

**Agency Response:** The Agency will utilize Project Directors or supervisors from other program components when necessary to avoid any perceived Conflict of Interest with reviewing prospective candidates for vacancies. The Agency did not have a Human Resources Department until September 2010. The Human Resources Department will be responsible for advertising, screening and pre-selection of all candidates to be interviewed for available positions. The Human Resources Department has implemented a Conflict of Interest Form that is completed with all current and prospective employees and will ensure that interviews are scheduled with individuals that will not be perceived as biased.

**OEO Comments:** The OEO accepts the Agency’s corrective action plan submitted for this area of concern and it is considered resolved.

**Area of Concern Number:** AOC 10-10                      **(RESOLVED)**

**Finding Title:** Missing Journal Entries and Expenditure Copies

**Programs Impacted:** All OEO Programs

**Condition:** Several journal entries and invoices of expenditures could not be found upon request during our audit review. Because audit did not receive adequate documentation requested, verification of all OEO program expenditures selected could not be performed.

**Cause:** Unknown.

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**Effect:** There was no supporting documentation of certain journal entries and expenditures that were reviewed; therefore, there was no way to verify that those documents were bona-fide expenses of the Agency. Insufficient documentation of program activities could cause the Agency to be noncompliant to the OEO grant agreement and state and federal regulations.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** All financial and supporting documentation should be appropriately maintained by the Agency and made available upon request.

**Agency Response:** The Chief Financial Officer and Chief Executive Officer will work cooperatively to ensure that proper documentation is attached to all purchase requests. The Chief Financial Officer will maintain a monthly Journal Log that will include a list of all journal entries made during the month, vendor, amount, and check number, if applicable. The agency will ensure that the Fiscal Department maintains adequate storage space to accommodate all supporting documentation for transactions. The agency will maintain three years of fiscal records on site and the subsequent years will be available upon request from a local storage facility.

**OEO Comments:** The OEO accepts the Agency's corrective action plan submitted for this area of concern and it is considered resolved.

**Area of Concern Number: AOC 11-10**

**Finding Title:** Inventory

**Programs Impacted:** All OEO Programs

**Condition:** During our review of the Agency's inventory, we noted that several non-expendable items were not recorded on the inventory list submitted for review. We also noted several items that the Agency stated were in their possession could be not verified. In addition, we noted that there was a separate inventory list between the fiscal department and each program department. In audit's comparison of the two inventory lists, it was found that the fiscal inventory list did not agree to each program's inventory list. The inventory lists that were submitted from both areas were not complete or updated.

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**Cause:** Unknown.

**Effect:** Due to the Agency's inability to present an adequate inventory list, audit could not effectively verify all non-expendable items that were purchased with OEO grant funds. The Agency, could not accurately account for inventory which prevented effective verifications of the inventory. Incomplete or inadequate records of non-expendable items purchased with OEO grant funds can cause the Agency to be noncompliant to OEO grant programs, and state and federal regulations.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds". In addition, Section 23.1-1 of the Agency's Fiscal Manual States, "Property records must be maintained for all non-expendable property costing or valued more than \$500.00 per unit".

**Recommendation:** An updated and complete inventory list of non-expendable items purchased with OEO program funds is to be submitted to OEO. After receipt of the updated list, verification will be performed by OEO of all non-expendable items purchased with OEO grant program funds.

**Agency Response:** Attached is the updated complete inventory list of non-expendable items purchased with OEO funds for 2009 and 2010 (*OEO will not include a copy of this list within the enclosed Agency response because of size*). The inventory lists from each site has been verified with the list from bookkeeping. The agency is requesting approval to dispose of the 2004 GMC Mini -Bus Serial Number 1GDHG39R511147276. This vehicle has been non-operational per the Program Staff for at least twelve months.

**OEO Comments:** The OEO will review the inventory list submitted and prepare to perform an on-site review of the agency's inventory purchased with OEO grant programs funds. The agency will be contacted to schedule a time for the on-site review. In regards to the disposal request for the 2004 GMC vehicle, a letter should be submitted to OEO's Senior Manager of Fiscal requesting disposal of the vehicle with the following information: Description of Property, Serial Number, Location of the Property, Year Purchased, Acquisition Cost, VIN Number and Mileage.

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**Area of Concern Number:** AOC 12-10

**Finding Title:** Quotes and Bids for Qualified Expenditures

**Programs Impacted:** All OEO Programs

**Condition:** A payment voucher for check number 20262 for \$27,998.40 did not have bids attached as supporting documentation.

**Cause:** Unknown.

**Effect:** OEO was not able to verify that the purchase met specifications for procurement of items purchased in accordance to the OEO procurement guideline for purchases over \$10,000. Purchase procedures not followed in accordance to the OEO procurement guidelines could cause the Agency to be noncompliant to the OEO grant programs requirements, state and federal regulations.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds". Procurement requirement in accordance to the OEO Fiscal Manual requires purchases over \$10,000 to be advertise in a major metropolitan newspaper for three consecutive days to obtain competitive quotes for the purchase. Approval of purchase must be documented in the minutes of the Board of Directors meeting and the documentation of Board approval and bids must be submitted to the OEO for review and approval.

**Recommendation:** Documentation verifying that appropriate procurement procedures were followed is to be submitted to the OEO.

**Agency Response:** A copy of check number 20262, amount \$27,998.40 is enclosed. The supporting documentation for this purchase is enclosed.

**OEO Comments:** As OEO reviewed the documentation submitted, it was noted that only a copy of the check was enclosed for review. There was no supporting documentation verifying appropriate procurement procedures were followed in the purchase of the merchandise. Once the supporting documentation is submitted verifying the purchase was made in accordance to the procurement guidelines the area of concern will be considered resolved.

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**Area of Concern Number:** AOC 13-10      **(RESOLVED)**

**Finding Title:** Travel Expenditures

**Programs Impacted:** All OEO Programs

**Condition:** During our review, we noted that documentation of several travel expenditures forms pertaining to mileage had been altered. We also noted that there were various forms used to record employee travel. The Agency did not have a standard travel/ mileage form. Some of the forms reviewed did not contain all the appropriate signatures of management or authorized personnel. There was also a substantial delay between the time when a staff member turns in their travel expenses and when the reimbursements are received. In some instances we noted a time frame in excess of 45 days for reimbursements.

**Cause:** Unknown.

**Effect:** The Agency has no uniformity pertaining to travel procedures and forms which could present questionable reimbursements or adequate records of employee travel.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** The Agency should consider standardizing the employee travel expenditure form to be used by all departments. The form should include the current mileage rate to ensure accurate calculation and reimbursement of employee travel expenses. The form should also contain the appropriate signature of authorized personnel.

**Agency Response:** The Agency has re-established the policy of employees submitting travel reimbursement requests with bi-weekly time and attendance reports. The Agency has further noted that travel not submitted within 30 days of the actual travel will not be submitted for reimbursement to the agency. A new travel reimbursement form has been created and distributed to ensure uniformity and requires that all employees submit the travel reimbursement using the same form.

**OEO Comment:** The OEO accepts the Agency's corrective action plan submitted for this area of concern and it is considered resolved.

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**FIELD AUDIT REPORT  
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**Area of Concern Number:** AOC 14-10      **(RESOLVED)**

**Finding Title:** Extensive Corrections

**Programs Impacted:** All OEO Programs

**Condition:** During our review of expenditures, journal entries, and bank reconciliations, we noted extensive corrections on the Agency's documentation. Much of the documentation was handwritten instead of computer generated and appeared to be revised frequently. The documents contained an extensive use of white-out and other correction materials which could cause concern for appropriate oversight or mismanagement of funds. Reconciliations appeared to be altered to create a balance within categories instead of the use of true figures.

**Cause:** Unknown.

**Effect:** Frequent handwritten adjustments to documents causes concern for an adequate account of grant program funds as well as accurate records of expenditures and operational cash. Handwritten adjustments could also cause concern for mismanagement of funds and adequate internal controls.

**Criteria:** OMB Circular A-110, Section .21(b) Standards for Financial Management Systems states "Recipients' financial management systems shall provide for effective control over and accountability for all funds".

**Recommendation:** The Agency should utilize the computerized accounting system in order to ensure financial accuracy with as few handwritten adjustments as possible. Necessary changes or adjustments of documentation should contain an explanation for the adjustments as well as appropriate signatures and dates.

**Agency Response:** The Agency has implemented a "No Whiteout" policy for documents being submitted to or handled in the Fiscal Department. All fiscal errors will be lined through and initialed. The Agency has begun use of the Cane Garden Bay accounting computer software. This software will enable the agency to more efficiently manage cost. The fiscal department will ensure that all corrections are accompanied by a written explanation for the changes.

**OEO Comments:** The OEO accepts the Agency's corrective action plan submitted for this area of concern and it is considered resolved.

*(NOTE: Copy of Agency response is enclosed for further review)*

ATTACHMENT

**AGENCY'S RESPONSE  
(WATEREE CA)**

AGENCY'S RESPONSE



69924

June 22, 2011

Ms. Diana Graham  
Senior Audit Manager  
Office of Economic Opportunity  
Office of the Governor  
1205 Pendleton Street  
Columbia, South Carolina 29201

Dear Ms. Graham:

This letter is being submitted in response to May 25, 2011 correspondence received from the OEO referencing the fiscal audit conducted March 14-18, 2011. In response to:

Finding #01-10:

Finding Title: Documentation of Preparer and Approver Signatures and Dates

Agency Response:

- All bank reconciliations will be completed within 30 days of receipt of the bank statements.
- The bank statements will be downloaded by the 5<sup>th</sup> day of the following month.
- The downloaded copy of the bank statement will be attached to the hard copy received via U.S. Mail. This will be documented by the date stamped received.
- The bank statement reconciliation will be performed using Cane Garden Bay software.
- The accounting staff will be required to submit the reconciliation monthly as a part of the financial report per fiscal staff person.
- The bank reconciliation report will be date stamped as received and approved
- by the Chief Financial Officer.
- Attached are copies of the signature dated forms for the bank reconciliations for October, November and December 2010.

Finding #02-10

Finding Title: Timeliness of Report Preparation

Agency Response:

RECEIVED

JUL 03 2011

Office of the Governor  
Office of Economic Opportunity

Finding #AOC 08-10:

Finding Title: Salaried Employees Paid Hourly

Agency Response:

- The agency will implement a new process to identify Exempt and Non-Exempt employees.
- Employees will be designated by the new time clock as Salaried or Hourly.
- It will also identify the two distinct classifications on the payroll register when payroll is submitted and verified.
- The agency's Human Resources Policies will be updated to include this distinction of employees.

Finding #AOC 09-10:

Finding Title: Human Resources Compliance

Agency Response:

- The agency will utilize Project Directors or supervisors from other program components when necessary to avoid any perceived Conflict of Interest with reviewing prospective candidates for vacancies.
- The agency did not have a Human Resources Department until September, 2010.
- The Human Resources Department will be responsible for advertising, screening and pre-selection of all candidates to be interviewed for available positions.
- The Human Resources Department has implemented a Conflict of Interest Form that is completed with all current and prospective employees.
- The Human Resources Department will ensure that interviews are scheduled with individuals that will not be perceived as biased.

Finding #AOC10-10:

Finding Title: Missing Journal Entries and Expenditure Copies

Agency Response:

- The Chief Financial Officer and Chief Executive Officer will work cooperatively to ensure that proper documentation is attached to all purchase requests.
- The Chief Financial Officer will maintain a monthly Journal Log that will include a list of all journal entries made during the month, vendor, amount, check number if applicable.
- The agency will ensure that the Fiscal Department maintains adequate storage space to accommodate all supporting documentation for transactions.

- The agency will maintain three years of Fiscal records on site and the subsequent years will be available upon request from a local storage facility.

Finding # AOC11-10:

Finding Title: Inventory

Agency Response:

- Attached is the updated complete inventory list of non-expendable items purchased with OEO funds for 2009 and 2010.
- The inventory lists from each site has been verified with the list from bookkeeping.
- The agency is requesting approval to dispose of the 2004 GMC Mini-Bus Serial Number: 1GDHG39R511147276.
- The vehicle mileage is \_\_\_\_\_.
- This vehicle has been non-operational per the Program Staff for at least twelve months.

Finding # AOC 12-10:

Finding Title: Quotes and Bids for Qualified Expenditures

Agency Response:

Attached is a copy of check number 20262, amount \$27,998.40. The supporting documentation for this purchase is attached.

Finding #AOC 13-10:

Finding Title: Travel Expenditures

Agency Response:

- The agency has re-established the policy of employees submitting travel reimbursement request with the bi-weekly time and attendance report.
- The agency has further noted that travel not submitted within 30 days of the actual travel will not be submitted for reimbursement to the agency.
- The agency has created and distributed a new Travel reimbursement form to ensure uniformity.
- The agency now requires that all employees submit the request for travel reimbursement using the same forms.

Finding #AOC 14-10:

Finding Title: Extensive Corrections

Agency Response:

- The agency has implemented a "No Whiteout" policy for documents being submitted to or handled in the Fiscal Department.
- All fiscal errors will be lined through and initialed.
- The agency has begun use of the Cane Garden Bay accounting computer software. This software will enable the agency to more efficiently manage cost. The fiscal department will ensure that all corrections are accompanied by a written explanation for the changes.



## State of South Carolina Office of the Governor

NIKKI R. HALEY  
GOVERNOR

OFFICE OF EXECUTIVE  
POLICY AND PROGRAMS

September 22, 2011

Dr. James L. Coleman, Executive Director  
Wateree Community Actions, Inc.  
13 South Main Street  
P. O. Box 1838  
Sumter, SC 29151

Dear Dr. Coleman:

The Office of Economic Opportunity (OEO) has received your response to the unresolved audit findings issued within the field audit report issued to the Agency dated July 25, 2011. Upon OEO's review of the Agency's response submitted and Audit's on-site review of the Agency's equipment purchased with OEO funds, the Findings and Areas of Concern are considered resolved.

Enclosed is a summary of Audit's analysis of each Finding and Area of Concern. The Agency is reminded to adhere to all federal and state regulations to ensure compliance with all OEO grant awards. This field audit for the fiscal year December 31, 2009 and December 31, 2010 is now closed.

If you need additional information or have any questions, please call me at (803) 734-0521 or email me at [dgraham@oepp.sc.gov](mailto:dgraham@oepp.sc.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Diana Graham", with a long, sweeping horizontal line extending to the right.

Diana Graham  
Senior Audit Manager

Enclosure

cc: Ms. Ernestine Lowery, Board Chairman  
Eric Morris, Fiscal Officer  
Ken McManus, OEO Director  
OEO Senior Managers  
OEO files

Wateree CAA  
Field Audit Response Review  
September 22, 2011

**Finding 04-10**

**(RESOLVED)**

Finding Title: Double Compensation

The documentation submitted for this finding is accepted. ADP refunded the Agency's payroll account a total of 19,986.16 (11,860.74 + 8,125.42). Ms. Joan Richardson reimbursed the Agency 2,385.23 due to double compensation received. All other employees received appropriate pay. Finding is considered resolved.

**AOC 06-10**

**(RESOLVED)**

AOC Title: Outstanding Checks

Documentation submitted to verify outstanding checks were voided. AOC is considered resolved.

**AOC 08-10**

**(RESOLVED)**

AOC Title: Salaried Employees Paid Hourly

Documentation submitted verified that there was a error in the calculation of Ms. Duncan's hourly rate resulting in an overpayment of 46.86. The Agency reimbursed the Payroll Account for the amount from non-federal funds. This AOC is considered resolved.

### **AOC 11-10**

AOC Title: Inventory

Audit performed a physical review of equipment and supplies purchased with OEO funds to determine the location and condition of equipment and other items purchased with OEO funds. An inventory was performed to also ensure that the items that were not located in individual offices were stored and adequately safeguarded. Upon audit completion of the inventory of equipment, the Agency was found to be in compliance to the maintenance of all OEO equipment. However, audit recommends that the Agency update the inventory list to ensure adequate accountability of all OEO equipment. This AOC is considered resolved.

### **AOC 12-10**

**(RESOLVED)**

AOC Title: Quotes and Bids for Qualified Expenditures

Documentation submitted verified the purchases were made within the procurement guidelines. This AOC is considered resolved.



70477

# Wateree Community Actions, Inc.

HEADQUARTERS: 13 South Main Street • Post Office Box 1838 • Sumter, SC 29151-1838

Phone: 803.775.4354 • Fax: 803.774.0338 • Email: [wcaiinfo@wcai.org](mailto:wcaiinfo@wcai.org)

Dr. James L. Coleman, Jr., Chief Executive Officer Ms. Ernestine Lowery, Board Chairman

## BRANCH OFFICES

### COMMUNITY SERVICES

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Fax: 803.773.7178

710 W. Dekalb Street

P.O. Box 689

Camden, SC 29021

Ph: 803.432.7640

Fax: 803.432.3411

3 W. Boyce Street

P.O. Box 281

Manning, SC 29102

Ph: 803.435.4337

Fax: 803.435.4338

1001 N. Main Street

P.O. Box 72

Bishopville, SC 29010

Ph: 803.484.5401

Fax: 803.484.4434

3220 Two Notch Road

P.O. Box 2688

Columbia, SC 29202

Ph: 803.786.4250

Fax: 803.786.4252

2430 Atlas Road

P.O. Box 90259

Columbia, SC 29290

Ph: 803.783.4500

Fax: 803.783.6777

117 Henry Street

P.O. Box 772

Eastover, SC 29044

Ph: 803.353.3822

Fax: 803.353.8233

### HEAD START

1155 Lafayette Blvd.

P.O. Box 1838

Sumter, SC 29151

Ph: 803.773.1291

Fax: 803.778.6504

### WEATHERIZATION

13 South Main Street

P.O. Box 1838

Sumter, SC 29151

Ph: 803.773.9716

Fax: 803.773.9782

August 25, 2011

Ms. Diana Graham

Senior Audit Manager

Office of Economic Opportunity

Office of the Governor

1205 Pendleton Street

Columbia, South Carolina 29201

Greetings Ms. Graham:

This letter is being submitted in response to July 25, 2011 correspondence received from the OEO referencing the fiscal audit conducted March 14-18, 2011. In response to:

Finding #01-10: **(RESOLVED)**

Finding Title: Documentation of Preparer and Approver Signatures and Dates

Finding #02-10: **(RESOLVED)**

Finding Title: Timeliness of Report Preparation

Finding #03-10: **(RESOLVED)**

Finding Title: Checks Not Included In Transaction Register

Finding #04-10:

Finding Title: Double Compensation

Agency Response:

- The Agency has verified that on 3/24/2010 ADP credited our account in the amount of \$11,860.74 and on 07/01/2010 in the amount of \$1,251.24. Consequently, direct deposit transactions from ADP refunded our payroll account on 03/25/2010 in the amount of \$11,860.74 and 07/02/2010 in the amount of 8,125.42 to reverse the salary overpayments. However, one (1) reversal on 03/24/2010 in the amount of \$2,685.23 for Joan Richardson was disallowed by the bank. Therefore, she received double compensation.
- Ms. Richardson reimbursed the Agency \$1,287.68 by money order on 04/09/2010 leaving a balance due of \$1,398.55. The balance due to the

**RECEIVED**

AUG 25 2011

Office of the Governor  
Office of Economic Opportunity

**HELPING PEOPLE — CHANGING LIVES**

Community Action changes people's lives, embodies the spirit of hope, improves communities, and makes America a better place to live. We care about the entire community, and we are dedicated to helping people help themselves and each other.

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Agency was repaid by payroll deductions of \$1,286.69 on 04/23/2010 and \$111.87 on 05/07/2010.

- The listed employees received appropriate pay.

Finding #05-10: **(RESOLVED)**

Finding Title: Program Income

Finding #AOC 06-10:

Finding Title: Outstanding Checks

Agency Response:

- The outstanding checks 12074, 11691, and 11908 were not cashed, nor returned to the Agency. Therefore, the checks were voided by journal entry #5014 which was made to void checks over 90 days old.

Finding #AOC 07-10: **(RESOLVED)**

Finding Title: Handwritten Checks

Finding #AOC 08-10:

Finding Title: Salaried Employees Paid Hourly

Agency Response:

- The agency acknowledges a transposition error with the hourly pay rate used to calculate Ms. Rebecca Duncan's payment for of annual leave hours resulting in an overpayment of \$46.86 for annual leave. We will reimburse the Payroll Account \$46.86 from the Non-federal account.
- Per the attached ADP Payroll Register for the period ending 11/26/2010, pay date 12/03/2010, ADP's calculation added \$8.12 back to Ms. Duncan's Social Security account because based on her annual salary she had exceeded her taxable maximum for annual FICA contribution (annual Social Security contribution amount). Therefore, based on ADP's calculation her net pay of \$198.06 was correct.

Finding #AOC 09-10: **(RESOLVED)**

Finding Title: Human Resources Compliance

Finding #AOC10-10: **(RESOLVED)**

Finding Title: Missing Journal Entries and Expenditure Copies

Finding # AOC11-10:

Finding Title: Inventory

Agency Response:

- The agency is requesting approval to dispose of the 2004 GMC Mini-Bus Serial Number: 1GDHG39R511147276. This vehicle has been non-operational per the Program Staff for at least twelve months.

Finding # AOC 12-10:

Finding Title: Quotes and Bids for Qualified Expenditures

Agency Response:

- Attached is a copy of check number 20262, amount \$27,998.40 and the supporting documentation for this purchase.

Finding #AOC 13-10: **(RESOLVED)**

Finding Title: Travel Expenditures

Finding #AOC 14-10: **(RESOLVED)**

Finding Title: Extensive Corrections

Should you need any additional information please do not hesitate to contact me at 803-775-4354 Ext. 113.

Sincerely,



Eric B. Morris  
Chief Financial Officer

cc: Dr. James L. Coleman, Jr., Chief Executive Officer  
Mr. Joseph Davis, Chief Operations Officer  
Business File

ATTACHMENT

**AGENCY'S RESPONSE  
(WATEREE CA)**

AGENCY'S RESPONSE

69924

June 22, 2011

Ms. Diana Graham  
Senior Audit Manager  
Office of Economic Opportunity  
Office of the Governor  
1205 Pendleton Street  
Columbia, South Carolina 29201

Dear Ms. Graham:

This letter is being submitted in response to May 25, 2011 correspondence received from the OEO referencing the fiscal audit conducted March 14-18, 2011. In response to:

Finding #01-10:

Finding Title: Documentation of Preparer and Approver Signatures and Dates

Agency Response:

- All bank reconciliations will be completed within 30 days of receipt of the bank statements.
- The bank statements will be downloaded by the 5<sup>th</sup> day of the following month.
- The downloaded copy of the bank statement will be attached to the hard copy received via U.S. Mail. This will be documented by the date stamped received.
- The bank statement reconciliation will be performed using Cane Garden Bay software.
- The accounting staff will be required to submit the reconciliation monthly as a part of the financial report per fiscal staff person.
- The bank reconciliation report will be date stamped as received and approved by the Chief Financial Officer.
- Attached are copies of the signature dated forms for the bank reconciliations for October, November and December 2010.

Finding #02-10

Finding Title: Timeliness of Report Preparation

Agency Response:

RECEIVED

JUL 04 2011

Office of the Governor  
Office of Economic Opportunity

Finding #AOC 08-10:

Finding Title: Salaried Employees Paid Hourly

Agency Response:

- The agency will implement a new process to identify Exempt and Non-Exempt employees.
- Employees will be designated by the new time clock as Salaried or Hourly.
- It will also identify the two distinct classifications on the payroll register when payroll is submitted and verified.
- The agency's Human Resources Policies will be updated to include this distinction of employees.

Finding #AOC 09-10:

Finding Title: Human Resources Compliance

Agency Response:

- The agency will utilize Project Directors or supervisors from other program components when necessary to avoid any perceived Conflict of Interest with reviewing prospective candidates for vacancies.
- The agency did not have a Human Resources Department until September, 2010.
- The Human Resources Department will be responsible for advertising, screening and pre-selection of all candidates to be interviewed for available positions.
- The Human Resources Department has implemented a Conflict of Interest Form that is completed with all current and prospective employees.
- The Human Resources Department will ensure that interviews are scheduled with individuals that will not be perceived as biased.

Finding #AOC10-10:

Finding Title: Missing Journal Entries and Expenditure Copies

Agency Response:

- The Chief Financial Officer and Chief Executive Officer will work cooperatively to ensure that proper documentation is attached to all purchase requests.
- The Chief Financial Officer will maintain a monthly Journal Log that will include a list of all journal entries made during the month, vendor, amount, check number if applicable.
- The agency will ensure that the Fiscal Department maintains adequate storage space to accommodate all supporting documentation for transactions.

Finding #AOC 14-10:

Finding Title: Extensive Corrections

Agency Response:

- The agency has implemented a “No Whiteout” policy for documents being submitted to or handled in the Fiscal Department.
- All fiscal errors will be lined through and initialed.
- The agency has begun use of the Cane Garden Bay accounting computer software. This software will enable the agency to more efficiently manage cost. The fiscal department will ensure that all corrections are accompanied by a written explanation for the changes.

**ACTUAL COMMUNITY SERVICES BLOCK GRANT**  
**JANUARY 1, 2010 - DECEMBER 31, 2010**  
**CFDA : #93.569**

Agency	County	GEAP	Local Initiative	Subtotal	Discretionary	Agency Total
Wateree CA, Inc.	Clarendon	10,485	115,340	125,825		
	Kershaw	9,759	107,354	117,113		
	Lee	5,868	64,545	70,413		
	Sumter	24,078	264,860	288,938		
	Richland	59,109	650,215	709,324		
		<b>109,299</b>	<b>1,202,314</b>	<b>1,311,613</b>	<b>26,785</b>	<b>1,338,398</b>

**ACTUAL ALLOCATION COMMUNITY SERVICES BLOCK GRANT**  
**JANUARY 1, 2011 - DECEMBER 31, 2011**  
**CFDA: #93.569**

Agency	County	GEAP	Local Initiative	Subtotal	Discretionary	2010 Unexpended	Agency Total
Wateree CA, Inc.	Clarendon	10,195	112,145	122,340			
	Kershaw	9,489	104,381	113,870			
	Lee	5,705	62,757	68,462			
	Sumter	23,411	257,524	280,935			
	Richland	57,472	632,206	689,678			
		<b>106,272</b>	<b>1,169,013</b>		<b>26,785</b>	<b>\$0.00</b>	<b>\$1,302,070.00</b>



**ACTUAL ALLOCATION COMMUNITY SERVICES BLOCK GRANT**  
**JANUARY 1, 2012 - DECEMBER 31, 2012**  
**CFDA : #93.569**

Agency	County	GEAP	Local Initiative	Subtotal	2011 Unexpended	Discretionary	2011 OEO Admin Transferred to Discretionary	Agency Total
Wateree CA, Inc.	Clarendon	8,102	89,124	97,226				
	Kershaw	9,748	107,226	116,974				
	Lee	6,102	67,125	73,227				
	Sumter	22,210	244,314	266,524				
	Richland	52,214	574,367	626,581				
		<b>98,376</b>	<b>1,082,156</b>		<b>13,319.99</b>	<b>26,785</b>	<b>8,189</b>	<b>1,228,825.99</b>

**ACTUAL LIHEAP PROGRAM FISCAL YEAR 2010**

January 1, 2010 - December 31, 2010

(CFDA #93.568; G-10BISCLIEA)

<i>Agency</i>	<i>County</i>	<i>2010 Admin</i>	<i>2009 Unexpended Admin</i>	<i>2010 Admin Total</i>	<i>2010 Energy Counseling</i>	<i>2009 Unexpended EC</i>	<i>2010 EC Total</i>	<i>2010 Energy Assistance</i>	<i>2009 Unexpended Energy Assistance</i>	<i>2010 Contingency Funds</i>	<i>2010 Energy Assistance and Contingency Totals</i>	<i>2010 LIHEAP Special Assistance Program</i>	<i>Subtotals</i>	<i>2010 Agency Totals</i>
Wateree CA, Inc.	Clarendon	37,119	3,774.35	40,893.35	30,932	3,308.87	34,240.87	433,054	48,459.78	107,672	589,185.78	17,665	789,657.00	
	Kershaw	34,549	3,514.60	38,063.60	28,791	3,081.16	31,872.16	403,071	45,124.69	100,215	548,410.69	16,442	735,003.45	
	Lee	20,772	2,113.48	22,885.48	17,310	1,852.83	19,162.83	242,338	27,135.45	60,252	329,725.45	9,886	441,911.76	
	Richland	209,252	21,284.36	230,536.36	174,377	18,659.43	193,036.43	2,441,277	273,274.75	606,971	3,321,522.75	99,585	4,451,651.54	
	Sumter	85,238	8,670.39	93,908.39	71,031	7,601.09	78,632.09	994,440	111,321.06	247,246	1,353,007.06	40,565	1,813,358.54	
	<b>Totals</b>	<b>\$386,930</b>	<b>\$39,357.18</b>	<b>\$426,287.18</b>	<b>\$322,441</b>	<b>\$34,503.38</b>	<b>\$356,944.38</b>	<b>\$4,514,180</b>	<b>\$505,315.73</b>	<b>\$1,122,356</b>	<b>\$6,141,851.73</b>	<b>\$184,143</b>		<b>\$7,109,226.29</b>

**ACTUAL ALLOCATION LIHEAP PROGRAM YEAR 2011**

January 1, 2011 - December 31, 2011

(CFDA #93.568; G-10BISCLIEA & G-11BISCLIEA)

<i>Agency</i>	<i>County</i>	<i>2011 Admin</i>	<i>2010 Unexpended Admin</i>	<i>2010 OEO Admin Transfer to CAA</i>	<i>2011 Admin Total</i>	<i>2011 Energy Counseling</i>	<i>2011 EC Total</i>	<i>2011 Energy Assistance</i>	<i>2010 Unexpended Energy Assistance</i>	<i>2010 Contingency Funds</i>	<i>2011 Energy Assistance and Contingency Totals</i>	<i>2010 LIHEAP Special Assistance Program</i>	<i>Subtotals</i>	<i>2011 Agency Totals</i>
Wateree CA, Inc.	Clarendon	38,169	0.00	3,923	42,092.00	31,807	31,807.00	445,301	0.00	8,980	454,281.00	9,153	537,333.00	
	Kershaw	35,526	0.00	3,651	39,177.00	29,605	29,605.00	414,471	0.00	8,358	422,829.00	8,520	500,131.00	
	Lee	21,359	0.00	2,195	23,554.00	17,799	17,799.00	249,192	0.00	5,025	254,217.00	5,122	300,692.00	
	Richland	215,170	0.00	22,114	237,284.00	179,309	179,309.00	2,510,322	0.00	50,624	2,560,946.00	51,600	3,029,139.00	
	Sumter	87,648	0.00	9,008	96,656.00	73,040	73,040.00	1,022,565	0.00	20,621	1,043,186.00	21,019	1,233,901.00	
	<b>Totals</b>	<b>\$397,872</b>	<b>\$0.00</b>	<b>40,891</b>	<b>\$438,763.00</b>	<b>\$331,560</b>	<b>\$331,560.00</b>	<b>\$4,641,851</b>	<b>\$0.00</b>	<b>\$93,608</b>	<b>\$4,735,459.00</b>	<b>\$95,414</b>		<b>\$5,601,196.00</b>

**ACTUAL ALLOCATION LIHEAP PROGRAM YEAR 2012**

January 1, 2012 - December 31, 2012

(CFDA #93.568; G-12B1SCLIEA)

<i>Agency</i>	<i>County</i>	<i>2012 Admin Total</i>	<i>2012 EC Total</i>	<i>2012 Energy Assistance</i>	<i>2011 Unexpended Energy Assistance</i>	<i>2012 Energy Assistance Total</i>	<i>2011 LIHEAP Special Assistance Program</i>	<i>Subtotals</i>	<i>2012 Agency Totals</i>
Wateree CA, Inc.	Clarendon	27,995.28	18,911.00	264,757	102,967.86	367,724.86	10,428	425,059.14	
	Kershaw	33,679.22	22,752.00	318,532	123,886.25	442,418.25	12,546	511,395.47	
	Lee	21,085.49	14,243.00	199,406	77,554.72	276,960.72	7,854	320,143.21	
	Sumter	76,741.01	51,841.00	725,773	282,268.91	1,008,041.91	28,586	1,165,209.92	
	Richland	180,418.95	121,875.00	1,706,249	663,599.82	2,369,848.82	67,204	2,739,346.77	
	<b>Totals</b>	<b>\$339,919.95</b>	<b>\$229,622.00</b>	<b>\$3,214,717</b>	<b>\$1,250,277.56</b>	<b>\$4,464,994.56</b>	<b>\$126,618</b>		

# WEATHERIZATION ALLOCATIONS (2000 Census)

PY 2010 ACTUAL ALLOCATION - DOE CFDA # 81.042, GRANT AWARD #DE-FG26-07NT43110

and LIHEAP - CFDA # 93.568 GRANT # G-10B1SCLIEA, DOE PY 2006 CARRYOVER

April 1, 2010 Through March 31, 2011

AGENCY/COUNTY	T&TA	DOE Admin. (Including Additional 5%)	DOE Health and Safety	DOE Program Operations	LIHEAP Program Operations	2009 Unexpended LIHEAP Program Operations	2006 DOE Carryover Program Operations	Total LIHEAP Program Operations	Total Program Operations	Total Allocation	Total DOE Dwellings @6500 Average
<u>Waterloo</u>											
Clarendon		\$2,180	\$545	\$11,263	\$92,825	\$38,753		\$131,578	\$142,841		2
Florence		\$6,103	\$1,526	\$31,532	\$259,881	\$108,497		\$368,378	\$399,910		5
Kershaw		\$2,028	\$507	\$10,479	\$86,368	\$36,057		\$122,425	\$132,904		2
Lee		\$1,220	\$305	\$6,303	\$51,948	\$21,687		\$73,635	\$79,938		1
Marion		\$2,470	\$617	\$12,761	\$105,173	\$43,908		\$149,081	\$161,842		2
Sumter		\$5,004	\$1,251	\$25,858	\$213,114	\$88,972		\$302,086	\$327,944		4
<b>TOTAL</b>	\$5,000	\$19,005	\$4,751	\$98,196	\$809,309	\$337,874	\$0	\$1,147,183	\$1,245,379	\$1,274,135	16

# WEATHERIZATION ALLOCATIONS (2000 Census)

PY 2011 ACTUAL ALLOCATION - DOE CFDA # 81.042, GRANT AWARD #DE-FG26-07NT43110  
and LIHEAP - CFDA # 93.568 GRANT # G-11B1SCLIEA

April 1, 2011 Through March 31, 2012

AGENCY/COUNTY	T&TA	DOE Admin	DOE Admin. Additional 15%	DOE Admin. (Including Additional 5%)	DOE Health and Safety	DOE Program Operations	LIHEAP Program Operations	2010 Unexpended DOE Program Operations	2010 Unexpended LIHEAP Program Operations	Total LIHEAP Program Operations	Total Program Operations	TOTAL	TOTAL (including T&TA, Admin. and Health&Safety)	Total DOE Dwellings @ \$6,572 Average
<u>Wateree</u>														
Clarendon		\$983	\$702	\$1,685	\$421	\$11,514	\$95,450	\$4,734	\$75,753.94	\$171,203.94	\$187,451.94	\$189,557.94		2
Florence		\$2,752	\$1,966	\$4,718	\$1,179	\$32,236	\$267,231	\$13,254	\$212,080.22	\$479,311.22	\$524,801.22	\$530,698.22		7
Kershaw		\$915	\$653	\$1,568	\$392	\$10,713	\$88,809	\$4,405	\$70,513.59	\$159,322.59	\$174,440.59	\$176,400.59		2
Lee		\$550	\$393	\$943	\$236	\$6,444	\$53,417	\$2,649	\$42,385.22	\$95,802.22	\$104,895.22	\$106,074.22		1
Marion		\$1,114	\$795	\$1,909	\$477	\$13,046	\$108,148	\$5,364	\$85,849.33	\$193,997.33	\$212,407.33	\$214,793.33		3
Sumter		\$2,257	\$1,612	\$3,869	\$967	\$26,435	\$219,141	\$10,869	\$173,933.52	\$393,074.52	\$430,378.52	\$435,214.52		6
<b>TOTAL</b>	<b>\$5,000</b>	<b>\$8,571</b>	<b>\$6,121</b>	<b>\$14,692</b>	<b>\$3,672</b>	<b>\$100,388</b>	<b>\$832,196</b>	<b>\$41,275</b>	<b>\$660,515.82</b>	<b>\$1,492,711.82</b>	<b>\$1,634,374.82</b>	<b>\$1,652,738.82</b>	<b>\$1,657,738.82</b>	<b>21</b>

**PY 2012 ACTUAL ALLOCATION - DOE CFDA # 81.042, GRANT AWARD #DE-FG26-07NT43110  
and LIHEAP - CFDA # 93.568 GRANT # G-12B1SCLIEA**

**April 1, 2012 Through March 31, 2013**

<b>AGENCY/COUNTY</b>	<b>T&amp;TA</b>	<b>DOE Admin</b>	<b>Admin. Additional 5% on Subgrantee Base Allocation</b>	<b>DOE Admin. (Including Additional 5%)</b>	<b>DOE Health and Safety</b>	<b>DOE Program Operations</b>	<b>LIHEAP Program Operations</b>	<b>2011 Unexpended LIHEAP WAP Program Operations</b>	<b>Total LIHEAP Program Operations</b>	<b>Total Program Operations</b>	<b>TOTAL</b>	<b>TOTAL (including T&amp;TA, Admin. and Health&amp;Safety)</b>	<b>\$6,769 DOE Max. + \$5,000 LIHEAP Max. = \$11,769 Total Per Dwelling Max.</b>
<u>Waterloo</u>													
Clarendon		\$581	\$421	\$1,002	\$290	\$7,029	\$56,733	\$58,281.85	\$115,014.85	\$122,043.85	\$123,335.85		10
Florence		\$1,775	\$1,288	\$3,063	\$888	\$21,492	\$173,471	\$178,207.76	\$351,678.76	\$373,170.76	\$377,121.76		33
Kershaw		\$698	\$507	\$1,205	\$349	\$8,457	\$68,256	\$70,119.94	\$138,375.94	\$146,832.94	\$148,386.94		12
Lee		\$437	\$317	\$754	\$219	\$5,294	\$42,733	\$43,899.33	\$86,632.33	\$91,926.33	\$92,899.33		8
Marion		\$659	\$478	\$1,137	\$330	\$7,979	\$64,404	\$66,162.88	\$130,566.88	\$138,545.88	\$140,012.88		12
Sumter		\$1,591	\$1,155	\$2,746	\$796	\$19,268	\$155,523	\$159,769.09	\$315,292.09	\$334,560.09	\$338,102.09		28
<b>TOTAL</b>	<b>\$1,000</b>	<b>\$5,741</b>	<b>\$4,166</b>	<b>\$9,907</b>	<b>\$2,872</b>	<b>\$69,519</b>	<b>\$561,120</b>	<b>\$576,440.85</b>	<b>\$1,137,560.85</b>	<b>\$1,207,079.85</b>	<b>\$1,219,858.85</b>	<b>\$1,220,858.85</b>	<b>103</b>



# State of South Carolina

## Office of the Governor

NIKKI R. HALEY  
GOVERNOR

OFFICE OF EXECUTIVE  
POLICY AND PROGRAMS

### WEATHERIZATION ASSISTANCE PROGRAM MEMORANDUM NO. W 03-11

DATE: June 24, 2011

SUBJECT: PY 2011 Weatherization Assistance Program (WAP) Actual Funding

The attached reflect your agency's Actual Allocation for DOE WAP PY 2011, DOE WAP Carryover PY 2010, LIHEAP WAP PY 2011, LIHEAP WAP PY 2010, for the PY 2011 Weatherization Assistance Program.

DOE WAP - PY 2011	\$ 1,344,931.00
DOE WAP Carryover - PY 2010	\$ 361,941.60
LIHEAP WAP - PY 2011	\$ 7,297,405.00
LIHEAP WAP - PY 2010	\$ 3,698,239.18
<b>TOTAL</b>	<b>\$ 12,702,516.78</b>

The subgrantees' Actual Allocation for WAP PY 2011 (April 1, 2011 through March 31, 2012) appears as follows:

#### PY 2011 WAP Allocations

	Admin	5% Addtl Admin	3% Health & Safety	PY 2011 Program Operations	T&TA	Total
OEO (3%)	32,205.00	0	0	0	221,416.00	253,621.00
Subgrantees (7%)	75,146.00	53,676.00	32,205.00	880,283.00	50,000.00	1,091,310.00
LIHEAP WAP - PY 2011	0	0	0	7,297,405.00	0	7,297,405.00
LIHEAP WAP - PY 2010	0	0	0	3,698,239.18	0	3,698,239.18
DOE WAP Carryover	0	0	0	361,941.60	0	361,941.60
<b>TOTAL</b>	<b>\$107,351.00</b>	<b>\$53,676.00</b>	<b>\$32,205.00</b>	<b>\$12,237,868.78</b>	<b>\$271,416.00</b>	<b>\$12,702,516.78</b>

#### IMPORTANT INFORMATION:

##### 1) Allocation Sheets

The attached allocation sheets reflect the actual funding for WAP PY 2011. Please use this memorandum to develop the Actual budget for submission as soon as possible, but no later than the close of business on Friday, July 15, 2011.

##### 2) WAP DOE Maximum Average

The PY 2011 WAP DOE maximum average is \$6,572.



**3) LIHEAP WAP Maximum Average**

The maximum average of LIHEAP WAP funds is \$6,110.

**4) Financial Budgeting and Reporting (has been revised as of 4/2011)**

OEO Budget Form 516 and OEO FSR Form 515 are available on the OEO Website to accommodate financial budgeting and reporting for the WAP PY 2011. Please make sure to use the correct form.

**5) Salary Increases**

If you plan to give salary increases in WAP PY 2011, the application and first budget amendment will need to include all salary increases for the program year.

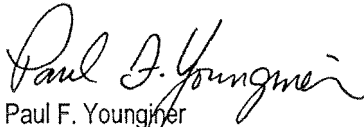
**6) Subcontractor Procurement**

Subgrantees must follow the policies outlined in the OEO Fiscal Manual in selecting subcontractors for WAP PY 2011. Subgrantees must have a new contract for each weatherization subcontractor that is selected for the new grant period. No weatherization work may be performed until the contract is approved by the agency's Executive Director, Fiscal Officer and approved by OEO.

**7) Board Approval**

A copy of board approval must accompany this budget. In the place of board minutes, you may wish to use the revised Budget Approval form included with the budget forms.

If you have any questions, please contact me at (803) 734-9861 on program issues or Ann Harmon, Senior Manager for Fiscal Services, at (803) 734-9828 on fiscal issues.



Paul F. Youngner  
Senior Manager for Weatherization

Attachments

**DISTRIBUTION:**

CAA Board Chairperson  
CAA WAP Executive Directors  
CAA WAP Fiscal Officers  
WAP Coordinators  
Ken McManus, OEO Director  
OEO staff  
PY 2011 WAP Control File

**WEATHERIZATION BUDGET-CFDA # 81.042 GRANT # DE-FG26-07NT43110**  
**LIHEAP - CFDA # 93.568 GRANT # G-11B1SCLIEA**  
**FUNDS AVAILABLE FOR OEO and SUBGRANTEES**  
**WAP PROGRAM YEAR 2011 ACTUAL ALLOCATION**  
**LIHEAP PROGRAM YEAR 2011 ACTUAL ALLOCATION**

	Administration	*Additional 5% Administration	3% Health & Safety	2011 Program Operations	T&TA	Total
OEO(3%)	32,205.00	0.00	0.00	0.00	221,416.00	253,621.00
SUBGRANTEES(7%)	75,146.00	53,676.00	32,205.00	880,283.00	50,000.00	1,091,310.00
LIHEAP WAP	0.00	0.00	0.00	7,297,405.00	0.00	7,297,405.00
LIHEAP WAP 2010	0.00	0.00	0.00	3,698,239.18	0.00	3,698,239.18
WAP Carryover	0.00	0.00	0.00	361,941.60	0.00	361,941.60
<b>TOTAL</b>	<b>107,351.00</b>	<b>\$53,676.00</b>	<b>\$32,205.00</b>	<b>12,237,868.78</b>	<b>\$271,416.00</b>	<b>\$12,702,516.78</b>

# WEATHERIZATION ALLOCATIONS (2000 Census)

PY 2011 ACTUAL ALLOCATION - DOE CFDA # 81.042, GRANT AWARD #DE-FG26-07NT43110

and LIHEAP - CFDA # 93.568 GRANT # G-11BISCLIEA

April 1, 2011 Through March 31, 2012

AGENCY/COUNTY	T&TA	DOE Admin	DOE Admin. Additional 5%	DOE Admin. (Including Additional 5%)	DOE Health and Safety	DOE Program Operations	LIHEAP Program Operations	2010 Unexpended DOE Program Operations	2010 Unexpended LIHEAP Program Operations	Total LIHEAP Program Operations	Total Program Operations	TOTAL	TOTAL (including T&TA, Admin. and Health&Safety)	Total DOE Dwellings @ \$6,572 Average
<b>Aiken/Barnwell</b>														
Aiken		\$2,668	\$1,906	\$4,574	\$1,144	\$31,259	\$259,131	\$12,852.55	\$45,777.68	\$304,908.68	\$349,020.23	\$354,738.23		7
Allendale		\$476	\$340	\$816	\$204	\$5,572	\$46,193	\$2,291.91	\$8,167.23	\$54,360.23	\$62,224.14	\$63,244.14		1
Barnwell		\$663	\$473	\$1,136	\$284	\$7,764	\$64,363	\$3,192.32	\$11,375.79	\$75,738.79	\$86,695.11	\$88,115.11		2
Lexington		\$2,651	\$1,894	\$4,545	\$1,136	\$31,056	\$257,452	\$12,769.30	\$45,486.00	\$302,938.00	\$346,763.30	\$352,444.30		7
Richland		\$5,539	\$3,956	\$9,495	\$2,374	\$64,886	\$537,892	\$26,678.72	\$95,038.45	\$632,930.45	\$724,495.17	\$736,364.17		14
Greenville		\$5,326	\$3,804	\$9,130	\$2,282	\$62,386	\$517,167	\$25,650.80	\$91,383.78	\$608,550.78	\$696,587.58	\$707,999.58		14
<b>TOTAL</b>	<b>\$5,000</b>	<b>\$17,323</b>	<b>\$12,373</b>	<b>\$29,696</b>	<b>\$7,424</b>	<b>\$202,923</b>	<b>\$1,682,198</b>	<b>\$83,435.60</b>	<b>\$297,228.93</b>	<b>\$1,979,426.93</b>	<b>\$2,265,785.53</b>	<b>\$2,302,905.53</b>	<b>\$2,307,905.53</b>	<b>45</b>
<b>Carolina</b>														
Chester		\$707	\$505	\$1,212	\$303	\$8,283	\$68,669	\$3,406	\$19,026.67	\$87,695.67	\$99,384.67	\$100,899.67		2
Fairfield		\$620	\$443	\$1,063	\$266	\$7,262	\$60,204	\$2,986	\$16,685.34	\$76,889.34	\$87,137.34	\$88,466.34		2
Lancaster		\$1,042	\$744	\$1,786	\$447	\$12,210	\$101,215	\$5,020	\$28,042.13	\$129,257.13	\$146,487.13	\$148,720.13		3
Union		\$580	\$414	\$994	\$249	\$6,796	\$56,336	\$2,794	\$15,608.87	\$71,944.87	\$81,534.87	\$82,777.87		1
York		\$2,206	\$1,575	\$3,781	\$945	\$25,836	\$214,179	\$10,623	\$59,367.51	\$273,546.51	\$310,005.51	\$314,731.51		5
<b>TOTAL</b>	<b>\$5,000</b>	<b>\$5,155</b>	<b>\$3,681</b>	<b>\$8,836</b>	<b>\$2,210</b>	<b>\$60,387</b>	<b>\$500,603</b>	<b>\$24,829</b>	<b>\$138,730.52</b>	<b>\$639,333.52</b>	<b>\$724,549.52</b>	<b>\$735,595.52</b>	<b>\$740,595.52</b>	<b>13</b>
<b>Charleston</b>														
Beaufort		\$1,673	\$1,195	\$2,868	\$717	\$19,595	\$162,440	\$8,057	\$136,028.14	\$298,468.14	\$326,120.14	\$329,705.14		4
Berkeley		\$2,203	\$1,574	\$3,777	\$944	\$25,810	\$213,960	\$10,612	\$179,121.33	\$393,081.33	\$429,503.33	\$434,224.33		6
Charleston		\$6,765	\$4,835	\$11,600	\$2,898	\$79,261	\$657,060	\$32,589	\$550,048.03	\$1,207,108.03	\$1,318,958.03	\$1,333,456.03		17
Dorchester		\$1,249	\$892	\$2,141	\$535	\$14,630	\$121,283	\$6,015	\$101,553.58	\$222,836.58	\$243,481.58	\$246,157.58		3
Jasper		\$548	\$391	\$939	\$235	\$6,417	\$53,198	\$2,639	\$44,556.74	\$97,754.74	\$106,810.74	\$107,984.74		1
<b>Subtotal</b>	<b>\$5,000</b>	<b>\$12,438</b>	<b>\$8,887</b>	<b>\$21,325</b>	<b>\$5,329</b>	<b>\$145,713</b>	<b>\$1,207,941</b>	<b>\$59,912</b>	<b>\$1,011,307.82</b>	<b>\$2,219,248.82</b>	<b>\$2,424,873.82</b>	<b>\$2,451,527.82</b>	<b>\$2,456,527.82</b>	<b>31</b>
<b>Chesterfield-Marlboro</b>														
Chesterfield		\$1,175	\$839	\$2,014	\$503	\$13,759	\$114,058	\$5,657	\$54,375.59	\$168,433.59	\$187,849.59	\$190,366.59		3
Darlington		\$1,842	\$1,316	\$3,158	\$789	\$21,576	\$178,859	\$8,871	\$85,242.42	\$264,101.42	\$294,548.42	\$298,495.42		5
Dillon		\$1,002	\$716	\$1,718	\$430	\$11,743	\$97,347	\$4,828	\$46,369.66	\$143,716.66	\$160,287.66	\$162,435.66		2
Marlboro		\$807	\$576	\$1,383	\$346	\$9,454	\$78,374	\$3,887	\$37,345.62	\$115,719.62	\$129,060.62	\$130,789.62		2
<b>TOTAL</b>	<b>\$5,000</b>	<b>\$4,826</b>	<b>\$3,447</b>	<b>\$8,273</b>	<b>\$2,068</b>	<b>\$56,532</b>	<b>\$468,638</b>	<b>\$23,243</b>	<b>\$223,333.29</b>	<b>\$691,971.29</b>	<b>\$771,746.29</b>	<b>\$782,087.29</b>	<b>\$787,087.29</b>	<b>12</b>
<b>GLEAMNS</b>														
Abbeville		\$478	\$341	\$819	\$205	\$5,599	\$46,411	\$2,302	\$15,319.63	\$61,730.63	\$69,631.63	\$70,655.63		1
Anderson		\$2,694	\$1,924	\$4,618	\$1,155	\$31,558	\$261,612	\$12,976	\$86,341.17	\$347,953.17	\$392,487.17	\$398,260.17		7
Edgefield		\$467	\$334	\$801	\$200	\$5,475	\$45,390	\$2,251	\$14,967.08	\$60,357.08	\$68,083.08	\$69,084.08		1
Greenwood		\$1,245	\$889	\$2,134	\$534	\$14,586	\$120,918	\$5,997	\$39,901.54	\$160,819.54	\$181,402.54	\$184,070.54		3
Laurens		\$1,323	\$945	\$2,268	\$567	\$15,502	\$128,507	\$6,374	\$42,401.40	\$170,908.40	\$192,784.40	\$195,619.40		3
McCormick		\$210	\$150	\$360	\$90	\$2,456	\$20,360	\$1,010	\$6,730.38	\$27,090.38	\$30,556.38	\$31,006.38		1
Newberry		\$821	\$586	\$1,407	\$352	\$9,613	\$79,688	\$3,952	\$26,312.58	\$106,000.58	\$119,565.58	\$121,324.58		2
Oconee		\$970	\$693	\$1,663	\$416	\$11,364	\$94,209	\$4,673	\$31,087.95	\$125,296.95	\$141,333.95	\$143,412.95		2
Pickens		\$1,949	\$1,392	\$3,341	\$835	\$22,826	\$189,222	\$9,385	\$62,464.34	\$251,686.34	\$283,897.34	\$288,073.34		5
Saluda		\$405	\$289	\$694	\$174	\$4,745	\$39,333	\$1,951	\$12,980.02	\$52,313.02	\$59,009.02	\$59,877.02		1
<b>TOTAL</b>	<b>\$5,000</b>	<b>\$10,562</b>	<b>\$7,543</b>	<b>\$18,105</b>	<b>\$4,528</b>	<b>\$123,724</b>	<b>\$1,025,650</b>	<b>\$50,871</b>	<b>\$338,506.09</b>	<b>\$1,364,156.09</b>	<b>\$1,538,751.09</b>	<b>\$1,561,384.09</b>	<b>\$1,566,384.09</b>	<b>26</b>

# WEATHERIZATION ALLOCATIONS (2000 Census)

PY 2011 ACTUAL ALLOCATION - DOE CFDA # 81.042, GRANT AWARD #DE-FG26-07NT43110

and LIHEAP - CFDA # 93.568 GRANT # G-11B1SCLIEA

April 1, 2011 Through March 31, 2012

AGENCY/COUNTY	T&TA	DOE Admin	DOE Admin. Additional 5%	DOE Admin. (Including Additional 5%)	DOE Health and Safety	DOE Program Operations	LIHEAP Program Operations	2010 Unexpended DOE Program Operations	2010 Unexpended LIHEAP Program Operations	Total LIHEAP Program Operations	Total Program Operations	TOTAL	TOTAL (including T&TA, Admin. and Health&Safety)	Total DOE Dwellings @ \$6,572 Average
<b>Lowcountry CAA, Inc.</b>														
Colleton		\$1,099	\$785	\$1,884	\$471	\$12,870	\$106,688	\$5,292	\$80,931.63	\$187,619.63	\$205,781.63	\$208,136.63		3
Hampton		\$586	\$419	\$1,005	\$251	\$6,866	\$56,920	\$2,823	\$43,153.72	\$100,073.72	\$109,762.72	\$111,018.72		1
<b>Subtotal</b>	<b>\$5,000</b>	<b>\$1,685</b>	<b>\$1,204</b>	<b>\$2,889</b>	<b>\$722</b>	<b>\$19,736</b>	<b>\$163,608</b>	<b>\$8,115</b>	<b>\$124,085.35</b>	<b>\$287,693.35</b>	<b>\$315,544.35</b>	<b>\$319,155.35</b>	<b>\$324,155.35</b>	<b>4</b>
<b>OCAB</b>														
Bamberg		\$604	\$432	\$1,036	\$259	\$7,077	\$58,671	\$2,910	\$21,629.19	\$80,300.19	\$90,287.19	\$91,582.19		2
Calhoun		\$334	\$239	\$573	\$143	\$3,917	\$32,473	\$1,611	\$11,960.51	\$44,433.51	\$49,961.51	\$50,677.51		1
Orangeburg		\$2,585	\$1,846	\$4,431	\$1,108	\$30,282	\$251,031	\$12,451	\$92,568.63	\$343,599.63	\$386,332.63	\$391,871.63		6
<b>Subtotal</b>	<b>\$5,000</b>	<b>\$3,523</b>	<b>\$2,517</b>	<b>\$6,040</b>	<b>\$1,510</b>	<b>\$41,276</b>	<b>\$342,175</b>	<b>\$16,972</b>	<b>\$126,158.33</b>	<b>\$468,333.33</b>	<b>\$526,581.33</b>	<b>\$534,131.33</b>	<b>\$539,131.33</b>	<b>9</b>
<b>Piedmont</b>														
Cherokee		\$984	\$703	\$1,687	\$422	\$11,532	\$95,596	\$4,741	\$25,322.06	\$120,918.06	\$137,191.06	\$139,300.06		2
Spartanburg		\$4,169	\$2,978	\$7,147	\$1,787	\$48,838	\$404,860	\$20,081	\$107,284.22	\$512,144.22	\$581,063.22	\$589,997.22		11
<b>TOTAL</b>	<b>\$5,000</b>	<b>\$5,153</b>	<b>\$3,681</b>	<b>\$8,834</b>	<b>\$2,209</b>	<b>\$60,370</b>	<b>\$500,456</b>	<b>\$24,822</b>	<b>\$132,606.28</b>	<b>\$633,062.28</b>	<b>\$718,254.28</b>	<b>\$729,297.28</b>	<b>\$734,297.28</b>	<b>13</b>
<b>Waccamaw</b>														
Georgetown		\$1,295	\$925	\$2,220	\$555	\$15,167	\$125,734	\$6,236	\$141,500.50	\$267,234.50	\$288,637.50	\$291,412.50		3
Horry		\$3,203	\$2,288	\$5,491	\$1,373	\$37,526	\$311,088	\$15,430	\$349,981.54	\$661,069.54	\$714,025.54	\$720,889.54		8
Williamsburg		\$1,412	\$1,009	\$2,421	\$605	\$16,541	\$137,118	\$6,801	\$154,284.71	\$291,402.71	\$314,744.71	\$317,770.71		4
<b>TOTAL</b>	<b>\$5,000</b>	<b>\$5,910</b>	<b>\$4,222</b>	<b>\$10,132</b>	<b>\$2,533</b>	<b>\$69,234</b>	<b>\$573,940</b>	<b>\$28,467</b>	<b>\$645,766.75</b>	<b>\$1,219,706.75</b>	<b>\$1,317,407.75</b>	<b>\$1,330,072.75</b>	<b>\$1,335,072.75</b>	<b>15</b>
<b>Wateree</b>														
Clarendon		\$983	\$702	\$1,685	\$421	\$11,514	\$95,450	\$4,734	\$75,753.94	\$171,203.94	\$187,451.94	\$189,557.94		2
Florence		\$2,752	\$1,966	\$4,718	\$1,179	\$32,236	\$267,231	\$13,254	\$212,080.22	\$479,311.22	\$524,801.22	\$530,698.22		7
Kershaw		\$915	\$653	\$1,568	\$392	\$10,713	\$88,809	\$4,405	\$70,513.59	\$159,322.59	\$174,440.59	\$176,400.59		2
Lee		\$550	\$393	\$943	\$236	\$6,444	\$53,417	\$2,649	\$42,385.22	\$95,802.22	\$104,895.22	\$106,074.22		1
Marion		\$1,114	\$795	\$1,909	\$477	\$13,046	\$108,148	\$5,364	\$85,849.33	\$193,997.33	\$214,407.33	\$214,793.33		3
Sumter		\$2,257	\$1,612	\$3,869	\$967	\$26,435	\$219,141	\$10,869	\$173,933.52	\$393,074.52	\$430,378.52	\$435,214.52		6
<b>TOTAL</b>	<b>\$5,000</b>	<b>\$8,571</b>	<b>\$6,121</b>	<b>\$14,692</b>	<b>\$3,672</b>	<b>\$100,388</b>	<b>\$832,196</b>	<b>\$41,275</b>	<b>\$660,515.82</b>	<b>\$1,492,711.82</b>	<b>\$1,634,374.82</b>	<b>\$1,652,738.82</b>	<b>\$1,657,738.82</b>	<b>21</b>
<b>GRAND TOTAL</b>	<b>\$50,000</b>	<b>\$75,146</b>	<b>\$53,676</b>	<b>\$128,822</b>	<b>\$32,205</b>	<b>\$880,283</b>	<b>\$7,297,405</b>	<b>\$361,941.60</b>	<b>\$3,698,239.18</b>	<b>\$10,995,644.18</b>	<b>\$12,237,868.78</b>	<b>\$12,398,895.78</b>	<b>\$12,448,895.78</b>	<b>189</b>



# State of South Carolina

## Office of the Governor

NIKKI R. HALEY  
GOVERNOR

OFFICE OF EXECUTIVE  
POLICY AND PROGRAMS

October 12, 2011

Dr. James L. Coleman, Chief Executive Officer  
Wateree Community Actions, Inc.  
Post Office Box 1838  
Sumter, SC 29151

Dear Dr. Coleman:

As stated under "Recapture and Reallocation" in the HPRP Grant Agreement/Guide, by accepting an HPRP award, the subgrantee authorizes OEO to increase the amount of HPRP grant funds available to the subgrantee by execution of an amendment by OEO, without the subgrantee's execution of the amendment or other such consent.

Please accept this correspondence as an amendment to the HPRP Grant Agreement/Guide and written verification of the agency's increased award amount. The Office of Economic Opportunity (OEO) is increasing your original HPRP award. The new grant amount is **\$825,473.46**. Please submit a budget based on the new award amount as soon as possible. Board signature on the budget will be required due to the increased award.

Please note that all conditions of the original award are still applicable.

If you have any questions or require additional information, please contact Margaret Gibson at (803) 734-1266.

Sincerely,

Ken McManus  
OEO Director

c: HPRP Control & Agency File

Wateree Community Actions, Inc.

Board of Directors

# Governing BY-LAWS

Revised and Approved by the  
Board of Directors of Wateree  
Community Actions, Inc.  
July 28, 1987  
January 28, 1992  
May 25, 1993  
May 28, 2002  
March 27, 2012

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ARTICLE I- NAME AND DESCRIPTION

The name of this agency shall be Wateree Community Actions, Inc., a non-profit corporation incorporated under the laws of the State of South Carolina and recognized by the State Division of Economic Opportunity as the proper body for carrying out the purposes and functions established in these by-laws. The central office of the corporation shall be at 2611 Forest Drive, Suite 115, Columbia, South Carolina 29204.

ARTICLE II - PURPOSE

The purpose and functions of the corporation shall be as follows:

- a) To administer to the needs of low-income people by way of advocacy, encouragement, and the providing of helpful resources.
- b) To mobilize the poor, the private citizens and the public officials of Sumter, Kershaw, Clarendon, Richland and Lee Counties in the State of South Carolina to seek out, identify and eliminate the causes of poverty within this region.
- c) To make all of the citizens of this region more aware of and responsive to the needs and interests of the poor.
- d) To plan and implement projects, programs and activities that brings about the most efficient use of resources and that have the most effective impact upon the lives and surroundings of poor people. These shall include but not be limited to the securing and provision of knowledge, skills and education; the securing and provision of decent affordable housing for low and moderate-income persons; the securing and provision of employment and equal opportunity; the securing and provision of general emergency assistance; and the securing and provision of supportive services for the poor.

ARTICLE III- BOARD OF DIRECTORS

Section 1 - General Composition: The corporation shall be governed by a fifteen (15) member Board of Directors

composed of five (5) representatives of three sectors of the local community. The sectors shall be: 1) Low-Income Community Representatives; ; 2) Private Sector: officials of members of business, industry, labor, religious, welfare, education or other major groups of interests in the community (hereafter referred to as the private sector); and 3) Elected Public Officials: officials or their representatives (hereafter referred to as the public sector). Each member of the board selected to represent a specific geographic area within the region served must reside in the area that he or she represents.

Section 2 - Size of the Board: In accordance with the Community Services Block Grant Tripartite requirement, the size of the Board of Directors shall be no greater than fifteen members nor lesser than nine members, and any authorized level that is established shall always be divisible by three. Under these by-laws, the authorized size of the Board of Directors shall be set at- fifteen seats, and the number of seats allocated to representatives of each of the three sectors defined in Section 1 of this article shall be set at:

Public:	Category I --	5
Private:	Category II --	
	Category III --	5
	Total	15

ARTICLE IV- MEMBERSHIP OF THE BOARD AND SELECTION PROCEDURES

Section 1- Representation of **Public Officials**: Exactly one-third of the total membership of the board shall be comprised of elected public officials representing Sumter, Kershaw, Clarendon, Lee and Richland Counties. The five seats allocated to the public sector shall be further allocated to each county so that Sumter County is authorized to fill one seat, Kershaw County to fill one seat, Clarendon County to fill one seat, Lee County to fill one seat and Richland County to fill one seat.

The public officials serving on the board shall be appointed or elected public officials. The elected and the appointed public officials designated to serve on the board shall have either general governmental responsibilities or responsibilities which require them to deal with poverty-related issues. They may not be officials with only limited, specialized, or administrative responsibilities. Each public official designated to serve on the board may choose one permanent representative to serve on the board in his or her place or whenever he or she is unable to attend a meeting. These representatives need not be public officials themselves, but they shall have full authority to act for the public officials whom they represent at meetings of the board. However, they shall not have authority to select alternates to serve in their place.

The names of all public officials designated by the county councils to fill seats on the board and of all representatives designated by public officials to serve in their place must be submitted to the board in writing by the designating authority. However, if the number of public officials both elected and appointed, who are willing to serve do not comprise one-third of the board, then the remainder of the seats allotted to public officials shall remain vacant until such time as additional public officials are identified who are willing to sit on the board.

A public official, who is a member of the board, his appointed representative and the immediate family of each are subject to the policy of the agency relating to nepotism.

Section 2 - Representation of the Poor: At least one-third of the total membership of the board shall be composed of democratically selected representatives of the poor, the poor being defined as the residents of the areas and members of the groups that the community action program is intended to serve. There shall be five seats on the board that are allocated for the representatives of the poor. The representatives shall be elected by the poor residents of identified target areas that cover Sumter, Kershaw, Clarendon, Richland, and Lee Counties. The following are five target areas that will be represented on the board:

Target Areas

County	Number
Sumter County Target Areas	1
Kershaw County Target Area	1
Clarendon County Target Area	1
Lee County Target Area	1
Richland County Target Area	1

Representatives of the low income sector who serve on the board need not be poor themselves but must be elected in such a manner that they truly represent the poor, and they must reside within the target area that they represent. Any resident of a target area may participate in the pre-voting activities involved in the election process, but only those residents of the target area who are officially classified as low-income residents may cast votes for representatives of the poor.

The process of electing representatives of the low-income sector shall be administered under the general authority of the Membership Committee of the Board of Directors with advice and support from the agency staff. The election process shall be preceded by a public notification of the pending election to be distributed at least ten days prior to the election date and utilizing the news media, posted public notices and special distribution of notices to individuals, churches, and to public and private agencies that have the greatest possible contact with the poor. The place selected as the site for each election shall be chosen on the basis of its general accessibility to the poor who reside within the target area. The time selected for each election shall be chosen on the basis of its convenience for the poor, although no election shall be held on a Sabbath Day which is observed as a day of rest and worship by residents in the area served.

At the election meeting, a staff person from the agency shall inform all persons in attendance about the rules, regulations and procedures of the election and shall also inform them about the duties and responsibilities of the representative to be elected. All persons in attendance and all persons who wish to vote must sign a declaration of voting eligibility. This declaration will contain the income guidelines for voting eligibility, and all persons signing a declaration of voting eligibility will be declaring that they are at least eighteen years of age, that they are residents of the target area in which the election is being held, and that they fall within the income guidelines for voting eligibility.

The election itself shall be presided over by a chairperson selected by the low-income persons in attendance at the election meeting, and the chairperson shall be assisted by a recorder who shall be selected in the same manner and who shall record the minutes of the election meeting and authenticate the results of the election. Nominations for the position of representative of the poor shall be made from the floor, and voting shall be by ballot with each eligible voter permitted to submit only one ballot upon which shall be written one name from among the various names nominated for the position. The number of votes tabulated cannot exceed the number of persons who filed declarations of voting eligibility. The person with the largest number of votes will be certified as the representative of the low-income. If the elected position from the poor sector should become vacate before the term expires, another election shall take place within 30 days of the vacated position. The official minutes of the election shall be signed by the secretary and submitted to the staff member of the agency who is present at the election.

**Section 3 - Representation of Private Organizations:** One-third of the membership of the board shall be composed of officials or members of private organizations located in the five county service area whose activities involve business, industry, the military, labor, religion, education, welfare, social service, minority groups and other major private groups and interests. The organizations or groups selected for representation on the board shall be approved by the Board of Directors of the agency upon the recommendation of its Membership Committee, and these organizations or groups shall be selected in order to provide a continuing effort for securing broad community involvement. The specific criteria upon which an organization or group shall be selected for representation on the board are that the organization or group must:

1. Be concerned with and/or interested in the needs of the poor.
2. Be serving or concerned with a broad area of the community.
3. Be clearly a private group.
4. Have a membership of at least thirty active members or constituents.
5. Empower its representatives to speak and act for the organization on the board of the corporation.
6. Have a capacity for providing resources and/or commitments to the needs of the poor that could be helpful in furthering the goals and objectives of the corporation.

The board shall designate five private organizations, businesses or institutions as being authorized to select one representative each to the board. The organizations and groups designated shall be such that one is located in Sumter County, one is in Kershaw County, one in Lee County, one in Richland County and one in Clarendon County. In the event that a county does not have enough organizations or groups available or willing to serve, the board shall decide on one or more groups from another county in the area to be given seats that will insure full board representation.

The Membership Committee of the board shall survey private organizations and groups in the area to determine those that are interested in electing representatives to the board. Those private organizations or groups that respond favorably shall be reviewed by the Membership Committee. The Membership Committee Chair shall also request from the organization or group a statement of the number of its active members, its goals and objectives, its program of activities, and its main source of support. The Membership Committee shall then solicit nominations from the private sector organizations. These nominations shall be reviewed by the Personnel Committee and a recommendation from the Membership Committee shall then be submitted to the Board for approval. The representative submitted by the organization or group for consideration must be a member of the organization or group that he or she represents.

The Membership Committee of the board shall ensure that at least three of the five member-organizations maintained on the board are of different types and purposes (i.e. College, Military installation, Elks Lodge, NAACP, National Council of Negro Women, labor union, bar association, Chamber of Commerce, Rotary, Lions Club, YWCA, educational institutions, ministerial associations, child development organizations, fraternal organizations and health institutions). The Head Start Policy Council or Parent Association may have representation in Category II or Category III.

**Section 4- Residence and Security Requirements:** Every member of the board who is selected to represent a specific geographic area within the community must reside within the geographic area that

he or

she represents. This residency requirement shall apply to all representatives of the low-income, those public officials or their representatives who represent specific subdivisions, wards or districts, and those representatives of private community groups that are organized on a geographic basis. Each prospective Board member shall pass a background check and be free and clear of any investigations being conducted by a Local, State, or Federal Ethics Commission.

**Section 5 - Term of Membership and Service Limitations:** The term of membership of a public official or his/her representative as a member of the board or of a public official as a member of the board shall be as long as the designating public official continues to hold his or her same public office.

Representatives of the poor shall serve two terms of four (4) consecutive years and shall be limited in their service on the board to a maximum of eight (8) years. After serving a term of eight (8) consecutive years, a representative of the poor may not serve on the board in any capacity for at least one year. One may be re-elected for another two terms after leaving the board for at least one year.

Representatives of private organizations shall serve two terms of four (4) consecutive years and shall be limited in their service on the board to a maximum of eight (8) years. After serving a term of fifteen consecutive years, a representative of private organizations may not serve on the board in any capacity for at least one year. The Membership Committee of the Board shall maintain a prospective organization membership roster upon which it shall draw for proper replacement memberships. One may be designated to serve a subsequent term after leaving the board for at least one year.

**Section 6 – Conflict of Interest:** No person may sit on the board who is an officer or an employee of an organization contracting to perform a component of the corporation's work program. However, public officials sitting on the board shall not be in conflict if the corporation should contract with his or her jurisdiction to perform a component of the work program. No employee of the corporation may serve on the board.

**Section 7- Removal of Board Members:** Members of the board representing the poor or representing private organizations may be removed from the board for any of the following reasons:

1. Misconduct
2. Excessive absence (three board meetings)
3. Removal by the group public official or organization that he or she represents
4. Relocation of the member to an area outside of the area that he or she represents or withdrawal from membership in the organization that he or she represents.
5. Investigation by the Local, State, and/or Federal Ethics

Commission.

Any charge of misconduct against a board member must be reviewed by the Membership Committee. If the committee believes the charge is serious enough to

6  
warrant removal if substantiated, written notice of the charge shall be sent by the chairperson of the committee to the board member with the notice to include a specific statement of the alleged misconduct. The member must receive the written notice of the charge by registered mail at least ten days prior to the date of the meeting at which he or she is invited to appear for a hearing, and the charged member must respond to the committee chairperson in writing at least three days prior to the scheduled board meeting, if he or she wishes to present evidence or arguments before the full board. Regardless of whether or not the charged member appears before the full board for a hearing, the member shall not be removed from the board unless a two-thirds vote of a meeting at which a quorum is present shall favor such removal.

Excessive absence shall be defined as absence of a board member from three regularly scheduled meetings of the board in a twelve month period. When such absences have taken place, the Chairperson of the Membership Committee shall send by registered mail a written notice to the board

member informing him or her of the condition of excessive absence and of the requirement of the by-laws that removal of the member is automatic after three absences

Public sector representatives may not be removed from the board for misconduct or for excessive absence. However, when such representatives violate these rules, the chairperson of the Membership Committee may, with the approval of the full board, petition the designating officials to remove the offending representative from the board and in turn select other representatives to replace them.

Section 8- Vacancies: A vacancy on the board shall occur when:

1. A board member is notified of his or her removal by action of the board for cause or as a result of excessive absence.
2. A board member notifies the board of his or her resignation.
3. The designating officials remove a public official.
4. A public official leaves office.
5. A board member expires.

Vacancies on the board shall be filled within 30 days, if possible.. If a vacancy involves a representative of public officials or of private organizations, the vacancy shall be filled by a representative selected or elected by the same body of organization that sent the original representative. If a vacancy involves a representative of the poor, the vacancy shall be filled within 30 days, if possible through a new election to be held in the target area for the purpose of electing a new representative.

Section 9 - Compensation: Allowances for mileage and child care for representatives of the poor and reimbursements to all members of the board for expenses incurred while performing board related functions are permitted, but no member of the board shall be compensated for his or her regular general service on the board for such compensation is not permitted. Board members are volunteer stewards.

Section 10- Membership Files: A file for each board member shall be maintained in the office of the corporation and shall include all, documents related to the election, appointment, or selection of each member's correspondence and any other documentary materials that are relevant to a person's membership on the board.

#### ARTICLE V- APPEAL PROCEDURES BY OTHER GROUPS FOR ADEQUATE REPRESENTATION

Any private community group or representative group of the poor which believes that it is not adequately represented on the board may petition the board for adequate representation. Any

such petition must be signed by at least, thirty members of the petitioning group or by at least fifty percent of the bona fide members of that group or organization. The organization or group presenting such a petition shall be afforded an open hearing before the full board in order that it may have a full and fair opportunity to present its request. Once the hearing has been held, the board shall vote immediately upon the petition and shall inform the principal official of the petitioning group or organization in writing of the board's vote on, the petition. If a petitioning group is granted a seat on the board because of its petition, its representative shall be promptly seated and afforded all the rights and privileges of any other member of the board as soon as a vacancy occurs in Category III.

#### ARTICLE VI- MEETINGS OF THE BOARD

Section 1 – Annual Meeting: The annual meeting of the Board of Directors will be held in September of each year.

Section 2 – Regular Meetings: Regular meetings of the board shall be held on the last Tuesday of every other month at 6:00PM. The first meeting of the year takes place in January.

Section 3 – Special Meetings: Special meetings of the board may be called either at the request of the Chairman of the Board or upon the special request of any ten members of the board pursuant to the notice requirements in Section 4 of this article.

Section 4 – Notice Requirements: A written notice stating the place, date, time and agenda of each regular and special board meeting shall be mailed to each board member and shall be communicated to the public without cost through a circulated local newspaper or through public service radio announcement at least five days prior to such meetings.

Section 5 **Place** of Meetings: Regular meetings of the board shall be held in the City of Sumter which is located in the central, county of the areas being served. Provisions shall be



made to make it convenient for low-income members to attend. Change in place, in any of the five (5) counties may be made upon direction of the Board Chair.

Section 6- Open and Closed Meetings: All regular and special meetings of the board shall be open to the public except for those meetings which intend to address personnel Matters, other matters of a sensitive nature, or for any other reason the Board deems necessary. In such cases, the meetings may be held in closed session upon the vote of a simple majority of a quorum of the board. Any action taken by the Board in a closed session will be reported in public session.

Section 7- Agenda Requirements: An agenda of each regular and special meeting of the board shall accompany the notice of that meeting and shall be sent to all board members. No regular or special meeting may address the issues of 1) removal of a member for cause, 2) the election of an officer(s) of the board, or 4) the employment or dismissal of the Executive Director of this corporation unless such items appear on an agenda circulated pursuant to the notice requirements in Section 4 of this article.

Section 8- Quorum Requirement and Manner of Act: The quorum for meetings of the board shall be at least fifty percent of the non-vacant seats on the board. The act of a majority of the directors at any meeting at which a quorum is present shall be an official act of the board.

Section 9- Conduct of Meetings: All meetings of the board and its committees shall be conducted in accordance with Robert's Rules of Order, Revised.

Section 10 - Secret Ballot and Proxy Voting: Secret ballot shall be used in voting on all motions to remove a board member for cause, to employ or dismiss an Executive Director of the corporation, and to elect any officer of the board. Each member of the board shall be entitled to one vote, and proxy voting is prohibited. Upon a two-third vote members present, the voting method may be changed.

Section 11- Minutes: The board shall keep for each meeting written minutes which include a record of votes on all motions. Minutes of the previous meeting shall be distributed to all members before the next meeting, and shall be made available to the public upon request.

## ARTICLE VII- OFFICERS OF THE BOARD

Section 1 - Qualifications and Duties of Each Officer: The officers of this corporation shall be the Chairman of the Board, Vice-Chairman, , Secretary and Treasurer. All officers of this corporation shall be duly selected members of the board and shall be representative of each county, Sumter, Kershaw, Clarendon, Richland and Lee, when feasible according to qualifications.

- a) Chairman of the Board: Persons seeking election to the position of Chairman of the Board shall 1.) have served actively for at least one year on the Board of Directors of this corporation, 2) have shown a knowledge of programs and willingness to promote the programs and activities of this corporation, 3) be willing and able to advocate in the interest of the low-income and the disadvantaged and shall be the principal representative

of the corporation and shall in general supervise all business and affairs of the corporation subject to the control of the board. When the Chairman is present, he or she shall preside at all meetings of the board. The Chairman shall sign any grants, contracts, checks, major agreements or other documents as may be prescribed as board responsibility. The Chairman may delegate the signing of lease and programmatic contracts to the Chief Executive Officer. The Chairman does not have the authority alone to determine overall policy or program operating policies as these require board action. The Chairman must be bondable.

- b) Vice-Chairman: Qualifications for this office shall be the same as those for the office of Chairman, except that he or she need not have served for at least one (1) year. The Vice-Chairman shall perform all the duties of the Chairman of the Board in the absence of that officer and shall perform such other duties as may be assigned by the board.
- e) Secretary The Secretary shall be responsible for 1) maintaining the minutes of the Board and the seal of the corporation; 2) insuring that all notices are duly given in accordance with the provisions of these By-Laws and as required under law; 3.) being the custodian of the records of the Board and of the seal of the corporation. The Secretary shall have the authority to co-sign with the Chairperson, Treasurer, or Chief Executive Officer on all checks of the Board. The Secretary shall be bonded and shall perform such other duties as required by the Board.

Treasurer: Persons seeking election to this office shall 1) be eligible for coverage under a surety bond 2) have considerable knowledge of and experience with the handling or management of budgets and funds in a private or public business or organization in amounts of at least one

million dollars, and 3) have the authority to co-sign with the Chairperson, Secretary, or Chief Executive Officer on all checks of the Board; 4) be responsible for providing oversight and monitoring of all funds of the corporation in such banks, trust companies and other depositories as shall be selected by the board, 5) shall perform all duties incidental to the office of -Treasurer, and 6) shall be bonded and perform such other duties as required by the Board.

**Section 2 -Requirement of Surety Bond Coverage for Certain Officers:** The Chairman of the Board, the Secretary, and the Treasurer of this corporation shall be covered under a surety bond.

**Section 3- Compensation of Officers Prohibited:** No officer of this corporation shall receive any kind of compensation for duties performed in the exercise of his or her office.

Section 4- Election and Term of Officers: All officers of this corporation shall be nominated and elected by a majority vote of the board at the annual meeting of the board in September of the year preceding the expiration of the term.. Each new officer shall assume the duties of office in January and shall serve for a term of four (4) years. All officers are eligible for re-election to successive terms of office with a limit of two terms, a maximum of eight (8) years.

Section 5- Removal of Officers: Officers may be removed from their office for reasons of misconduct. The procedure for such removal shall be the same as the procedure for removal of a board member for misconduct that is described in Article IV, Section 7 except that the Executive Committee shall replace the Membership Committee in administering the procedure. The officer shall not be removed from office unless a simple majority vote of a meeting at which a quorum is present shall favor such removal. A person removed from office for misconduct is not automatically removed from membership on the board unless the procedure for removal of board members is complied with either at the same time as the procedure for removal from office or at a subsequent time.

Section 6- Vacancies: Any vacancy that occurs among the officers of the board shall be filled through election by the board at its first meeting following the date that the vacancy occurred. The board member who is elected to fill the vacated office shall occupy that office for the remainder of the unexpired term. However, if a vacancy; occurs in the office of Chairman of the Board, the Vice-Chairman shall automatically succeed to the office of Chairman, and an election shall be held to fill the vacant office of the Vice-Chairman.

Section 7- Resignations: Any officer of the board who wishes to resign his or her office shall do so in writing to the Chairman of the Board indicating the reason for the resignation and the date upon which it becomes effective.

Section 8- Supervision of Officers by the Board: No officer may initiate any action on behalf of the board without the prior consent of a majority of the board.

Section 9- Dual Office holding: No officer of the board shall be permitted to occupy more than one office of the board at the same time.

Section 10- Ratification-of Acts by the Board: Any and all acts of all officers of the board must be ratified by a simple majority of the board at its next scheduled meeting.

#### ARTICLE VIII- COMMITTEES OF THE BOARD

There shall be five standing committees of the corporation: Executive Committee, Personnel Committee, Planning and Evaluation Committee, Membership Committee and Finance & Property Committee.

There shall be an Executive Committee which shall consist of at least seven members. The members of the Executive Committee shall automatically include the officers of the board and the chairman of all standing committees. A member of this committee shall not occupy two seats on this committee by virtue of being an officer and standing committee chairman at the same time. The members of the Executive Committee shall be comprised of all elected Officers and include the Personnel Committee Chair; Membership Committee Chair and Immediate Past Chairperson. The Executive Committee must reflect fairly the composition of the full board in terms of the various constituent groups and geographic areas of the community. The Chairman of the Board shall serve as Chairman of the Executive

Committee.

#### Executive Committee Functions

The Executive Committee shall 1) transact routine and ordinary business between meetings of the full board and report to the full board on any actions taken, 2) insure compliance with the by-laws of the corporation and recommend changes in such by-laws, 3) investigate problems affecting the overall operation of the corporation and make recommendations to the full board regarding solutions to these problems, 4) provide training to insure that each member of the board is adequately prepared to function fully in the affairs of the corporation, 5) assess and coordinate the training needs and training activities of the board and 6) administer the procedure for removal of officers of the board.

**Section 2 - Other Standing Committees and Their Membership:** Other standing committees of the board shall include but not be limited to a Personnel Committee, Finance & Property Committee, Planning and Evaluation Committee and Membership Committee. Such other Standing Committee may be created as the board may deem necessary. Members of all standing and special committees shall be appointed by the Chairman of the Board to reflect fairly the composition of the full board with the exception that representatives of the poor must constitute at least one-third of the members of any committee and must be elected to the committee by representatives of the poor on the Board of Directors. Members of standing committees shall be appointed at the November meeting of the board preceding the expiration of terms, and a temporary convener of the committee shall be appointed by the Chairman of the Board to serve for one month. Prior to the January meeting of the board, the Board Chairperson shall appoint a chairperson of each the committee. No member of the board shall be permitted to serve as chair of more than one standing committee at a given time.

**Section 3 - Functions of the Personnel Committee:** The functions of the Personnel Committee shall be to:

1. Formulate and recommend overall personnel policies to the board.
3. Interview applicants, submit recommendations to the board for appointment to the positions of Chief Executive Officer, and make recommendations to the board for dismissal of this person from the position.
4. Review and approve a personnel salary plan,
5. Review and approve all personnel policies and procedures,
6. Inform the board of significant personnel achievements and personnel failures
7. Present committee recommendations and reports to the board for final approval.

**Section 4- Functions of the Finance & Property Committee:** The functions of the Finance & Property Committee shall be to:

1. Review the monthly financial reports to determine levels of spending both federal and non-federal funds, and to report to the board on these matters.
2. Make unannounced inspections of agency books.

3. Approve and recommend to the board an independent (CPA) auditing firm to conduct audits and provide financial counsel.
4. Review and inform the board of prepared audit reports and recommend action to resolve questionable item in the audit reports.
5. Review all budgets, determine funding priorities, and monitor all expenditures.
6. Review the adequacy of all real property owned and leased by the corporation to meet the needs of its program, and insure that all real property and utility systems are properly maintained.
7. Review the adequacy of all movable property and equipment owned and leased by the corporation to meet the needs of its programs, and insure that all such movable property is properly maintained and inventoried.

Section 5 - Functions of the Planning and Evaluation Committee,;, The functions of the Planning and Evaluation Committee shall be to:

1. Approves and Evaluates agency program priorities, goals, objectives, projects and strategies for a five-year plan and for one-year plans.
2. Approves and Evaluates long and short-range goals of all agency programs.
3. Review, approve, and recommend proposed programs and projects for funding.
5. Review and approve the agency's annual grant application.
6. Review program evaluation reports in February and June of each year and make recommendations.
7. Establish planning and evaluation sub-committees as required.

Section 6 -Functions of the Membership Committee: The function of the Membership Committee shall be to:

1. Insure compliance with the procedures regarding the election of representatives of the poor to the board.
2. Survey private groups and organizations to determine those interested in being represented on the board; and maintain a list of interested groups and organizations not represented who could fulfill the rotation requirements for representation of the private sector.
3. Receive petitions for membership representation on the board, and make recommendations to the board regarding these petitions.
4. Certify the validity of each member's election or selection to the board.
5. Take responsibility for welcoming and orienting new board members.
6. Hear grievances of individuals and groups who have complaints concerning the election or removal of board members.
7. Administer the procedure for removal of board members for misconduct.
8. Monitor the attendance of board members to insure compliance with these by-laws, and administer the procedure for removal of board members for excessive absences.
9. Take responsibility for conducting the election of officers of the board.
10. Ensure orientation for new board members and on-going training for all board members.

11. Recommend Board Member of the Year, and announce the recipients for the annual Board Member Attendance Award.

**Section 7 --Special committees:** The Chairman of the Board may appoint special committees from time to time depending upon the needs of the board. Such committees may have policymaking or advisory functions and shall serve for as long as their need exists.

**Section 8- Notice Requirements:** With the exception of the first meeting of a newly appointed committee, committees will meet upon the call of the committee chairman who must insure that each member of a committee is notified in writing of the time, date and location of a committee meeting. Such notices must be distributed at least five days prior to the committee meeting although this notice requirement may be waived upon written agreement of all members of the committee that is meeting.

**Section 9 --Vacancies:** Any vacancy that occurs within the membership of a committee shall be filled in the same manner as the preceding member of the committee was appointed.

**Section 10 - Quorum Requirement and Manner of Act:** The quorums for meetings of a committee shall be at least fifty percent of the non-vacant seats on the committee. The act of a majority of committee members at any meeting at which a quorum is present shall constitute an act of that committee, and proxy voting is prohibited.

**Section 11- Ratification of Committee Actions:** Any and all acts of all standing and special committees must be ratified by a majority of the board at its next scheduled meeting.

#### ARTICLE IX- POWERS OF THE BOARD

The Board of Directors shall have the broad power to enter into legally binding agreements with any Federal, state or local agency, or with any private funding organization for the purpose of running programs or providing services. In addition, it shall have the following specific powers:

1. To appoint the Chief Executive Officer of the corporation.
2. To determine, subject to policies of grantors of the corporation major personnel, organization, fiscal and program policies.
3. To determine overall program plans and priorities for the community action agency, including provision for evaluating the progress against performance.
4. To make final approval, of all program proposals and budgets.
5. To designate a standing committee of the board to perform in behalf of the board.
6. To enforce compliance with all conditions of grant and contract awards.
7. To oversee the extent and the quality of the participation of the poor in the programs of the community action agency.
8. To determine rules and procedures for the governing board.
9. To select the officers of the board.

**ARTICLE X- "BOARD MISSION AND THE ROLE OF THE BOARD MEMBER"****Section 1 - Mission of the Board:****Introduction**

Wateree Community Actions, Inc., is a private, Multi-county, non-profit community based organization, with a tri-partite representative administering board of directors. It was founded in 1967 and designated by local governments to address problems, issues and concerns of poverty and to promote quality living, particularly for low income persons, families and communities of Clarendon, Kershaw, Lee, Richland and Sumter counties in South Carolina.

**Our Vision**

Our collective vision is for a poverty-free community, state and nation where human lives are Valued and respected, wealth and power are equitably distributed, and the pursuit of opportunities, life, and liberty is uninhibited.

**Our Mission**

We are committed to helping disadvantaged, low-income families and individuals-adults and youths, the elderly and the disabled to overcome obstacles which prevent them from achieving economically, socially and self-sufficiently, by advocating on their behalf, mobilizing and procuring resources to focus on their respective needs, and by encouraging them to become productive, contributing citizens of society.

1. Working constructively together as an effective unit to plan and establish policies and strategies, which give overall direction to its programs and efforts to combat poverty.
2. Using its diverse abilities to build bridges between those who are poor and those who are not poor, between government officials and private groups; between professionals and laymen, and between agencies and institutions and the poor who can benefit from their services and opportunities.
3. Being an active advocate pleading on behalf of the poor, speaking out against conditions and actions that harm rather than help the poor and recommending that the poor have a voice in the decisions that are made which affect their lives.

The agency is especially dedicated to the implementation of these seven types of poverty reducing activities, which are outcome-measurable, powerfully impacting and customers self-help involving:

- Meaningful employment
- Adequate education
- Use of Available income
- Standard housing and environment
- Accessible emergency assistance
- Improved health care and service accessibility
- Increased participation in Community Affairs.

Section 2 - Role of the Board Member as a Representative: Each member of the Board of Directors shall officially represent the interests of a group as opposed to their own individual interest. The board member shall be a communication link; between the group that he or she represents and the Board of Directors. Thus, the board member has a dual responsibility for

communicating to the body that the member is representing regular reports regarding the needs, accomplishments, and activities of the corporation and in turn bringing reports to the board from various constituent groups regarding their ideas, suggestions, and advice.

The role of each board member, whether poor or not, is to serve effectively those for whom the agency's program are designed. This shall be done by:

1. Attending meetings regularly, listening to and participating in debate and deliberations, and making one's own views known.
2. Communicating agency progress, needs, and concerns to the group or office that he or she represents and in turn communicating ideas, suggestions, evaluations, requests, support, and other pertinent information to the board.
3. Locating resources over which the board member has some influence and seeking to direct these resources to the assistance of the agency.
4. Supporting the agency and all of its programs and activities and urging others to support these things.
5. Applying one's own talents to the functions of the board and serving what is deemed to be in the best interest of the poor.

ARTICLE X POLICY and ADVISORY COUNCILS and COMMITTEES Section 1 - Basis for Creating a Policy or Advisory Council or Committee: It is mandated by Federal law that a Head Start Program on the Grantee level have a Policy Council and a Head Start Program on the Delegate level have a Policy Committee. There shall be an Area Policy Committee maintained in each of the counties served by the agency. There shall be an Advisory Committee maintained to serve individual programs of the agency as directed by the respective funding agencies or the Grantee Board.

Section 2- Membership and Composition of Policy Council and Advisory Committees: The Grantee shall assume general responsibility for ensuring that the Head Start Policy Council is constituted in accordance with the regulations of Transmittal Notice 70.2. At least fifty-one percent of the members of the Head Start Policy Council/Committee must be drawn from current participating parents in the Head Start Program. The remaining membership shall be drawn from the local community institutions, agencies, and organizations that have an interest in early childhood education.

The membership of the area advisory council/committee shall be drawn from the target areas identified on county levels. At least fifty-one percent of the members of any area advisory council or committee must be drawn from low-income groups.

Section 3 - Functions and Powers of Policy Councils and Parent Committees: The functions and powers of area advisory councils and committees shall be to secure information on the incidence of poverty in the local community mobilize and secure local resources to help implement antipoverty programs and activities; present ideas and suggestions for the proposal of new programs and projects; assist the agency in securing volunteers, facilities, materials and supplies necessary for carrying out projects and programs assist in recruiting and maintaining a competent staff at the local level and in monitoring program performance; and assist in



improving existing programs and implementing new ones in order to be of greater service to the poor. Make recommendations to the board. The functions and powers of the Policy Council stipulated in guidance and regulations of the Head Start Program funding agency.

Section 4- Interrelationships of the Corporation and the Policy Council: Both the Board of Directors governing board and the Policy Council shall serve as resource agents to one another. The staff of the governing board shall provide technical assistance to the policy council. Governing board members from the respective counties shall be liaison persons between the agency and advisory councils or committees and shall serve as resource persons and communication channels for these groups. The policy council shall be encouraged to assist the agency in the implementation of the Head Start Program. Members of the policy council will be invited to participate in relevant training programs of the governing board, and at the discretion of the Chairman of the Board of Directors, they will be appointed to serve on special committees of the Board of Directors. The two bodies share mutual responsibility in the operation of the Head Start Program. They negotiate terms and resolve differences on Head Start matters. A member of the Board of Directors may sit on the Head Start Policy Council.

#### ARTICLE XU- FISCAL PROCEDURES

Section 1. Fiscal Year: The fiscal year of the corporation shall commence on January 01 of each year and conclude on December 31 of the same year.

Section 2- Signature on Checks, Drafts, Notes, Contracts and Deeds: The Chairman of the Board is authorized to sign such specific checks, drafts, notes, contracts and deeds as the board may designate. All such fiscal and legal documents that the board does not specifically designate for signature by the Chairman of the Board may be signed by the Chairman or by the Chief Executive Officer of the corporation acting on behalf of the Chairman. The Board Chairman may delegate to the Chief Executive Officer at his/her own discretion. The board authorizes that agency checks bear two official signatures that shall be:

1. The Board Chairman and the Chief Executive Officer or
2. The Board Treasurer and the Chief Executive Officer
3. The Board Secretary and the Chief Executive Officer

#### ARTICLE XIII- PROHIBITION AGAINST ACCEPTANCE of GIFTS and GRATUITIES

Employees of all grantees and delegate agencies, members of employees immediate families and members of any board or policymaking body of this corporation are prohibited from accepting; gifts, money or gratuities:

1. from persons receiving benefits or services under any program of this corporation.
2. from any person or agency performing services under contract, or
3. from persons who are otherwise in a position to benefit from the actions of any employee or board member.

#### ARTICLE XIV - RESTRICTIONS ON POLITICAL ACTIVITIES

The employees of Wateree Community Actions, Inc. are prohibited from violating any political activity regulations as set forth in the U.S. Code, Title 5, Chapter 15, Section 1502, (1) (2) (3).

1. They may not use their official position, authority, or influence with the agency for the purpose of interfering with or affecting the result of an election or a nomination for party or public office.
2. They may not directly or indirectly coerce, attempt to coerce command or advise another employee, volunteer or board member to contribute personal service to any organization or person for political purposes.
3. They may not use program funds for any political purposes or to influence any election for public or party office.
4. They may not use or permit the use of equipment or premises purchased or leased with program funds for any political purposes or to influence any election to party or public office.
5. They may not discriminate, threaten, or promise discrimination against or in favor of any employee or beneficiary of the program or any potential employee or beneficiary of the program because of that person's political affiliations or beliefs, and further, they may not require any applicant, employee, or beneficiary to disclose his political affiliation.
6. Employee may serve on non-partisan boards and councils so long as in so doing their participation does not subject the Board of Directors or the agency to infractions of political action laws governing public serving non-profit agencies, such as Wateree Community Actions, Inc.

#### ARTICLE XV- EQUAL OPPORTUNITY POLICY OF THE BOARD

Wateree Community Actions, Inc. hereby gives assurance that it will comply with Title VI of the Civil Rights Act of 1964, and the Regulations of the South Carolina Human Affairs Commission to the end that no person shall, on the grounds of race, color, creed, national origin, religion, sex, age, physical handicap or political affiliation, be discriminated against in:

1. Employment and personnel procedures, including hiring, promotion, benefits, training, layoffs, and terminations.
2. Participation in and receipt benefits of programs and activities administered by the agency.
3. Further, Wateree Community Actions gives assurance that it shall not condone nor enter into business transactions with contractors, vendors, and suppliers of services known to not conform to equal opportunity employment and service practices and laws.

This policy is binding on Wateree Community Actions, Inc., its delegate agencies, its successors, transferees and assignees, and the Executive Director and Chairman of the Board are authorized to sign a Policy Statement to this effect on behalf of the Board of Directors of Wateree Community Actions, Inc.

#### ARTICLE XVI- PUBLIC ACCESS TO AGENCY INFORMATION

Section 1 - Documents Available: The records of the corporation shall be available for public review at the central office of the corporation at any time during normal working hours. All personnel records of the corporation shall be considered sensitive and therefore not available

for public review. The Chief Executive Officer Executive Director may provide copies of any regulations or guidelines related to appeals of denials of service, discrimination complaints, or appeals of adverse personnel as needed by employees or their agents, officers, board members, or members of committees of the corporation.

**Section 2- Procedure for Dissemination of Documents:** All documents of the corporation that are available to the public may be copied at the expense of the requesting party. Copying fees shall be charged that reflect the rates charged within the agency. The requesting party must define in writing to the Executive Director the specific documents needed and the number of copies required and must allow sufficient time for agency staff to complete the copying task.

#### ARTICLE XVII- AMENDMENT of BY-LAWS

**Section 1 - Act of Amendment:** These by-laws may be amended, altered or revised at any time by an act of the majority membership of the Board. The amendment, alteration, or revision of these by-laws shall be subject to the notice and agenda requirement of Article VI.

**Section 2- Notice of Amendment to Funding Agency:** All amendments, Alterations or revisions of these by-laws shall be promptly transmitted to the State Division of Economic Opportunity.

#### ARTICLE XVIII- DISSOLUTION OF THE CORPORATION

Dissolution of this corporation shall be in compliance with the laws of the State of South Carolina and with those pertinent requirements and regulations of the funding agencies of the corporation. The disposition of all Federal and State properties and assets of this corporation shall be made in accordance with the regulations and instructions of those Federal and State agencies that funded the purchase of said properties and assets.

The disposition of those properties and assets belonging to the corporation shall be specifically determined by the Board of Directors of Wateree Community Actions, Inc.

The properties and assets belonging to the corporation shall be donated or let for use indefinitely by a successor non-profit community action agency or other non-profit organizations based in the Wateree serve area and dedicated to the purpose of promoting charitable causes to reduce poverty in the community and help the low income population to have a life of quality, dignity, and self-sufficiency.