



**Report on the
Board of Elections
Grants Management**

**By Onondaga County Comptroller Matthew Beadnell
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SECTION I

BACKGROUND AND EXECUTIVE SUMMARY

Background

We started a full department audit of the Onondaga County Board of Elections (BoE) in July 2019. We performed a risk assessment to determine the areas of the BoE financial operations to conduct more in depth audit work. One of the areas we chose to pursue with additional audit work was grants management. The results of our audit work in the grants management area are presented below. We will be releasing additional reports for other audit areas of BoE later.

The BoE is the County office responsible for all federal, NY State, county, city and town elections in Onondaga County. Under present law, elections in the Villages of Camillus, East Syracuse, Manlius, North Syracuse, Solvay and Tully also fall under the jurisdiction of the BoE. Other village and school elections, as well as fire and other special district elections, do not fall under the jurisdiction of the BoE. The BoE is managed by two Commissioners, each recommended by one of the major political parties and appointed by the County Legislature.

The Federal Government created legislation entitled “Help America Vote Act” (HAVA). This act was signed into law in 2002 with the goals of upgrading voting systems and enhancing voting site accessibility. This legislation created the Federal Election Assistance Commission (EAC). The EAC was charged with the oversight of grant programs and payments as well as guidance to state and local election officials to carry out HAVA’s requirements. A priority under HAVA was to establish and promote voter site accessibility for individuals with disabilities.

There are no direct grants from the Federal Government to the county level in New York State. The proposed grant dollars under HAVA are directed to the New York State Board of Elections (NYS BoE). The NYS BoE then makes the dollars available to the eligible local election boards, including the County BoE.

Executive Summary

For this BoE audit segment we focus on grants management. There are grant funds available to the County under two grant programs:

- The Voter Education and Poll Worker Grant; designed to educate and train voters of their rights, use of new technology, and to provide formal training for election officials, poll workers, and election volunteers to promote accessibility and voter participation;
- Title II HAVA Funds or “Shoebox Grant”; designed to reimburse local election boards for expenditures related to HAVA projects and are not included under the Voter Education and Poll Worker grant.

Each grant application provides a brief introduction, overview, and purpose of the respective grant. It provides in some detail the application process, the award process, reimbursement requirements, and administrative requirements. These requirements become the standard on which the provided grant is measured. The requirements provide eligibility and appropriateness for the receipt of the grant funding.

Administration for BoE grants is performed by Election Assistant staff members at the direction of BoE Commissioners and Directors. There appears to be a basic lack of training and understanding of grant requirements, accounting processes, and the County PeopleSoft Accounting software by BoE staff responsible for grants. There also appears to be a lack of understanding of each grant's required elements for grant expenditure reimbursement.

Interviews and field work indicate that staff is well organized but there are no Board of Election departmental written policies, procedures, or directives specifically for grants management and no definitive process or designated staff to monitor grants. We performed a number of tests, including a three-way comparison between the Board of Election's grant request documentation, NY State Comptroller's posted contractual dollars on Open Book NY, and the PeopleSoft accounting reports and found a number of issues.

During our audit we found:

- **All 10 claim reimbursement requests we reviewed, totaling \$260,135; lacked one or more elements required by the respective grant.**
- **\$103,224 (see page 7, bullets 2 and 3) worth of grant claims out of the \$260,135 total submissions by BoE to NYS had not and would not have been paid for various reasons. We made BoE staff aware these claims had not and would not have been paid. BoE staff is attempting to correct these errors and have filed updated claims with NYS.**
- **\$149,195 in grant expenditures out of the \$260,135 total submitted for reimbursement were recorded erroneously in the general fund, thus inflating the BoE's general fund activity and understating the BoE's grant fund activity.**
- **Since 2012, total recognized grant fund revenues have exceeded total grant fund expenditures by \$123,853.**

Based on our findings, we recommending the BoE Commissioners:

- 1) Institute processes for supervision, monitoring and due diligence to verify grants are properly administered and accounted for and claims are properly and correctly completed prior to approving them for submission.*
- 2) Hire a fiscal staff person for their financial operations and seek out training from the appropriate County department(s) for appropriate staff on grant processes, budget procedures, PeopleSoft system, accounting procedures, Cash Management Policy, etc.*
- 3) Develop a grants management process, including a grant compliance checklist and a grant tracking/monitoring system.*

- 4) *Require staff to use the PeopleSoft system to record, monitor and control grant activities.*
- 5) *Review and understand the grant requirements for documentation and reporting in order to fully comply with the grant requirements.*
- 6) *Understand and comply with the established County budgeting, accounting, and cash management processes and policies.*
- 7) *Resubmit old grant claims rejected or not paid by NYS and submit future grant claims to NYS as soon as reasonably possible after payment of an eligible expenditure.*
- 8) *Review all open BoE grant projects and make sure all budgets in PeopleSoft reflect the award amount from NYS as documented in each grant agreement and are in agreement with the claims submitted and paid by NYS. Then work with the Comptroller's Office accounting staff to prepare the necessary support for any journal entries needed to correct the general and the grant funds.*

By incorporating the above recommendations into the financial operations the BoE Commissioners will maximize management efforts to properly administer, account for, submit, and monitor grant claims and minimize the problems we highlight in this report.

SECTION II

SCOPE AND METHODOLOGY

Scope

Our grants management audit scope included all grants deemed “opened” in PeopleSoft and managed by BoE from inception through June 2019. Specifically, the grants we reviewed were: the HAVA Funds, or the “Shoebox Grant”, and the Voter Education and Poll Worker Grant for the years 2017 through June 2019.

Our objectives were to determine:

- If there is appropriate knowledge by BoE staff responsible for grant administration.
- Who initiates and administers the grants, including submission of claims and monitoring.
- If there are established grant policies, procedures, and processes, and if they are followed.
- The use and accuracy of the grant processing and accounting system
- The source and accuracy of the grant claims submitted.

Methodology

In order to complete our objectives we:

- Identified and reviewed relevant grants available to Onondaga County BoE as reported in Open Book New York. Open Book New York is a website maintained and made available by the New York State Comptroller’s Office as a means to provide transparency on the use of taxpayer dollars.
- Researched and reviewed the requirements for grants available to Onondaga County Board of Elections.
- Interviewed BoE staff responsible for the grant administration, including claim submission and monitoring.
- Reviewed copies of grant reimbursement submissions provided by the BoE and compared them to accounting transactions in the County’s PeopleSoft System.
- Prepared a three-way comparison and reconciliation of Open Book New York’s posted grant dollars, the BoE’s grant submissions, and recognized grant reimbursement receipts.

SECTION III

FINDINGS AND RECOMMENDATIONS

Grants management consists of three phases: pre-award, award, and post award. The pre-award phase consists of identifying grant opportunities and developing a written submission requesting dollars from a particular donor. This submission typically includes a budget that is aligned with the grant's purpose or outcome. The award phase is the approval or agreement of funding based upon the recipients responsibility to provide a desired outcome or purpose. However, as explained in the Background section of this report, the NYS BoE was actually awarded the grants and then notified the County BoE as to the amount they had been awarded as a sub-grantee. So the BoE had no actual involvement in pre-award or award processes for their grants.

The post-award phase is where the grant recipient performs activities according to the agreed upon terms of the grant. Since the BoE is not party to the grant pre-award and award phases, our audit findings and recommendations are focused on the post-award phase, which includes monitoring, administrating, and financial accounting for grants.

Grant Monitoring Findings

Our grants monitoring phase scope was limited to the ten (10) most recent grant reimbursement submissions (per BoE records) spanning fiscal years 2017 through June 2019, as summarized below:

Grant Name:	PeopleSoft Project Id:	Reimbursement Requested:	Received by the County:	Rejected by NYS:	In-Process with NYS:	Unpaid:
Shoebox	707006001	\$178,754	\$ 53,838	\$ 9,500	\$ 21,692	\$93,724
Voter Ed/PW	707001001	\$ 81,381	\$ 81,381	\$ 0	\$ 0	\$ 0
Totals:		\$260,135	\$135,219	\$ 9,500	\$ 21,692	\$ 93,724

We provided the information to BoE staff and they are following up.

The following chart covers what NYS Comptroller's Open Book recognized as paid versus what Onondaga County recognized as being received for the same projects. This chart demonstrates the activity from 2012 through June 2019.

Grant Name:	PeopleSoft Project Id:	Open Book NY Contract #:	Contract Amount:	Claims Paid Per NYS Open Book:	Payments Received Per People Soft:
Shoebox	707006001	C003233	\$2,321,875	\$ 722,830	\$ 800,119
Voter Ed/PW	707001001	C002557	\$ 263,035	\$ 165,655	\$ 111,685
Totals:			\$2,584,910	\$ 888,485	\$ 911,804

We provided the information to BoE staff and they are following up.

- Administration for BoE grants is performed by Election Assistant staff members at the direction of Commissioners or Directors. However grant reimbursement submissions performed by current staff was based on replicating how previously submitted requests were prepared. There was no documented process to follow.

- We were informed BoE has no definitive process or designated staff to monitor grants. Staff conveyed monitoring of grants was a collective effort and was a process they are looking to develop.

Grant Administration Findings

Grant reimbursement claims for both active grants are similar as they require specific elements such as: an eligible expenditure, voucher cover sheet, budget work plan or financial narrative, copies of invoices and/or proof of payment, photos of goods or services, and signatures from both BoE Commissioners.

The two grants are unique from each other based on the specific expenditures covered. The Shoebox grant is also unique as it requires Election Assistance Committee pre-approval for any capital expenditures exceeding \$5,000. The Voter Education/Poll Worker Grant requires a 5% County match and progress reporting to be performed quarterly, with a final report once funds are exhausted.

- All 10 reimbursement requests reviewed, totaling \$260,135; lacked one or more elements required by the respective grants. We noted NYS has paid \$135,219 regardless of the lacking elements.
- We identified two Shoebox grant submissions totaling \$93,724 which were not paid due to incomplete documentation. BoE staff had submitted pre-approval forms and incorrectly understood this as a request for reimbursement. Grant reimbursement instructions exist and despite having it on hand, not all staff involved in the grant process understood the requirements. Once we identified these submissions as unpaid, BoE staff began pursuing these reimbursements totaling \$93,724.
- One Shoebox submission for \$9,500 was not paid because NYS identified it as an ineligible expense for this grant. We made BoE staff aware of this issue and they are planning to resubmit the claim under the appropriate grant, the Voter Education and Poll Worker Grant.
- A grant reimbursement claim cover sheet was completed in the amount of \$17,124 which was paid out by NYS and received by the County. After further review we determined this dollar amount was written in error and the correct dollar amount requested should have been \$72,124; resulting in a \$55,000 shortage for the claim submitted and paid. This shortage was included in the second bullet above. Both BoE Commissioners signed off on the grant reimbursement request. We made BoE staff aware of this issue.
- Requests for reimbursement of expenditures for Voter Education/Poll Worker Grant were paid at 100%. The County did not demonstrate their required 5% matching funds (\$4,069) in the claim for reimbursement. We note NYS paid the full claim submitted.

Grant Accounting Findings

Currently the EA financial staff are primary responsible for grant accounting and communication. When we started working with BoE staff it quickly became apparent they had very limited knowledge of PeopleSoft accounting that would allow them to properly identify and report grant activity through PeopleSoft. Most of the accounting at BoE was being done through the use of Excel spreadsheets.

Grant expenditures and grant reimbursement submissions should be properly identified in PeopleSoft with an assigned project ID. The County’s Cash Management Policy requires Grant reimbursement claims be communicated to the Comptroller’s accounting department. Staff members were unaware of a Cash Management Policy and just recently staff learned how to assign project ID’s to grant expenditures.

We were also told there is a monthly budget meeting that involves the BoE’s assigned budget analyst and grant activities are discussed at that meeting.

The chart below summarizes receipts and expenditure activity limited to the ten (10) most recent grant reimbursement submissions (per BoE records) spanning fiscal years 2017 through June 2019:

Grant Name	Project ID	Requested Grant Reimbursements	Grant Revenue Recognized in Grant Fund	Grant Expenditures Recorded in Grant Fund	Grant Rev vs. Grant Expenditures	Grant Expenditures Recorded in the General Fund
Shoebox Grant	707006001	\$178,754	*\$135,219	\$ 93,816	\$ 41,403	\$ 67,814
Voter Ed/PW	707001001	\$ 81,381	-	-	-	\$ 81,381
	Totals	\$260,135	\$135,219	\$ 93,816	\$ 41,403	\$149,195

***This figure includes \$81,381 of Voter Ed Poll Worker Training grant dollars received.**

- For the period 2017 through June of 2019 there was a total of \$149,195 BoE grant expenditures recorded in the general fund, thus inflating the BoE’s general fund activity and understating the BoE’s grant fund activity.
- BoE generally files reimbursement claims at the end of a fiscal year (December 31). However, there is no required timetable specified for reimbursement claims, they can occur as soon as the eligible grant expenditures have been paid. The reimbursement requests for non-payroll related expenditures, or \$139,736, occurred on average 111 days after the expenditures were paid.
- The Voter Ed/Poll Worker grant identifies the BoE’s responsibility for a 5% match. Even though this requirement exists it has never been identified or reported in grant claims for reimbursement.
- Grant activities for both grant types are currently being identified under one project ID, the Shoebox Grant. BoE staff indicated they had been told the Voter Education/Poll Worker Training Grant project ID was closed out and the only active grant project was the Shoe Box Grant. However, we determined both grant projects are active. Grant project ID’s are not “closed” until the department communicates to the County Comptroller’s Office that grant projects are no longer in use. An adjustment must then be prepared to balance the net revenue and expenditures for the grant project. Once the

adjustment is accomplished the grant project can officially be closed in People Soft by the Comptroller's Office staff.

- We identified all currently active and available BoE projects in PeopleSoft. Since 2012, recognized grant revenues have exceeded allocated grant expenditures for these 6 projects by \$123,853.

BoE Grant Fund Revenue vs. Expenditures:

Project ID:	Project Name:	Budget:	Expense Recognized	Revenue Recognized	Revenue vs. Expenditures
707001001	POLL WORKER TRAIN/VOTER	\$282,662	\$ 37,619	\$111,685	\$ 74,066
707002001	IMPROVE ACCESS TO POLL	\$ 63,089	\$ 63,089	-	\$(63,089)
707003001	POLL WORKER TRAIN/VOTER	\$103,728	\$103,728	\$131,517	\$ 27,789
707004001	190025 5% MATCH	\$ 13,376	\$ 743	\$ 13,376	\$ 12,633
707005001	190025 POLL SITE MANDATES	\$ 50,803	-	\$ 30,000	\$ 30,000
707006001	190025 POLL SITE MANDATES	\$1,000,000	\$757,666	\$800,119	\$ 42,453
	Totals	\$1,513,658	\$962,845	\$1,086,697	\$123,852

We provided the above information to BoE staff and they are following up.

- There is a project number created for a 5% match of local dollars (Project ID 707004001). This grant should be closed as match dollars should be budgeted for and allocated to the respective project.
- Grant claim submissions have not been communicated to the Comptroller's Office accounting department as required by the Cash Management's Revenue Collection Practices policy. The policy requires grant claim submissions and accompanying AR reports be delivered to the Comptroller's Office accounting department.
- PeopleSoft has a \$282,662 budget for the Voter Ed Poll Worker Training grant. This is \$19,627 over the awarded amount of \$263,035 per the contract in NYS Comptroller's Open Book.

Overall Recommendations for BoE Grants Management:

Based on our findings, we recommend the BoE Commissioners:

- 1) *Institute processes for supervision, monitoring and due diligence to verify grants are properly administered and accounted for and claims are properly and correctly completed prior to approving them for submission.*
- 2) *Hire a fiscal staff person for their financial operations and seek out training from the appropriate County department(s) for appropriate staff on grant processes, budget procedures, PeopleSoft system, accounting procedures, Cash Management Policy, etc.*
- 3) *Develop a grants management process, including a grant compliance checklist and a grant tracking/monitoring system.*
- 4) *Require staff to use the PeopleSoft system to record, monitor and control grant activities.*

- 5) *Review and understand the grant requirements for documentation and reporting in order to fully comply with the grant requirements.*
- 6) *Understand and comply with the established County budgeting, accounting, and cash management processes and policies.*
- 7) *Resubmit old grant claims rejected or not paid by NYS and submit future grant claims to NYS as soon as reasonably possible after payment of an eligible expenditure.*
- 8) *Review all BoE grant projects and make sure all budgets in PeopleSoft reflect the award amount from the NYS as documented in each grant agreement and are in agreement with the claims submitted and paid by NYS. Then work with the Comptroller's Office accounting staff to prepare the necessary support for any journal entries needed to correct the general and the grant funds.*

By incorporating the above recommendations into the financial operations the BoE Commissioners will maximize management efforts to properly administer, account for, submit, and monitor grant claims and minimize the problems we highlight in this report.

SECTION IV MANAGEMENT'S RESPONSE



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Matthew Beadnell, Comptroller
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In response to the Grants Management Report, I am open to the recommendations that were given to our office.

Since I am unable to hire any additional staff I would request that immediate attention be given to the fiscal person(s) in my office so they may have the training necessary to have complete understanding of how the grant process works which will in turn help correct the issues from this report.

In addition, they will need extensive training in PeopleSoft to fully comply with the grant requirements.

Please feel free to contact me at any time.

Thank you

Michele L. Sardo
Commissioner of Elections

Commissioner Czarny responded to the request for response with "On this audit I have no formal response. Thank you."