



**SUFFOLK COUNTY  
OFFICE OF THE COMPTROLLER  
AUDIT DIVISION**

**John M. Kennedy, Jr.  
Comptroller**

An Audit of the  
Walt Whitman Birthplace Association  
For the Period  
January 1, 2015 through December 31, 2015

**Report No. 2018-01  
Date Issued: January 19, 2018**

**SUFFOLK COUNTY  
OFFICE OF THE COMPTROLLER**

**John M. Kennedy, Jr.**  
Comptroller

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Chief Deputy Comptroller

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Executive Director of Auditing Services

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## LETTER OF TRANSMITTAL

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March 20, 2017

Cynthia Shor, Executive Director  
Walt Whitman Birthplace Association  
246 Old Whitman Road  
Huntington Station, NY 11746

Dear Ms. Shor:

In accordance with the authority vested in the County Comptroller by Article V of the Suffolk County Charter, a performance audit was conducted of the 2015 Museum Services Program provided by the Walt Whitman Birthplace Association (Agency), located at 246 Old Whitman Road, Huntington Station, New York. The Agency's contract was administered by the Suffolk County Executive's Budget Office (Department).

The audit objectives were as follows:

- To determine if all expenditures charged to the County-funded program were proper program costs in accordance with contract provisions.
- To ensure that payments made to the Agency did not exceed contract budget amounts.
- To determine if the Agency complied with contract provisions and any applicable laws and regulations.

We conducted our audit in accordance with generally accepted government auditing standards, except for the external peer review requirement. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Further, these standards require that we understand the internal control structure of the Agency and the compliance requirements stated in laws and regulations that are significant to our audit objective.

An audit includes examining, on a test basis, evidence supporting the transactions recorded in the accounting and operating records and applying such other auditing procedures, as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that our audit provides a reasonable basis for our findings and recommendations.

Respectfully submitted,

Office of the County Comptroller  
Division of Auditing Services

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## SUMMARY OF SIGNIFICANT FINDINGS

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**Compliance** – As a result of our audit, we determined that the Agency over reported expenditures by \$24,375 for the period January 1, 2015 through December 31, 2015 (Schedule p. 16). The overpayment resulted from the following:

- The Agency did not comply with the provisions of Section 162 of the New York State Labor Law pertaining to meal periods, resulting in a \$2,587 disallowance to Personnel Service expenses (p. 7).
- Payments made by the County for Personnel Service expenses duplicated payments received by the Agency from another grant, resulting in a \$700 disallowance (p. 7).
- The Agency did not properly charge Payroll Tax expenses to the County-funded program, resulting in a total disallowance of \$5,421 (p. 7).
- The Agency did not comply with the provisions of the County contract and the Comptroller's Rules and Regulations Manual Applicable to Consulting Agreements, resulting in a \$3,500 disallowance of Curator expenses (p. 7).
- The Agency did not properly charge Printing Expenses to the County-funded program, resulting in a disallowance of \$167 (p. 8).
- The Executive Director does not complete a Time and Attendance record as required by the County contract (p. 8).

**Internal Controls** – Our audit disclosed the following significant deficiencies (p. 8).

- The Agency does not maintain cash register receipts or perform an accounting or reconciliation of the cash register drawer (p. 8).
- The Agency does not have an adequate system of internal controls related to the approval, processing, payment and recording of transactions which increases the risk that defalcation could occur without detection (p. 8).
- The Agency does not have an adequate system of internal controls in place to properly supervise and monitor the work performance of employees (p. 9).
- The Agency has an active credit card account in the name of a trustee no longer associated with the Agency (p. 9).
- The Agency's Board of Directors did not provide effective oversight of Agency operations (p. 10).

In addition to the internal control weaknesses identified above, there were additional internal control weaknesses which were not deemed significant (p. 10).

**Questioned Cost** – The Executive Director received a \$59,670 salary to work three days a week, but \$12,000 of this salary was specifically intended for grant writing and fundraising and should not have been charged to the County-funded program (p. 11).

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## BACKGROUND

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Walt Whitman Birthplace Association (Agency) is a non-profit organization located at 246 Old Walt Whitman Road, Huntington Station, NY 11746. The historic site offers guided tours, picnic facilities and various literary events, and has a gift shop on the premises.

The Agency's 2015 contract was administered by the Office of the County Executive's Budget Office (Department). The Agency received \$138,789 in 2015 pursuant to §523-15 of the Suffolk County Code which states, "Eight percent of all revenues collected shall be utilized by the County of Suffolk for the support of other museums and historical societies, historic residences and historic birthplaces, provided that of such 8% an amount equal to 1 ½% of all revenues collected shall be utilized for program support of the Walt Whitman Birthplace State Historic Site and Interpretative Center." The Agency agreed to provide its services to the County by operating the Walt Whitman Birthplace Museum, preserving the historic site and sustaining the legacy of Walt Whitman, presenting literary and artistic programs, conducting educational programs, and providing visitor tours.

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## SCOPE AND METHODOLOGY

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We audited expenses claimed by the Agency for the period January 1, 2015 through December 31, 2015. In order to accomplish the objectives as stated in the Letter of Transmittal (p. 1), we performed the following procedures:

- Reviewed the County contract to determine the rules, regulations and other compliance requirements related to the audit objectives.
- Interviewed personnel from the Department to obtain an understanding of the County-funded program and to determine the Department's procedures for processing claims submitted by the Agency.
- Interviewed Agency personnel responsible for the authorization, processing, payment and recording of expenses claimed to the County-funded program.
- Interviewed members of the Agency's Board of Directors to determine their level of involvement in the Agency's financial matters.
- Obtained and reviewed the Agency's current Policy and Procedures Manual.
- Reviewed Board Minutes from January 2014 through September 2016 for information relevant to the audit.
- Performed testing procedures for 100% of the Personnel Service expenditures charged to the County-funded program.
- Performed analytical procedures to verify Payroll Tax expense was properly charged to the County-funded program.
- Performed testing procedures as deemed necessary for a representative sample of Other than Personnel Services expenditures charged to the County-funded program.
- Randomly selected three Group Tours, Special Events and School Tours that took place during the audit period and reviewed supporting documentation to ensure that revenues were properly deposited into the Agency's bank account.

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## AUDIT FINDINGS

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**Compliance** – As a result of our audit, we determined that the Agency over reported expenditures by \$24,375 for the period January 1, 2015 through December 31, 2015 (Schedule p. 16). The overpayment resulted from the following:

*The Agency did not comply with the provisions of Section 162 of the New York State Labor Law pertaining to meal periods, resulting in a \$2,587 disallowance to Personnel Service expenses.* Section 162 of the New York State Labor Law provides that an employee who works a shift of more than six hours is entitled to at least thirty minutes off for a meal break. However, our audit testing revealed numerous instances in which an employee did not take a meal break when working more than 6 hours in a workday. Therefore, the thirty minute meal break was subtracted from each employee's work day, resulting in a total disallowance of \$2,587.

*Payments made by the County for Personnel Service expenses duplicated payments received by the Agency from another grant, resulting in a \$700 disallowance.* The Agency incorrectly claimed \$700 in Personnel Service expenses to the County that were reimbursed by a NYS Council for Humanities grant.

*The Agency did not properly charge Payroll Tax expenses to the County-funded program, resulting in a total disallowance of \$5,421.* Our audit testing revealed the following:

- The Agency overstated Payroll Tax expenses by \$4,252 because the Agency incorrectly calculated the employer portion of FICA expense.
- There was \$1,169 of Payroll Tax expenses associated with disallowed Personnel Service expenses that were incorrectly charged to the County-funded program.

*The Agency did not comply with the provisions of the County contract and the Comptroller's Rules and Regulations Manual Applicable to Consulting Agreements, resulting in a \$3,500 disallowance of Curator expenses.* The County contract specifically states, "...the Contractor shall furnish the County with detailed documentation in support of the payment for the Services or expenditures under the Contract". However, the Agency submitted handwritten invoices from a Professional Curator which lacked details of the services provided. In addition, the Agency could not provide a Consultants Service Agreement describing the specific services to be rendered by the Consultant as required by the Comptroller's Rules and Regulations Manual Applicable to Consultants Agreements. The Manual states, "Only expenditures specifically identified in the Agreement will be approved for payment."

***The Agency did not properly charge Printing Expenses to the County-funded program, resulting in a disallowance of \$167.*** Our review of supporting documentation for reported Printing Expenses revealed that the Agency incorrectly charged \$167 for membership brochures to the County-funded program. These costs do not pertain to the operation of agency programs and membership expenses should be netted against membership income.

***The Executive Director does not complete a Time and Attendance record as required by the County contract.*** The County contract states, “The Suffolk County Payment Voucher shall include time records, certified by the Contractor as true and accurate, of all personnel for whom expenditures are claimed during the period. Time and attendance records of a project director, if any, shall be certified by the Chairperson, President or other designated member of the Board of Directors of the Contractor.” The Agency’s Bookkeeper stated that all employees are required to complete a Time and Attendance record, except the Executive Director.

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**Internal Controls** – Our review of internal controls disclosed the following significant deficiencies:

***The Agency does not maintain cash register receipts or perform an accounting or reconciliation of the cash register drawer.*** Tour Guides record sales and collect cash from tours and the gift shop during their shifts. At the end of each shift, Tour Guides count the cash from the register, document the cash amount on the face of an envelope, seal the envelope and place it in the lockbox; however, there is no accounting or reconciliation of the cash register drawer as the Agency does not keep the cash register tapes. The Agency’s former Bookkeeper stated that the Tour Guides make so many mistakes when ringing up sales that she can’t make sense of the amounts on the cash register tapes.

When a proper accounting and reconciliation of cash is not performed, there is an increased risk that defalcation can occur without detection. Cash has the greatest potential for theft if an adequate system of internal controls is not in place and functioning effectively.

***The Agency does not have an adequate system of internal controls related to the approval, processing, payment and recording of transactions which increases the risk that defalcation could occur without detection.*** The Agency currently does not have sufficient staff for adequate segregation of duties. The Agency’s Bookkeeper is responsible for processing employee time cards, entering (monthly) payroll data, processing payroll checks, and reconciling the payroll bank account. This combination of duties is incompatible and significantly increases the chance of an error or irregularity going undetected. In addition, the Agency’s Bookkeeper prepares the bank deposit, processes the cash receipts and disbursements, performs the bank reconciliations, and

processes journal entries without any secondary review. Furthermore, the Agency's Executive Director opens the mail, approves all invoices, and signs all checks for payment.

When one employee is responsible for the approval, processing, payment and recording of Agency transactions, there is an increased risk that defalcation could occur without detection. Individuals responsible for the recording of Agency transactions in the accounting records must not have access to Agency funds. In addition, bank reconciliations should be performed by an employee or official who does not have custody or access to cash and who does not record cash receipt, cash disbursement, or journal entry transactions. Furthermore, there should be a second review of monthly bank reconciliations and any necessary correcting entries should be authorized by an employee other than the one performing the bank reconciliations.

Unless the Agency was to hire additional staff, greater Board oversight would be required to strengthen internal controls related to the Agency's approval, processing, payment and recording of transactions.

***The Agency does not have an adequate system of internal controls in place to properly supervise and monitor the work performance of employees.*** There is a lack of direct supervision of the Education Coordinator as the employee worked numerous days from home during the audit period. The Executive Director stated that all employees, with the exception of the Education Coordinator, must get prior approval and notify her by email on the day they work from home. She also explained that the Education Coordinator had worked from home for the prior Executive Director; therefore, she "left it alone because it had always been done that way." The Education Coordinator stated that she checks her emails from home, nobody oversees her and that the Bookkeeper just pays the hours documented on the time sheets because "hours worked from home are worked on the honor system." Furthermore, our audit testing also revealed several occasions in which the Agency's Bookkeeper and Media Events Coordinator worked from home without prior approval or supervision.

When employees are not properly supervised, there is a possibility of defalcation, decreased employee effort and unethical behavior.

***The Agency has an active credit card account in the name of a trustee no longer associated with the Agency.*** The Agency has a Capital One credit card account which is still in the name of the previous President of the Board of Trustees. The Executive Director explained that she tried to get the name changed on the account, but that she was unsuccessful. The Executive Director also stated that instead of closing the account, she received permission from the former trustee to leave the account in his name.

When a credit card account of a former trustee is being used, there is an increased risk that defalcation could occur without detection.

***The Agency's Board of Directors did not provide effective oversight of Agency operations.*** Our audit interviews revealed the following:

- The Board of Directors is not aware of specific clauses contained in the Agency's contract with the County as three of the four board members interviewed stated that they never saw the contract, while the Board President stated that he was unfamiliar with the contents of the agreement even though he signed it.
- The Agency received a \$20,000 restricted donation in June 2015 for the installation of a Point of Sale cash register and a camera security system; however, both still have not been purchased and three of the four board members interviewed were unsure as to why they were not purchased.
- The President of the Board of Directors awards salary increases to the Executive Director without Board approval and there is no oversight by the Board of Directors with regard to the Executive Director's work schedule.
- The Agency's Board of Directors was aware of the lack of internal controls at fundraising events, but no internal control procedures were implemented by the Agency. Two of the four board members interviewed stated that there was no way of verifying attendance at events.
- The Agency does not have written standard operating procedures pertaining to revenue, disbursements, bank accounts and credit cards.

When an Agency's Board of Directors is not properly informed of pertinent information pertaining to the Agency, board members cannot make educated decisions pertaining to financial aspects of the Agency.

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In addition to the significant internal control weaknesses identified above, our audit revealed the following:

***We were unable to ensure that \$35 of cash received from one of nine (11%) events tested was deposited into the Agency's bank account.*** Agency records indicated that \$35 of cash was received for admissions and gift shop sales for a group tour held on August 4, 2015; however, we were unable to verify that these funds were deposited into the Agency's bank account.

When a proper accounting and reconciliation of cash is not performed, there is an increased risk that defalcation can occur without detection. Cash has the greatest potential for theft if an adequate system of internal controls is not in place and functioning effectively.

*The Agency does not utilize an Employee Sign-in Sheet to record daily attendance.* The Agency's Bookkeeper receives an email from the Executive Director when an office employee is absent.

When an Agency does not use an Employee Sign-in Sheet and does not maintain attendance records, there is an increased opportunity that employees will be paid for time not worked and that any possible errors or inconsistencies may be undetected.

*Employee time sheets are not reviewed or approved by a Supervisor and contained numerous mathematical errors which resulted in employees being underpaid for a total of 19.5 hours.* Employees are responsible for tracking their own time and the Agency does not require a supervisor's signature on employee time sheets. Our audit testing revealed that four time sheets had errors in the employee's total hours worked for the month which resulted in employees being underpaid for a total of 8 hours, and five time sheets had errors in total daily hours worked which resulted in employees being underpaid for a total of 11.5 hours.

When there is no supervisory review of employee time sheets, there is an increased opportunity for errors or fraud to occur possibly resulting in employees being paid more than they are entitled.

*There were numerous occasions in which employees did not sign their time sheets.* Our audit testing revealed that 18 of the 64 (28%) time sheets reviewed were not signed by the employee and that all eleven of the Bookkeeper's time sheets were not signed.

A lack of appropriate time and attendance records increases the likelihood that an employee could be paid for time not worked or for unauthorized absences.

*Bank deposits are not made in a timely manner.* The Agency collects cash and checks on an average of five to seven days a week depending on the time of year; however, bank deposits are only made once a week.

Accountability over cash receipts is enhanced when receipts are recorded in the accounting records and the cash is deposited as soon as practical or possible. The longer receipts go without being entered into the accounting system and deposited in the bank, the greater the risk that an employee could misappropriate the funds.

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**Questioned Cost** – Our audit disclosed the following Questioned Cost, resulting in a disallowance of \$12,000 to Personnel Service expenses:

The Executive Director received a \$59,670 salary to work three days a week, but \$12,000 of this salary was specifically intended for grant writing and fundraising and should not

have been charged to the County-funded program. The Agency's 2012, 2013, 2014 and 2015 IRS Form 990's reported the Executive Director working an average of 40 hours per week; however, the Executive Director was initially hired at an annual salary of \$46,000 a year to work two days a week and was given a \$12,000 raise in 2013 to work an additional day each week to strictly write grants and seek out fundraising events. The third day was added when the Agency terminated the contracted Fundraiser who had been receiving \$1,000 a month. Although interviews of several board members, including the Board President, confirmed that the \$12,000 salary increase was for grant writing and fundraising, the Agency's Executive Director and Board President contend that the Executive Director never performed grant writing or fundraising activities and the \$12,000 increase was used to perform duties associated with the Agency's programs. A review of the Agency's board minutes revealed that the Executive Director was granted a \$12,000 raise to work an additional day; however, we could not verify any of the hours worked by the Executive Director as the employee does not complete a Time and Attendance Record.

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## RECOMMENDATIONS

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- A quality assurance review of claims should be performed by Agency personnel before the claims are submitted to the Department to ensure the accuracy and completeness of the claims. The review should include steps to ensure that claims for expense and salary reimbursement have been properly calculated and contain sufficient information to confirm it is a proper program cost.
- The Agency should comply with the provisions of the New York State Labor Law and ensure that employees who work a shift of more than six hours are given at least thirty minutes off for a meal break.
- The Agency should ensure funding provided by the County is not duplicated by payment from other funding sources and any duplication should be returned to the County.
- The Agency should comply with the provisions of the County contract and the Comptroller's Rules and Regulations Manual Applicable to Consulting Agreements.
- The Agency should ensure that all of the Executive Director's time and attendance records are approved by a member of the Board of Directors.
- The Agency should install a Point of Sale cash register and a camera security system with the \$20,000 donation that it received for this purpose in June 2015. The cash register receipts should be retained and a reconciliation of the cash drawer should be performed daily.
- The Agency should ensure that duties related to the Agency's approval, processing, payment and recording of Agency transactions are properly segregated to minimize the risk that defalcation could occur without detection. Individuals responsible for the recording of Agency transactions in the accounting records must not have access to Agency funds. In addition, bank reconciliations should be performed by an employee or official who does not have custody or access to cash and who does not record cash receipts, cash disbursements, or journal entry transactions.
- The Agency should ensure that an adequate system of internal controls is in place to properly supervise and monitor the work performance of its employees.
- The Agency should immediately cancel the credit card that is in the name of the former Trustee.
- The Agency's Board of Directors should be more actively involved by staying informed of significant financial aspects of the Agency.

- The Agency should ensure that all revenues are properly deposited and that the Agency's bank account is reconciled on a monthly basis.
- The Agency should maintain an employee sign-in sheet or other form of attendance record to record daily attendance to minimize the risk that employees will be paid for time not worked.
- The Agency should ensure that employee time sheets are accurate, signed by the employee and properly approved by the designated supervisor.
- The Agency should ensure that bank deposits are made as soon as practical to minimize the asset's risk of misappropriation.
- Fundraising and Membership Expenses should not be claimed to the County-funded program. In addition, the Agency's Executive Director should complete a time and attendance record and have it approved by a member of the Board of Directors. Furthermore, the County department responsible for overseeing the Agency's contract should consider using a line-item budget where salaries are budgeted by job title.

## **SCHEDULE**

Note: The accompanying schedule is an integral part of this report and should be read in conjunction with the Letter of Transmittal (p.1)

Schedule

Walt Whitman Birthplace Association  
Schedule of Budgeted, Reported and Audited Expenditures  
For the Period January 1, 2015 through December 31, 2015

<u>Notes</u>	<u>Budget Category</u>	<u>Amount Budgeted &amp; Reported</u>	<u>Audit Allowance</u>	<u>Amount Over (Under) Reported</u>
(1)	Personnel	\$ 113,720	\$ 98,433	\$ 15,287
(2)	Payroll Taxes	12,952	7,531	5,421
(3)	Curator	3,500	-	3,500
	Postage	1,950	1,950	-
(4)	Printing	867	700	167
	Office Supplies	2,500	2,500	-
	Insurance	3,300	3,300	-
	Total Expenditures	<u>\$ 138,789</u>	<u>\$ 114,414</u>	<u>\$ 24,375</u>

See Notes to Schedules (p. 17)

Notes to Schedules

- (1) The Personnel Services adjustment consists of the following disallowed expenses:

Wages not related to the County-funded program	\$12,000
Noncompliance with NYS Labor Law	2,587
Personnel expenses duplicated by NYS Council for Humanities grant	<u>700</u>
Total	<u>\$15,287</u>

- (2) The Payroll Taxes adjustment consists of the following disallowed expenses:

Payroll Taxes incorrectly reported	\$ 4,252
Payroll Taxes associated with unallowable wages	<u>1,169</u>
Total	<u>\$ 5,421</u>

- (3) The Curator adjustment of \$3,500 was attributed to the Agency's noncompliance with the provisions of the County contract and the Comptroller's Rules and Regulations Manual Applicable to Consulting Agreements.

- (4) The Printing Expense adjustment of \$167 was attributed to expenses not associated with the operation of the Agency's programs.

## APPENDICES

APPENDIX A

**Tenenbaum Law, P.C.**  
*Tax Attorneys*

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(LL.M. in Taxation)

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December 27, 2017

**VIA USPS & FACSIMILE 631-853-5964**

Frank Bayer, CPA & Joseph S. Pecorella  
Executive Director Auditing Services  
Office of the Comptroller  
County of Suffolk  
100 Veterans Memorial Highway  
Hauppauge, NY 11788-0099

**RE: Walt Whitman Birthplace Association Board of Trustees' Response to the Suffolk County Office of the Comptroller Audit Division's Unofficial Performance Audit Report(s) of the Museum Services Program provided by the Walt Whitman Birthplace Association for the period January 1, 2015, through December 31, 2015, with respect to the Walt Whitman Birthplace Association, Inc., Hotel Motel Tax Revenue Sharing Agreement #192-MS-7516-4770-JGII, Term January 1, 2015 through December 31, 2015.**

Dear Mr. Bayer & Mr. Pecorella:

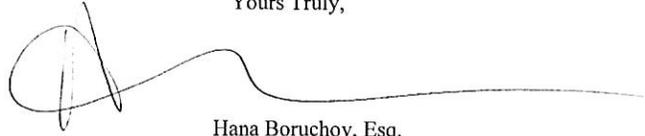
We represent Walt Whitman Birthplace Association ("WWBA"). On December 5, 2017, WWBA received your Revised Unofficial Draft Audit Report ("Revised Draft Report"). WWBA disputes some of the findings in the Revised Draft Report. Enclosed you will find letters from the President and Executive Director of WWBA explaining discrepancies they found in your Revised Draft Report along with substantiating documents relevant to WWBA's position. Also enclosed, you will find an executed Representation letter, dated December 27, 2017.

It is our understanding that the Revised Audit Report is an internal document that is confidential and that no part is made public until it is officially finalized and published. It is also our understanding that in the

event a copy of the Revised Audit Report is inadvertently disclosed to unauthorized recipients, all measures will be taken to prevent the further dissemination of confidential information.

Please do not hesitate to contact our office with any questions or concerns.

Yours Truly,

A handwritten signature in black ink, consisting of a large, stylized initial 'H' followed by a long, horizontal, wavy line that tapers to the right.

Hana Boruchov, Esq.

Walt Whitman Birthplace Association  
246 Old Walt Whitman Road, Huntington Station, NY 11746  
Office: 631-427-5240

Frank Bayer, CPA  
Executive Director Auditing Services  
Office of the Comptroller  
County of Suffolk  
100 Veterans Memorial Highway  
Hauppauge, NY 11788-0099

RE: Walt Whitman Birthplace Association (WWBA) Board of Trustees' Response to the Suffolk County Office of the Comptroller Audit Division's Revised Draft of the Unofficial Performance Audit Report of the Museum Services Program provided by the Walt Whitman Birthplace Association (WWBA) for the period January 1, 2015, through December 31, 2015 and received by WWBA on December 19, 2017.

With respect to the Walt Whitman Birthplace Association, Inc., Hotel Motel Tax Revenue Sharing Agreement #192-MS-7516-4770-JGII, Term January 1, 2015 through December 31, 2015.

Dear Mr. Frank Bayer:

The Walt Whitman Birthplace Association (WWBA) Board of Trustees met to review the Unofficial Performance Audit Report referenced above and dated December 19, 2017. We offer the following clarifications and statements to the Unofficial Audit Report.

This response from the Board of Trustees will follow the order in the Unofficial Audit Report by beginning with a Background Section and then demonstrate that the several alleged Board infractions are inaccurate and should be stricken from the findings. The Executive Director has shown that the alleged individual financial faults are also inaccurate, and accordingly, should be stricken as detailed in her separate reply. Finally, the WWBA reply will detail good

faith improvements the Board has undertaken and offer to work with the Comptroller to continue to make improvements.

### **BACKGROUND**

The WWBA faced many difficulties in 2015.

In 2014, a recently added board member represented that she ran three successful festivals in the past before joining WWBA. As such, she convinced the Association to carry out a Festival Within program in the fall of 2014. In the beginning of 2015, WWBA financial reporting showed that she overspent her \$10,000 budget by 25%, and the Festival program lost \$6,500 for WWBA. Furthermore, WWBA was notified by The Bards Initiative, a poetry organization of over 100 younger poets asked to work in the Festival, that the WWBA board member did not conduct herself in a professional manner. In response, the board member became disgruntled and made false allegations against the WWBA Media & Event Director. Sharing Walt Whitman with others in a caring environment is extremely important to all personnel at the Birthplace and is the reason we have been able to develop a family of some twenty volunteers, docents, and guides along with a few part-time paid staff. The disgruntled board member eventually found another position and left the WWBA.

On March 4, 2015 Elisa Rapaport resigned from her position as board member. Had the Comptroller had interviewed Elisa, she would have averred that as a parting gift she donated \$20,000 for the Executive Director to carry out various non-specified improvements. See Rapaport Family Charitable Trust letter. **[Exhibit A]**. The funds were never specifically allocated for the purposes indicated in the Comptroller's draft report; the restrictive \$20,000 was not for a Point of Sale cash register and a camera security system. These two items were only examples of the possible items that the money might be used for. The \$20,000 was to be used for items the Executive Director selected after the Executive Director investigated and decided which were most needed. It was a departure gift from the resigning board member. The board member who resigned is chair of the Philosophy Department at Molloy College. She and her husband, Peter, are funding members of the national Chairman's Council of the American Red Cross. They were

honored a gala in NYC in 2015 for their service. Her departure as a WWBA board member was a very deep loss for WWBA. The Comptroller should have contacted her as part of its audit.

During 2015, the bookkeeper also left for another position and the Executive Director was faced with two important staff positions to fill.

The Vice President called the Board's attention to the disgruntled board member's various ultra vires acts. Both the President and the Vice President asked for her resignation but she refused. The President then consulted with the Huntington Director of Cultural Affairs. The WWBA reports to the Cultural Affairs Director with respect to the annual grants the Town of Huntington has been giving to WWBA for some fifty years. He discussed the problems the Birthplace was having with the disgruntled board member. Since she was unwilling to resign, his advice was to let her term run out and then not re-nominate her. This is the action the WWBA Board took but it meant that she would remain on the board until her term expired in September 2016.

The Executive Director was faced with the loss of her entire working staff. In addition to her routine duties, selecting and training a new staff was added to the Executive Director's work tasks as well as setting up forthcoming events and running programs already planned.

#### **EXECUTIVE DIRECTOR COMPENSATION**

The current Executive Director was hired in 2007 at the same compensation as our retiring Executive Director, \$46,500 for 20 hours per week. This arrangement continued for five years through 2012. At the end of 2012 the Board discontinued the one-year contract it had with an outside consultant for \$1000 per month. It then authorized the Executive Director to work an additional 8-hour day each week for \$1000 per month. Board Minutes of January 16, 2013, state: "We agreed unanimously to the following: Cynthia's hours will be increased to three days per week. Her compensation will be increased by \$12,000 per year." See WWBA Minutes, dated January 16, 2013. **[Exhibit B]**. This was not a salary increase. It had become obvious in the five years the Executive Director had been at the Birthplace that 20 hours per week was no longer sufficient to take care of increasing duties and responsibilities at the Birthplace. In 2013 and

2014 her compensation was \$58,500 for 28 hours per week. In 2015 it was pointed out that \$1000 compensation for 8 hours was at a lower per hour rate than the \$48,500 for 20 hours rate for which she was originally hired, so the Executive Director was included in the 2% staff increase that year. This increased the Executive Director's compensation to \$59,670 for 28 hours per week, which has continued for 2016 and 2017. This hourly compensation, \$40.98, is still below the \$44.71 hourly compensation the Executive Director received when she began ten years ago.

Furthermore, the Executive Director spends many unpaid hours at the Birthplace. Programs often take place in the evenings and on weekends. Preparations and setups are also required. Meetings with individuals who cannot come during normal business hours and coordination with other historic or nonprofit organizations also necessitate time spent beyond a nine-to-five day. The Executive Director was not directed, nor did she use, the additional 8-hour day in fund-raising activities; instead, the extra hours were totally devoted to fulfilling extensive responsibilities of operating a State Historic Site Museum and Interpretive Center. It was with these added hours that the Executive Director was able to acquire the Whitman Family Bible.

#### **Whitman Family Bible**

In following up on an earlier contact with a Whitman descendant, the Executive Director secured the significant donation of the Whitman Family Bible. Walt Whitman had purchased a large presentation Bible in which he wrote the births, marriages and deaths of the Whitmans beginning with his father and presented the Bible to his favorite sister, Mary Elizabeth in 1879. The Bible also contained a lock of Walt's mother's hair. In 2015 the Bible was in the hands of Natalie Swertfager Pearson, widow of Walter Whitman Swertfager who was the great-great-great-grandson of Mary Elizabeth Whitman. Natalie Pearson agreed to donate the Bible to the Walt Whitman Birthplace Association. The Executive Director traveled to Florida and stayed overnight to give a thank-you presentation at the Assisted Living Facility where Natalie Pearson lived. The Executive Director then secured and hand-carried the Bible back to Huntington where an appropriate celebration was arranged and led by Huntington Town Supervisor Frank Perone. Valuation of the Whitman Family Bible and insurance for it were then obtained by the Executive Director. Then she led an activity carried out by an intern to create a replica of the Whitman

Family Bible and to place the replica in a display case so that the real Whitman Family Bible would not suffer from light bleaching prevalent in our exhibit space.

#### **BOARD ACTION - Fundraising**

In 2015, the WWBA board stepped up to the need for getting a capital campaign underway and prepare for the 200th Birthday of Walt Whitman in 2019.

#### **Whitman A La Carte**

In the spring of 2015 a WWBA board member suggested and then received the Board's permission to obtain a site for an evening dinner event. The board member then secured seven outstanding restaurants to use separate grill & range stations at the site for seven chefs to prepare their signature dishes. A delightful evening dinner event, "Whitman A La Carte", was then held at Appliance World to Kick Off our Capital Campaign Fundraiser on June 24, 2015. The event netted \$8,200 for the Birthplace for the WWBA spring Fundraising activity. The Executive Director did not play a significant role.

#### **Parks & Trails Proposal**

In the fall of 2015, the WWBA board President, after attending a Parks Friends Meeting, spent the months of October and November preparing a 35-page proposal entitled Exhibit Space Modernization for \$50,000 and submitted it by the December 9th deadline. Although this proposal was not successful his follow-up proposal secured \$25,000 for WWBA in 2016. Again, the Executive Director was not significantly involved. Additional material is available on both the Whitman A La Carte and Exhibit Space Modernization fundraising projects.

These two programs were the WWBA fundraising activities during 2015. The Executive Director was not actively involved in either. Contrary to the findings in the Draft Audit, the Executive Director did not spend 8 hours per week in fundraising.

Therefore, the Questioned Cost (p.4 & p.11 Comptroller's Summary of Significant Findings) must be removed. The \$12,000 of salary was not specifically intended for grant writing and fundraising as explained above.

The compliance finding in the Comptroller's Summary of Significant Findings that the Executive Director does not complete a Time and Attendance record (p.3) also needs to be removed. The contract specifies that this is a requirement for a project director, but nowhere states that this is a requirement for an Executive Director. The distinction is the difference between hourly and salaried employees or between exempt and non-exempt employees (exempt meaning they are exempt from being paid for overtime). Hourly employees such as guides, event directors, and bookkeepers are compensated based upon their hours worked. Executive Directors are professionals with supervision responsibilities not only for staff, administrative and programmatic undertakings but also with the running and maintenance of a historic property - the Walt Whitman's Birthplace. The Executive Director is salaried and the Board wants her to put in the time required to see that everything is being accomplished and not getting the time recorded as she does this. Executive Directors have been contacted at approximately six other historic organizations in Huntington, some larger and some smaller, and not a single one keeps a Time and Attendance record. We do not believe that this requirement for a project director, who is responsible for getting only one task accomplished, also applies to an Executive Director.

Therefore, the finding on page 3 should be removed.

#### **ACTIVE CREDIT CARD IN THE NAME OF A TRUSTEE**

WWBA has a credit card which was initially obtained by its prior President. Banks do not allow organizations to have credit cards without someone agreeing to be personally responsible for the charges if the organization does not pay them. The prior President agreed to be the responsible party. When the current President was elected, attempts were made to change the responsible party; however, the bank would not make a change without the approval of the prior one and needed him to come in to personally verify a change in fiducial responsibility. This was inconvenient for the prior President, so he allowed WWBA to continue using the existing card

with him as guarantor as a parting gift. This is not nefarious or dangerous as comments on pages 3 & 9 of the Comptroller's Summary of Significant Findings would indicate. The guarantor was President of WWBA for seven years and continues his relationship as a member. Nevertheless, WWBA is not allowing charges to be made to this Capital One credit card which is being closed and will be replaced with a Debit Card which will not require a responsible party.

Therefore, the credit card comments on pages 3 & 9 should be removed.

#### **SUFFOLK COUNTY COORDINATION**

Since 2010 the WWBA has been submitting payment Vouchers to the Suffolk County Executive's Office of Budget & Management. The Office provides a Chief Budget Examiner to assist WWBA in their contract compliance in submitting proper documentation via Vouchers for payment. During the Year 2015 Audit Period, Chief Budget Examiner Kim Brandeau assisted WWBA in creating a Budget which was Approved and Signed by the County Attorney, the Chief Deputy County Executive and the Budget Director. Ms. Brandeau offered directions on how to submit compliant Vouchers in order to receive re-imbursement by the County. The Bookkeeper was in bi-monthly contact with Ms. Brandeau. At year-end, Ms. Brandeau assisted the Bookkeeper in creating a Budget Modification so as to utilize all disallowed or unused funds which were allocated to WWBA by the 2015 Hotel Motel Tax Revenue Sharing Agreement. Use of this process assured the WWBA that they were in compliance with the terms and conditions of the Suffolk Contract.

However, the Audit raised the following issues to which the WWBA Board of Trustees is responding with clarifications because many of the Comptroller's Summary of Significant Findings are incorrect and need to be removed or significantly changed.

#### **CORRECTIVE ACTIONS TAKEN**

A new Media & Events Director, a new Bookkeeper and a new Assistant have been hired. All have excellently folded into the WWBA activities and programs.

An Audit Committee has been established to strengthen internal financial controls. A Bylaws Committee is now in place to propose that the Board incorporate these changes as well as establishing rules for removing disruptive board members.

A Point-of-Sale system has been implemented and an outside Payroll Service is being engaged.

Board members have contributed \$50,000 to our capital campaign.

WWBA has welcomed three impressive individuals as new board members:

Susan Fishbein;  
Maria Basile; and  
Lauren Kaushansky.

- Susan Fishbein has been an Adjunct Professor at Adelphi University and Stony Brook University, carried out an in-depth study of Walt Whitman in graduate school and was named Teacher of Excellence by the New York State English Council in 1993.
- Maria Basile is a dynamic physician-poet who is Assistant Vice President for Medical Affairs at John T Mather Memorial Hospital in Port Jefferson and President of North Country Colorectal Surgery.
- Lauren Kaushansky is an adjunct professor at Stony Brook who initiated the Living Books program for high school students and is a Lecturer in the Professional Education Program of the Department of History and a Coordinator for Student Teachers.

Susan, Maria and Lauren have revitalized our Program Committee planning a Celebrating Women With Walt Whitman theme for 2018 and a series of major events for Walt's 200th birthday in 2019.

**SUMMARY - CHANGES REQUIRED IN COMPTROLLER'S DRAFT REPORT**

1. Questioned Cost p. 4 & 11 & 12) The \$12,000 given to the Executive Director to work an extra day each week was not given "to strictly write grants and seek out fundraising events" as indicated in the Board Minutes of January 16, 2013, which state: "We agreed unanimously to the following: "Cynthia's hours will be increased to three days per week. Her compensation will be increased by \$12,000 per year." As indicated above in this letter, the need to find, replace and train a new staff as well as a new caretaker, arrange for the year's programs and events, oversee care of Walt's Birthplace and carry out the acquisition of the Whitman Family Bible consumed the additional day-a-week. All fundraising was done by the Board—"Whitman A La Carte" in June raising \$8,200 and writing an Exhibit Space Modernization proposal in the fall to Parks and Trails. The Questioned Cost must be removed.
2. The finding that the Executive Director complete a Time and Attendance record (p. 3) does not apply to an Executive Director and must be removed. It is not specified in the contract and as indicated above in this letter does not belong in the Comptroller's findings.
3. The active credit card account in the name of a trustee no longer associated with WWBA (p. 3 & 9) as described above in this letter was a donation by the prior President who continued to guarantee payment of our Capital One credit card account. The prior President does not hold a card but was willing to stand behind the use of this card for the WWBA. We are now closing this credit card and replacing it with a debit card. This active credit card item should be removed from the Comptroller's findings.
4. Removing the \$3,500 for the Curator (p. 3 & 7) is a major error. This expenditure is listed as a line item in the 2015 Contract with Suffolk County on page 25. WWBA does have a contract with the Curator detailing duties under collection management and service. See Curator Contract. [Exhibit C]. Our archives have grown immensely from the several shelves in a cabinet when we were in the Birthplace into a small room in the Interpretative Center, which is cramped with books, documents, pictures, etc. We have recently received a donation of 200

books from a long-term collector. Interns have been cataloging the archives. The President led an effort to provide larger fire protected space. Unfortunately, even enlarging into the educational area did not provide enough additional space to justify the cost. We have to wait for a new building. The \$3,500 for a Curator is not nearly enough and certainly must be retained. The Curator sections must be removed from the Comptroller's findings.

5. The Executive Director's response to the Comptroller's findings includes other errors that need correction including Payroll services not including all of our personnel, Federal Law allowing WWBA to pay personnel for lunch time meals, etc. These misstatements need to be addressed in correcting the Comptroller's Draft Report.
6. The Comptroller's audit team failed to talk with WWBA personnel knowledgeable with financial conditions at the Birthplace. These include:
  - The Vice President who is now the Treasurer;
  - The Board Member who is also an attorney;
  - The Board Member who resigned and gave a \$20,000 parting gift; and
  - The Honorary Board Member whose compensation was disputed.

#### **INAPPROPRIATE DISTRIBUTION OF THE DRAFT REPORT**

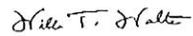
WWBA is deeply upset the draft report has been widely distributed. Even though it is clearly marked in large letters "DRAFT REPORT - NOT FOR RELEASE" many people have copies of it including local and state parks officials. The most disturbing of which was our being told by the Publisher that a woman brought a copy into the editorial offices of Huntington's weekly newspaper, The Long Islander, and gave a copy of the draft report to the Publisher. To have the newspaper founded by Walt Whitman in 1838 print material with severe errors denigrating the Walt Whitman Birthplace Association would be a calamity.

We had hoped when we learned that an audit was going to take place that we might receive some suggestions or assistance. We expected you to start with the statement that you found no malfeasance, that we were using a two-person procedure for handling revenues; however, improvements could be made and offer some suggestions.

WWBA is engaged in a capital campaign to use Walt's 200th birthday in 2019 as a means of enlarging the exhibit space and providing an opening of the site from Route 110. We believe the release of the Draft Report with its errors has already cost us one donor.

The WWBA Board is asking you to work with us. We certainly would appreciate your assistance.

Very truly yours,



William T. Walter

President

Walt Whitman Birthplace Association

# EXHIBIT A

The Rapaport Family Charitable Trust

105 Broadway · Rockville Centre, NY 11570  
(516) 442-0126 · elisarapaport@optonline.net

June 10, 2015

ATTN: Cynthia Shor  
Walt Whitman Birthplace Association  
246 Old Walt Whitman Road  
South Huntington, NY 11746

Dear Cynthia:

Enclosed please find a check in the amount of \$20,000.00. This is a restricted donation for electronic upgrades as we have previously discussed (security cameras, point-of-purchase barcode scanning system, air quality/temperature monitoring devices, other computer upgrades, software, website, staff training, etc.). As you know we are strong supporters of the mission of your organization. In particular, we recognize and appreciate the tireless efforts on your own personal behalf. It is our hope that this donation can help expedite the functions for the exhibits, the shop, and especially the background operations that enable you and your staff to catalog and care for your inventory and collections.

For tax purposes, we'll need a letter as receipt acknowledging that this gift is tax-deductible and that no goods or services have been received. Please address this to the Rapaport Family Charitable Trust.

Thank you, again, for your efforts in safeguarding and promoting the legacy of Walt Whitman.

Thank you,



Peter and Elisa Rapaport  
Trustees

# EXHIBIT B

**Walt Whitman Birthplace Association**  
Minutes of the January 16, 2013 Board Meeting

**Board Members Present:** Jack Coulehan, Bill Walter, Tom Wyszumler; Cynthia Shor, Executive Director

President Bill Walter called the meeting to order at 5:44 PM.

Minutes of the December 5 Executive Committee meeting were reviewed and unanimously approved.

**Financial**

- Bill has signed the 2013 contract with the Town of Huntington for the WWBA grant of \$24,000
- Four checks have been received from Suffolk County. At present we have \$22,000 in the bank.
- Tom W. reported that Jeff G. had proposed a small fundraising dinner for WWBA to be held at his home in NYC. This was taken under consideration.

**Board Membership**

- We discussed changing meetings to different times and/or days of the week to make it more convenient for some board members to attend.
- We also discussed the need for all board members to pay their membership dues (at least \$300) and to contribute to WWBA
- Several candidates for board membership have been proposed, including Cynthia Paulis, David Hinchliffe, and Peter Montemurro.
- We will invite candidates to an informational session immediately after the next executive committee meeting on February 20 [Corrected to February 18]

**Executive Director Compensation**

- Cynthia's salary has remained at \$46,500 for a commitment of two days per week since she was hired.
- With the growth of our programs and the need to increase fundraising, additional time commitment is required. Cynthia is now able to increase hours at the Birthplace.
- We considered several proposals for the director's time and compensation. A major focus will be to increase her fundraising efforts, in essence replacing Patrick Barry, who had been receiving \$1,000 per month on contract.

- We agreed unanimously to the following: Cynthia's hours will be increased to three days per week. Her compensation will be increased by \$12,000 per year (total \$58,500).

**Gala**

- Net proceeds from the 2012 Gala was \$24,912.
- We need to identify and invite our 2013 honorees NOW! (ASAP)
- We discussed the possibility of giving a posthumous Champion of Literacy Award to Anne Frank.

**Other Business**

- Cynthia presented her Director's report (see attached)

**Meetings scheduled**

- Executive Committee: Wednesday, February 20 at 5:30 PM. [Subsequently changed to February 18, to be followed by an informational session for potential Board members.]
- Spring Full Board Meeting: May 15.

The meeting was adjourned at 7:30 PM.

# EXHIBIT C

**Curator**

Richard Ryan

This will serve to confirm your role as a Curator consultant for the Walt Whitman Birthplace Association (WWBA). You will submit a monthly bill detailing your consulting services at \$16.50 / hour, which will be paid on the last day of the month.

**I. GENERAL PHILOSOPHY**

You shall serve the Walt Whitman Birthplace Association in helping to preserve and promote the legacy of Walt Whitman. You should report to the Executive Director. Your services should be carried out within the bounds of generally accepted Museum Collections Management Policy. Your role should be the preservation of the archival, library and artifact collection of the Birthplace. You should also advise the Association concerning the preservation and maintenance of the historic Birthplace and the Birthplace Museum artifacts which are owned by New York State. You should make the collections at the Birthplace available for research and interpretation to the public.

**II. SUMMARY OF DUTIES AS PER YOUR CONSULTING SERVICES**

Your services will fall under the categories of Collections Management and Service to WWBA.

**A. COLLECTIONS MANAGEMENT**

1. Advise WWBA on acquisitions and use established procedures for the registration, cataloging and placement of new acquisitions according to group or type.
2. Oversee collections care.
3. Recommend for disposal or de-accession duplicate items, reproductions of poor quality, and items not related to the goals of the Association.
4. Recommend conservative improvements for the collection and conservation of specific items in need of this. Follow the general rules of collections care recommended by the AAM and the AASLH.

**B. SERVICE**

1. Answer written or electronic correspondence.
2. Provide supervised access to the collections for qualified and interested people.
3. Furnish information for WWBA programs and exhibits.
4. Provide information needed by the Executive Director and the Board of Trustees.

5. Assist in grant writing.
6. Assist in staff training for proper handling of collections.
7. Provide historical information for Tour content.
8. Mentor students in Museum Studies.

### III. COMPENSATION

WWBA agrees to pay your consultation fee of \$16.50 per hour between the period of January 1, 2016 through December 31, 2016. You will be expected to perform your functions in accordance with the job description provided above. Your invoice will be payable on the last day of the month.

#### ASSOCIATION HANDBOOK

You are required to read the Association Handbook and abide by its guidelines. You must sign and return the Acknowledgment page (last page) of the Handbook for your file.

Please submit a current resume or bio for your file.

**At Will Employment.** All employees and volunteers of WWBA are employed on an "at-will" basis. This means that you or WWBA may terminate this contract at any time, with or without cause and with or without notice. However, WWBA asks that you agree, if possible, to give 60 days notice if you decide to end this contract. WWBA agrees, if possible, to give you 60 days notice if we decide to terminate this contract.

We thank you for your cooperation and we look forward to working with you in the coming year.

\_\_\_\_\_  
Richard Ryan

\_\_\_\_\_  
Cynthia Shor, Executive Director, WWBA

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Walt Whitman Birthplace Association  
246 Old Walt Whitman Road, Huntington Station, NY 11746  
Office: 631-427-5240

Frank Bayer, CPA  
Executive Director Auditing Services  
Office of the Comptroller  
County of Suffolk  
100 Veterans Memorial Highway  
Hauppauge, NY 11788-0099

December 18, 2017

RE: Walt Whitman Birthplace Association Board of Trustees' Response to the Suffolk County Office of the Comptroller Audit Division's Unofficial Performance Audit Report(s) of the Museum Services Program provided by the Walt Whitman Birthplace Association (WWBA) for the period January 1, 2015, through December 31, 2015, with respect to the Walt Whitman Birthplace Association, Inc., Hotel Motel Tax Revenue Sharing Agreement #192-MS-7516-4770-JGII, Term January 1, 2015 through December 31, 2015. A first Unofficial Draft Report was received by WWBA on Oct.24, 2017, and a second Revised Draft Report was received December 5, 2017.

Dear Mr. Frank Bayer:

The Walt Whitman Birthplace Association (WWBA) Board of Trustees met on Dec. 6, 2017, to review the Performance Audit Reports referenced above. In attendance were: President William T. Walter, PhD; Vice-President Jack Coulehan, MD; Treasurer Tom Wismuller; Secretary Maria Basile, MD; Trustees Richard Bronson, MD, Susan Fishbein, EdD, Lauren Kaushansky, Jo-Ann Raia, Robert Savino; and Executive Director Cynthia Shor. They offer the following clarifications and statements to the Draft Audit Report(s).

During the Audit process, Board President William T. Walter, PhD, Board Secretary Jack Coulehan, MD, and Board Member Jo-Ann Raia were interviewed by Joseph Pecorella, Chief Auditor, and Deborah Bollinger, Senior Auditor. Also interviewed was ex-Board Member, Faith Lieberman, whose term was not renewed at the September 21, 2016, Annual Board Meeting. (It is noted that Suffolk County was contacted by Faith Lieberman after Sept. 21, 2016.)

After the receipt of the Draft Performance Audit Report dated October 24, 2017, Board President William T. Walter, PhD, and Cynthia Shor, Executive Director met with Joseph Pecorella, Chief Auditor and Deborah Bollinger, Senior Auditor, on Nov. 15, 2017, to discuss Suffolk County's report.

WWBA Statement

From 2010 – present (2017), Suffolk County has provided a Chief Budget Examiner to assist the Executive Director and the Bookkeeper with the WWBA Suffolk County Contract.

In 2015, Chief Budget Examiner Kim Brandeau assisted WWBA in creating a Budget which was Approved and Signed by the County Attorney, the Chief Deputy County Executive and the Budget Director. Ms. Brandeau offered directions on how to submit compliant Vouchers in order to receive re-imbusement by the County. The Bookkeeper was in bi-monthly contact with Ms. Brandeau. At year-end, Ms. Brandeau assisted the Bookkeeper in creating a Budget Modification so as to utilize all disallowed or unused funds which were allocated to WWBA by the 2015 Hotel Motel Tax Revenue Sharing Agreement.

Use of this process assured the WWBA that they were in compliance with the terms and conditions of the Suffolk Contract.

However, the Audit raised the following issues to which the WWBA Board of Trustees is responding with clarifications and statements:

**Revised Audit Report – received by WWBA via email 12/5/2017**

Compliance

1. Per the Report *The Agency did not comply with the provisions of Section 162 of the New York State Labor Law pertaining to meal periods, resulting in a \$2,587 disallowance to Personnel Service expenses.*

Clarification

*WWBA Board of Trustees disagrees with this finding.*

WWBA is in compliance with Section 162 of the New York State Labor Law pertaining to meal periods which states: “An employee who works a shift of more than six hours, which extends over the noonday meal period, is entitled to at least thirty minutes off within that period for the meal period.” The WWBA Handbook (attached) references the law and states: “If a shift is 6 hours or more, staff members are allowed 30 minutes of break time.”

WWBA terms of employment allow the employee to take their “half-hour meal period” at a time that is convenient for them around noon, and they may eat in the classroom, at their desk, or leave the building. They are paid for their “half-hour meal time” so the employees do not have to clock in & out. This practice is supported by NY State Law which states: “Under the New York State Labor Law, payment for time not actually worked is not required unless the employer has established a policy to grant such pay. When an employer does decide to create a benefit policy, that employer is free to impose any conditions they choose.”

The WWBA terms of employment for the “meal period” policy is conveyed orally at the time of employment and complies with Section 195.5 of the NYS Labor Law which states: “Every employer shall notify his employees in writing or by publicly posting the employer’s policy... If an employer does not have a written policy, the oral policy (or past practice) may be enforced - if the terms of the policy can be confirmed through an investigation.”

WWBA Statement: *WWBA follows NY State Labor Law pertaining to meal periods, has a written policy in the WWBA Employee Handbook p.8, and verbally states the policy at the time of hiring, so the \$2,587 Personnel Service expenses should be allowed.*

Compliance

2. Per the Report: *Payments made by the County for Personnel Service expenses duplicated payments received by the Agency from another grant, resulting in a \$700 disallowance.*

Clarification

*WWBA Board of Trustees disagrees with this figure. Our records indicate we over-submitted \$63.97 for the WWBA Administrator and \$360 for the Executive Director to Suffolk County for a total of \$423.97.*

WWBA Statement:

*WWBA received duplicated payments of only \$423.97.*

Compliance

3. Per the Report: *The Agency did not properly charge Payroll Tax expenses to the County-funded program, resulting in a total disallowance of \$4,503.*

- a. *The Agency overstated payroll Tax expenses by \$4,252 because the Agency incorrectly calculated the employer portion of FICA expense.*

Clarification

*WWBA Board of Trustees disagrees with this finding.*

For 2015, we submitted all our employer portion of payroll taxes for all employees which totaled \$12,951.51. Had we submitted only the correct FICA portion for all employees for the year, it would have been \$11,080.69. Thus, we overcharged the County by only \$1,871.22, instead of the amount the Auditor states at \$4,503.

Note: We did not submit all our employee salaries to Suffolk County, as some salaries were covered by another grant. That grant did not cover employer payroll taxes, so the employer payroll taxes for that portion of employee salaries was submitted to Suffolk County. County reimbursed us for employer payroll taxes on employee salaries that were not submitted to the County.

WWBA Statement: *The calculation error by WWBA resulted in an overstatement of only \$1,871.22.*

- b. *There was \$251 of Payroll Tax expenses associated with disallowed Personnel Service expenses that were incorrectly charged to the County-funded program.*

Clarification

*WWBA Board of Trustees disagrees with this finding.*

The “disallowed Personnel Service expenses” refers to the Payroll Tax items of the disallowed half-hour lunch expenses of \$2,587 and the disallowed duplicate payment of \$700. We claim that the half-hour lunch expenses SHOULD be covered and thus, dispute that \$198 portion of the \$251. We also claim only \$423.97 should be disallowed instead of \$700, and thus dispute that \$53 portion of \$251. We state that only \$32 was incorrectly charged to the County.

WWBA Statement: *WWBA incorrectly charged \$32 to the County funded program.*

Compliance

4. **Per the Report:** *The Agency did not comply with the provisions of the County contract and the Comptroller’s Rules and Regulations Manual Applicable to Consulting Agreements, resulting in a \$3,500 disallowance of Curator expenses.*
  - a. *The County contract specifically states, “...the Contractor shall furnish the County with detailed documentation in support of the payment for the Services or expenditures under the Contract.”*
  - b. *However, the Agency submitted handwritten invoices from a Professional Curator which lacked details of the services provided. In addition, the Agency could not provide a Consultants Service Agreement describing the specific services to be rendered by the Consultant as required by the Comptroller’s Rules and Regulations Manual Applicable to Consultants Agreements.*

Clarification

*WWBA Board of Trustees disagrees with this finding.*

WWBA furnished monthly invoices from the Consultant with detailed documentation of his daily hours in his own handwriting. Such hand-written invoices have been approved since the County Contract began in 2010.

WWBA does have a Consultant's Service Agreement, extended from 2006 and renewed January 1, 2016. This contract describes the specific services to be rendered by the Consultant. This Agreement was available at the time of the Audit in September 2016. (The 2006 Consultant's Service Agreements are attached to this report. This Agreement was extended and signed by the Consultant in 2016, 2017.)

The Curator works closely with the Executive Director (ED), providing the services that are requested by the ED that day, and which services are specific to his Agreement and job description. The ED monitors his tasks in accordance with his contract and job description.

## **Curator Contract**

Richard Ryan

This will serve to confirm your role as a Curator consultant for the Walt Whitman Birthplace Association (WWBA). You will submit a monthly bill detailing your consulting services at \$16.50 / hour, which will be paid on the last day of the month.

### **I. GENERAL PHILOSOPHY**

You shall serve the Walt Whitman Birthplace Association in helping to preserve and promote the legacy of Walt Whitman. You should report to the Executive Director. Your services should be carried out within the bounds of generally accepted Museum Collections Management Policy. Your role should be the preservation of the archival, library and artifact collection of the Birthplace. You should also advise the Association concerning the preservation and maintenance of the historic Birthplace and the Birthplace Museum artifacts which are owned by New York State. You should make the collections at the Birthplace available for research and interpretation to the public.

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Your services will fall under the categories of Collections Management and Service to WWBA.

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2. Oversee collections care.
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4. Recommend conservative improvements for the collection and conservation of specific items in need of this. Follow the general rules of collections care recommended by the AAM and the AASLH.

#### **B. SERVICE**

1. Answer written or electronic correspondence.
2. Provide supervised access to the collections for qualified and interested people.
3. Furnish information for WWBA programs and exhibits.
4. Provide information needed by the Executive Director and the Board of Trustees.
5. Assist in grant writing.
6. Assist in staff training for proper handling of collections.
7. Provide historical information for Tour content.
8. Mentor students in Museum Studies.

### **III. COMPENSATION**

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### **IV. ASSOCIATION HANDBOOK**

You are required to read the Association Handbook and abide by its guidelines. You must sign and return the Acknowledgment

WWBA

page (last page) of the Handbook for your file.

Please submit a current resume or bio for your file.

At Will Employment. All employees and volunteers of WWBA are employed on an "at-will" basis. This means that you or WWBA may terminate this contract at any time, with or without cause and with or without notice. However, WWBA asks that you agree, if possible, to give 60 days notice if you decide to end this contract. WWBA agrees, if possible, to give you 60 days notice if we decide to terminate this contract.

We thank you for your cooperation and we look forward to working with you in the coming year.

Richard Ryan \_\_\_\_\_

Cynthia Shor, Executive Director, WWBA

Date: \_\_\_\_\_

Date: \_\_\_\_\_

WWBA Statement:

*The \$3,500 charged to the County funded program as a Consultant should be allowed.*

Compliance

- 5. Per the Report: *The Agency did not properly charge printing expenses to the County-funded program, resulting in a disallowance of \$167. The Agency charged membership brochures...these costs do not pertain to the operation of agency programs and membership expenses should be netted against membership income.*

Clarification

*WWBA Board of Trustees disagrees with this finding.*

In the WWBA Suffolk County Contract, *Article I, Description of Services, Item #2 "Services"* states:

*"The Contractor shall provide its services to the County by operating the Walt Whitman Birthplace Museum, help preserve the historic site and sustain the legacy of Walt Whitman, present literary and artistic programs, conduct educational programs, and provide visitor tours" (p. 5).*

The WWBA Membership program vitally "help(s) preserve the historic site and sustain the legacy of Walt Whitman" because Membership affiliation encourages the community to have a "stake" in the historic site which contributes to their actively preserving and sustaining the legacy of Walt Whitman in their various ways - through attending events, sponsorships, donations and volunteering.

WWBA Statement

*The \$167 brochure charge supports the County Contract's "Description of Services" and should be allowed in accordance with "preserving the historic site and sustaining the legacy of Walt Whitman."*



Signature

Executive Director  
Title

December 27, 2017  
Date

**APPENDIX B**

**Comptroller Office's Comments on the Agency's Response**

**Auditee: Walt Whitman Birthplace Association**

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On November 15, 2017 an exit conference was held at the request of the Agency to discuss the draft audit report. Those in attendance were as follows:

<u>Name</u>	<u>Title</u>	<u>Organization</u>
Cynthia Shor	Executive Director	Walt Whitman Birthplace Assoc.
William T. Walter	Board President	Walt Whitman Birthplace Assoc.
Joseph S. Pecorella, CPA	Chief Auditor	Audit & Control
Deborah Bollinger, CPA	Senior Auditor	Audit & Control

Audit findings and recommendations were discussed at the exit conference. The Agency subsequently submitted a response to the report, attached as Appendix A (p. 19). Our assessment of the Agency's response is as follows:

The Agency contends in its response that it has been submitting payment vouchers to the Suffolk County Executive's Office of Budget and Management since 2010 and that it was assured that it was in compliance with the terms and conditions of the Suffolk County contract (p. 27). However, the Agency should understand that the county department responsible for monitoring the county contract is responsible for a preliminary review of the payment vouchers and supporting documentation submitted by a contract agency and that "All payments made under the Contract are subject to audit by the Comptroller pursuant to Article V of the Suffolk County Charter" as stated in Agency's agreement with Suffolk County. Therefore, expenses which were originally approved by the county oversight department may be disallowed upon an audit by the Comptroller.

The Agency stated that the audit team failed to speak with Agency personnel who were knowledgeable of the financial conditions at the Agency (p. 30); however, the Comptroller's Office strongly disagrees with this assessment. The audit team interviewed the following: the Agency's Executive Director and former Bookkeeper who resigned shortly after the commencement of the audit; Board of Trustees President, current Board Secretary/Treasurer, former Treasurer, and a Board Member. The Board's Vice President lives in Maine and another Board Member resides in Florida; therefore, we did not attempt to interview them. Also, our interviews with the abovementioned individuals did not reveal any conflicting information; therefore, we deemed it unnecessary to interview the remaining three Board Members.

Finding 1:

The Agency did not comply with the provisions of Section 162 of the New York State Labor Law pertaining to meal periods, resulting in a \$2,587 disallowance to Personnel Service expenses.

Agency's Response:

The Agency contends that it is in compliance with Section 162 of the New York State Labor Law pertaining to meal periods and that their Employee Handbook references the Law and states, "If a shift is 6 hours or longer, staff members are allowed 30 minutes of break time." In addition, the Agency claims that employees are paid for their "half-hour meal time" so the employees do not have to clock in and out and that the meal policy is conveyed orally at the time of employment. Furthermore, the Agency states that it complies with Section 195.5 of the New York State Labor Law.

Comptroller's Response:

The Comptroller's Office disagrees with the Agency's contention that it is in compliance with Section 162 of the New York State Labor Law. Meal and Rest Periods Frequently Asked Questions (FAQ) for Section 162 of the New York State Labor Law state, "Meal periods that meet statutory requirements are not to be counted as "hours worked" and employees are not required to be paid for such time." The Agency's Employee Handbook does not give any indication that employees are paid for their lunch break and our review of employee time sheets revealed numerous instances in which there was no evidence that the employee took a meal break. In addition, bona fide meal breaks of 30 minutes or more are not compensable. Furthermore, the Agency asserted that it complied with Section 195.5 of the New York State Labor Law; however, the law is silent with regard to meal breaks and only covers sick, vacation, personal and holiday time.

**No modification of the audit report for this finding is warranted.**

Finding 2:

Payments made by the County for Personnel Service expenses duplicated payments received by the Agency from another grant, resulting in a \$700 disallowance.

Agency's Response:

The Agency disagrees with this finding and believes the duplicate payments were \$423.97.

Comptroller's Response:

The Comptroller's Office disagrees with the Agency's contention that the duplicate payments were \$423.97. The County reimbursed the Agency for the following Personnel Service expenses which were also reimbursed by a NYS Council for Humanities grant: Media/Events Director (\$360), Administrative Assistant (\$180), Bookkeeper (\$60) and two tour guides (\$100).

**No modification of the audit report for this finding is warranted.**

Finding 3:

The Agency did not properly charge Payroll Tax expenses to the County-funded program, resulting in a total disallowance of \$5,421.

Agency's Response:

The Agency disagrees with this finding and believes Payroll Tax expenses were overreported by \$1,871. The Agency also stated that it submitted payroll taxes expenses to the County for employee salaries which were charged to another grant.

Comptroller's Response:

The Agency is incorrect in its calculation of the amount of Payroll Tax expense which was overreported. The Agency claimed \$113,720 in Personnel Service expenses and \$12,952 in Payroll Tax expenses to the County. Payroll Tax expense is calculated by multiplying Personnel Service expenses by 7.65% ( $\$113,720 \times 7.65\% = \$8,700$ ). Therefore, the amount of Payroll Tax expense that was overreported is \$4,252 ( $\$12,952 - \$8,700$ ). The remaining \$1,169 in Payroll Tax expenses which was disallowed is attributed to the following: \$918 associated with \$12,000 in disallowed Personnel Service expenses for the Agency's Executive Director; \$198 related to \$2,587 in disallowed Personnel Service expenses for meal periods; and \$53 associated with \$700 in disallowed Personnel Service expenses pertaining to duplicate payments received by the Agency from another grant. Furthermore, the Agency should not be submitting Payroll Tax expenses which pertain to Personnel Service costs reimbursed by another grant to the County-funded program.

**No modification of the audit report for this finding is warranted.**

Finding 4:

The Agency did not comply with the provisions of the County contract and the Comptroller's Rules and Regulations Manual Applicable to Consulting Agreements, resulting in a \$3,500 disallowance of Curator expenses.

Agency's Response:

The Agency disagrees with this finding and contends that the Consultant has provided hand-written invoices with his daily hours since 2010. The Agency also contends that it has a Consultant's Service Agreement which describes the specific services to be rendered by the Consultant (see p. 43 and p. 44).

Comptroller's Response:

The Comptroller's Office disagrees with the Agency's contention that the \$3,500 in disallowed Consultant expenses should be allowed. The handwritten invoices from the Professional Curator lacked details of the services provided and only documented hours

worked (Exhibit A). In addition, the Agency was unable to provide audit staff with a fully executed Consultants Service Agreement describing the specific services to be rendered by the Consultant as required by the Comptroller's Rules and Regulations Manual Applicable to Consultants Agreements. The document provided by the Agency (p. 43 and p. 44) was never signed by the Consultant or the Executive Director.

**No modification of the audit report for this finding is warranted.**

Finding 5:

The Agency did not properly charge Printing Expenses to the County-funded program, resulting in a disallowance of \$167.

Agency's Response:

The Agency disagrees with this finding and contends that \$167 in Printing expenses should be allowed because the Membership program vitally "help(s) preserve the historic site and sustain the legacy of Walt Whitman."

Comptroller's Response:

The Comptroller's Office disagrees with the Agency's contention that the \$167 in disallowed Printing expenses should be allowed. The County contract specifically states, "the Contractor shall provide services to help preserve and sustain the legacy of Walt Whitman, present literary and artistic programs, conduct educational programs and provide visitor tours." The disallowed Printing expenses pertained to membership brochures to the Walt Whitman Birthplace Association and do not pertain to the operation of agency programs. Membership expenses should be netted against membership income.

**No modification of the audit report for this finding is warranted.**

Finding 6:

The Executive Director does not complete a Time and Attendance record as required by the County contract.

Agency's Response:

The Agency disagrees with this finding does not believe that the Executive Director should be required to complete a Time and Attendance record.

Comptroller's Response:

The Comptroller's Office disagrees with the Agency's contention that the Executive Director is not required to complete a Time and Attendance record. The County contract states, "Time and attendance records of a project director, if any, shall be certified by the

Chairperson, President or other designated member of the Board of Directors of the Contractor.” A Chairperson, President or other designated member of the Board of Directors of the Contractor would not be required to certify time and attendance records for Agency employees, but would be required to certify time and attendance records for an Executive Director. The Executive Director’s failure to complete a time and attendance record resulted in the auditors being unable to verify any of the hours worked and charged to the County-funded program. In addition, the Executive Director was rarely in the office when the auditors called with questions even though the Agency is only open two days a week.

**No modification of the audit report for this finding is warranted.**

Finding 7:

The Agency does not maintain cash register receipts or perform an accounting or reconciliation of the cash register drawer.

Agency’s Response:

The Agency did not address this finding in its response.

Comptroller’s Response:

The Agency’s lack of a proper accounting and reconciliation of cash increases the risk that defalcation can occur without detection. Cash has the greatest potential for theft if an adequate system of internal controls is not in place and functioning effectively.

**No modification of the audit report for this finding is warranted.**

Finding 8:

The Agency does not have an adequate system of internal controls related to the approval, processing, payment and recording of transactions which increases the risk that defalcation could occur without detection.

Agency’s Response:

The Agency did not address this finding in its response.

Comptroller’s Response:

Individuals responsible for the recording of Agency transactions in the accounting records must not have access to Agency funds. Unless the Agency was to hire additional staff, greater Board oversight would be required to strengthen internal controls related to the Agency’s approval, processing, payment and recording of transactions.

**No modification of the audit report for this finding is warranted.**

Finding 9:

The Agency does not have an adequate system of internal controls in place to properly supervise and monitor the work performance of employees.

Agency's Response:

The Agency did not address this finding in its response.

Comptroller's Response:

The Agency should not allow employees whose salaries are being charged to the County-funded program to work unsupervised from home. When employees are not properly supervised, there is a possibility of defalcation, decreased employee effort and unethical behavior.

**No modification of the audit report for this finding is warranted.**

Finding 10:

The Agency has an active credit card account in the name of a trustee no longer associated with the Agency.

Agency's Response:

The Agency stated in its response that it was an inconvenience for the previous President of the Board of Trustees to go to the bank and personally verify a change in fiduciary responsibility; therefore, he allowed the Agency to continue using the existing card with him as guarantor. The Agency also stated that it is not allowing charges to be made to this Capital One credit card which is being closed and will be replaced by a debit card which will not require a responsible party.

Comptroller's Response:

The Comptroller's Office is pleased that the Agency will replace the current credit card with a debit card.

**No modification of the audit report for this finding is warranted.**

Finding 11:

The Agency's Board of Directors did not provide effective oversight of Agency operations (see p. 10).

Agency's Response:

The Agency stated in its response that a Point-of-Sale system has been implemented and an outside payroll service is being engaged. However, it did not address the other parts of this finding.

Comptroller's Response:

The Comptroller's Office is pleased that the Agency implemented a Point-of-Sale system as a result of the auditor's recommendation; however, it took the Agency approximately two and one-half years to implement it. The Agency received a \$20,000 restricted donation on June 10, 2015 for electronic upgrades (security cameras, point-of-purchase barcode scanning system, air quality/temperature monitoring devices, other computer upgrades, software, website, staff training, etc.). In addition, the donation was made with the hope of expediting the functions for the exhibits, the shop, and the background operations (p. 33).

**No modification of the audit report for this finding is warranted.**

Finding 12:

We were unable to ensure that \$35 of cash received from one of nine (11%) events tested was deposited into the Agency's bank account.

Agency's Response:

The Agency did not address this finding in its response.

Comptroller's Response:

The Agency should ensure that a proper accounting and reconciliation of cash is performed so that the risk that defalcation can occur without detection is minimized.

**No modification of the audit report for this finding is warranted.**

Finding 13:

The Agency does not utilize an Employee Sign-in Sheet to record daily attendance.

Agency's Response:

The Agency did not address this finding in its response.

Comptroller's Response:

The Agency should ensure that daily sign-in sheets or attendance records are properly maintained so that the likelihood of employees being paid for time not worked is minimized and any possible errors or inconsistencies will be detected.

**No modification of the audit report for this finding is warranted.**

Finding 14:

Employee time sheets are not reviewed or approved by a Supervisor and contained numerous mathematical errors which resulted in employees being underpaid for a total of 19.5 hours.

Agency's Response:

The Agency did not address this finding in its response.

Comptroller's Response:

The Agency should ensure that employee time sheets are reviewed and approved by a supervisor so that the opportunity for errors or fraud to occur is minimized.

**No modification of the audit report for this finding is warranted.**

Finding 15:

There were numerous occasions in which employees did not sign their time sheets.

Agency's Response:

The Agency did not address this finding in its response.

Comptroller's Response:

The Agency should ensure that each employee signs their time sheets and attests to the reported hours worked.

**No modification of the audit report for this finding is warranted.**

Finding 16:

Bank deposits are not made in a timely manner.

Agency's Response:

The Agency did not address this finding in its response.

Comptroller's Response:

The Agency should ensure that cash is deposited as soon as practical or possible so that the risk of funds being misappropriated is minimized.

**No modification of the audit report for this finding is warranted.**

Questioned Cost:

The Executive Director received a \$59,670 salary to work three days a week, but \$12,000 of this salary was specifically intended for grant writing and fundraising and should not have been charged to the County-funded program.

Agency's Response:

The Agency contends in its response that \$12,000 given to the Executive Director to work an extra day each week was not given "to strictly write grants and seek out fundraising events." The Agency also claims that all fundraising was done by the Board of Directors.

Comptroller's Response:

The Comptroller's Office disagrees with the Agency's contention that the \$12,000 salary increase given to the Executive Director was not for grant writing and fundraising. The auditors interviewed the Board President, Board Secretary/Treasurer, former Board Treasurer and another former Board Member. All of these individuals stated that the \$12,000 raise was given to the Executive Director when the Agency terminated their outside consultant who was paid \$1,000 per month to generate grant proposals. In addition, a review of the Agency's 2013, 2014, 2015 and 2016 IRS Form 990s revealed that the Agency reported fundraising salary expenses for the Executive Director on its Statement of Functional Expenses ranging from \$8,700 to \$8,951 (see page 10, Exhibits B through E). Furthermore, we could not verify any of the hours worked by the Executive Director as the employee does not complete a Time and Attendance Record.

**No modification of the audit report for this finding is warranted.**

EXHIBIT A

Hours worked for July 2015 as Curator -

July 8	2 <sup>30</sup> - 6 <sup>30</sup>	4 hrs @ 17 -
July 13	2 <sup>30</sup> - 5 <sup>30</sup>	3 hrs @ "
July 20	2 <sup>30</sup> - 6 <sup>30</sup>	4 hrs
July 25	8 <sup>00</sup> - 10 <sup>00</sup> home	2 hrs
July 26	8 <sup>00</sup> - 11 <sup>00</sup> home	3 hrs
July 27	2 - 6 -	4 hrs
July 31	9 - 10 pm home	1 hr
		<hr/>
		21 hrs Total

21 hrs @ 17 hr = 357 - ✓

OK TO PAY *af*  
 DATE PAID 7/31/15  
 CK # 1799

**EXHIBIT B**

Form 990 (2013) **WALT WHITMAN BIRTHPLACE ASSOCIATION** 51-0159009 Page 10

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2	Grants and other assistance to individuals in the United States. See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	58,000.	26,100.	23,200.	8,700.
7	Other salaries and wages	79,489.	35,770.	31,796.	11,923.
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9	Other employee benefits				
10	Payroll taxes	9,889.	4,450.	3,955.	1,484.
11	Fees for services (non-employees):				
a	Management				
b	Legal				
c	Accounting	3,575.		1,100.	2,475.
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12	Advertising and promotion	631.	474.		157.
13	Office expenses	18,305.	6,143.	9,041.	3,121.
14	Information technology				
15	Royalties				
16	Occupancy	15,872.	12,698.	1,587.	1,587.
17	Travel	2,096.		1,740.	356.
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	13.		13.	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	690.		690.	
23	Insurance	3,552.	2,842.	355.	355.
24	Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	PROFESSIONAL FEES	4,245.		1,306.	2,939.
b	TELEPHONE & INTERNET	3,296.	626.	2,670.	
c	BANK CHARGES & CREDIT C	1,951.		1,814.	137.
d	MEMBERSHIP DUES	1,645.		1,645.	
e	All other expenses	10.		10.	
25	Total functional expenses. Add lines 1 through 24e	203,259.	89,103.	80,922.	33,234.
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

EXHIBIT C

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A)

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21 . . . . .	0			
2 Grants and other assistance to domestic individuals See Part IV, line 22 . . . . .	0			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, lines 15 and 16 . . . . .	0			
4 Benefits paid to or for members . . . . .	0			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	58,500	26,325	23,400	8,775
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0			
7 Other salaries and wages . . . . .	84,822	38,170	33,929	12,723
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .	0			
9 Other employee benefits . . . . .	0			
10 Payroll taxes . . . . .	12,892	5,801	5,157	1,934
11 Fees for services (non-employees)				
a Management . . . . .	0			
b Legal . . . . .	0			
c Accounting . . . . .	3,650		3,650	
d Lobbying . . . . .	0			
e Professional fundraising services See Part IV, line 17 . . . . .	0			
f Investment management fees . . . . .	3,000		3,000	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O) . . . . .	2,370	800	1,570	
12 Advertising and promotion . . . . .	1,502	727	775	
13 Office expenses . . . . .	5,822	387	5,435	
14 Information technology . . . . .	0			
15 Royalties . . . . .	0			
16 Occupancy . . . . .	25,832	20,666	2,583	2,583
17 Travel . . . . .	4,687	54	4,633	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19 Conferences, conventions, and meetings . . . . .	0			
20 Interest . . . . .	13		13	
21 Payments to affiliates . . . . .	0			
22 Depreciation, depletion, and amortization . . . . .	570		570	
23 Insurance . . . . .	5,543	4,433	555	555
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PROGRAM SERVICES	20,195	16,376	347	3,473
b Postage and Shipping	4,258	2,585		1,673
c REPAIRS AND MAINTENANCE	3,536			3,536
d MISCELLANEOUS	3,380	53	3,255	72
e All other expenses	6,355	762	5,593	
25 Total functional expenses. Add lines 1 through 24e	245,928	117,139	99,674	30,115
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**EXHIBIT D**

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A)

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 . . . . .	0			
2	Grants and other assistance to domestic individuals. See Part IV, line 22 . . . . .	0			
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 . . . . .	0			
4	Benefits paid to or for members . . . . .	0			
5	Compensation of current officers, directors, trustees, and key employees . . . . .	59,670	26,852	23,868	8,951
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0			
7	Other salaries and wages . . . . .	85,175	38,329	34,070	12,776
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions) . . . . .	0			
9	Other employee benefits . . . . .	0			
10	Payroll taxes . . . . .	14,082	6,337	5,633	2,112
11	Fees for services (non-employees)				
a	Management . . . . .	0			
b	Legal . . . . .	0			
c	Accounting . . . . .	3,765		3,765	
d	Lobbying . . . . .	0			
e	Professional fundraising services. See Part IV, line 17 . . . . .	0			
f	Investment management fees . . . . .	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O) . . . . .	4,506	744	3,761	
12	Advertising and promotion . . . . .	1,104	530	574	
13	Office expenses . . . . .	6,275	439	5,836	
14	Information technology . . . . .	0			
15	Royalties . . . . .	0			
16	Occupancy . . . . .	24,341	19,473	2,434	2,434
17	Travel . . . . .	1,204	12	1,192	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19	Conferences, conventions, and meetings . . . . .	0			
20	Interest . . . . .	13		13	
21	Payments to affiliates . . . . .	0			
22	Depreciation, depletion, and amortization . . . . .	1,104		1,104	
23	Insurance . . . . .	5,809	4,647	581	581
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a	PROGRAM SERVICES	75,315	61,005	1,506	12,804
b	REPAIRS AND MAINTENANCE	7,471		7,471	
c	MISCELLANEOUS	3,135	63	3,010	62
d	Postage and Shipping	2,274	1,387	887	
e	All other expenses	5,382	568	4,814	
25	<b>Total functional expenses.</b> Add lines 1 through 24 e	300,625	160,385	100,519	39,720
26	Joint costs. Complete this line only if the organization reported in column (D) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**EXHIBIT E**

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A)

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments See Part IV, line 21	0			
2 Grants and other assistance to domestic individuals See Part IV, line 22	0			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals See Part IV, line 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	59,670	26,851	23,856	8,951
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0			
7 Other salaries and wages	91,213	41,046	36,485	13,682
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions) . . . . .	0			
9 Other employee benefits . . . . .	0			
10 Payroll taxes . . . . .	13,421	6,039	5,369	2,013
11 Fees for services (non-employees)				
a Management . . . . .	0			
b Legal . . . . .	0			
c Accounting . . . . .	4,536		4,536	
d Lobbying . . . . .	0			
e Professional fundraising services See Part IV, line 17	0			
f Investment management fees . . . . .	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	3,647	737	2,910	
12 Advertising and promotion . . . . .	1,617	776	811	
13 Office expenses . . . . .	8,026	562	7,464	
14 Information technology . . . . .	0			
15 Royalties . . . . .	0			
16 Occupancy . . . . .	24,434	19,548	2,443	2,443
17 Travel . . . . .	0			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19 Conferences, conventions, and meetings . . . . .	1,359	14	1,345	
20 Interest . . . . .	14		14	
21 Payments to affiliates . . . . .	0			
22 Depreciation, depletion, and amortization . . . . .	1,403		1,403	
23 Insurance . . . . .	5,065	4,852	607	605
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PROGRAM SERVICES	29,122	23,589	562	4,951
b REPAIRS AND MAINTENANCE	8,398		8,398	
c TELEPHONE AND INTERNET	5,052		5,052	
d Postage and Shipping	2,961	1,806	1,155	
e All other expenses	6,393	668	5,676	49
<b>25 Total functional expenses. Add lines 1 through 24e</b>	<b>267,333</b>	<b>126,488</b>	<b>108,150</b>	<b>32,695</b>
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				