

# AUDIT REPORT



CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF FINANCIAL AUDIT  
**WILLIAM C. THOMPSON, JR., COMPTROLLER**

## **Audit Report on the Financial and Operating Practices of the 14 Queens Community Boards**

*FP04-075A*

**June 28, 2004**

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***The City of New York  
Office of the Comptroller  
Bureau of Financial Audit***

**Audit Report on the  
Financial and Operating Practices of the  
14 Queens Community Boards**

**FP04-075A**

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**AUDIT REPORT IN BRIEF**

This audit determined whether the 14 Queens Community Boards (Boards) are complying with certain payroll, timekeeping, purchasing, and inventory procedures, as set forth in the New York City Comptroller's *Internal Control and Accountability Directives* (Comptroller's Directives) 3, 13, 24, 25 and 27; Department of Citywide Administrative Services (DCAS) personnel rules and leave regulations; applicable Procurement Policy Board (PPB) rules; and the Department of Investigation's Standards for Inventory Control and Management.

The audit found that the Boards generally adhered to the requirements of Comptroller's Directives 3, 13, 24, 25, and 27, DCAS personnel rules and leave regulations, and applicable PPB rules.

In addition, our examination of the Boards' Personal Services and Other Than Personal Services expenditures disclosed no instances in which moneys were improperly used. However, there were several minor instances in which the Boards did not follow certain aspects of DCAS personnel rules and leave regulations, Comptroller's Directives 3 and 27, and the Department of Investigation's Standards for Inventory Control and Management. Specifically, four employees (one employee at Board 1, two employees at Board 5, and one employee at Board 9) exceeded the undocumented sick leave allowance; at Board 6, one employee's salary exceeded the maximum pay rate for her civil service title; at Board 14, imprest fund checks were not imprinted with the required "void after 90 days"; at Board 8, a fiduciary account should be closed; at Board 1, street fair revenue was miscategorized; and eight Boards (Board 1, 2, 6, 7, 9, 10, 11, and 12) lacked complete inventory records.

The audit made nine recommendations to those Boards that had weaknesses found during the audit.

## INTRODUCTION

### **Background**

There are Community Boards for each of the 59 Community Districts throughout the five boroughs of New York City. Each Community Board (Board) has up to 50 non-salaried members who are appointed by the Borough President of its borough. Board members reside, work, or have significant interests in their districts. Each Board has a Chairperson and hires a District Manager as its chief executive officer. The District Manager's responsibilities include assisting the Board in the hiring of an administrative staff, supervising the staff, and managing the daily operations of the district office. Each Borough President's Office provides administrative assistance to the Boards of its borough.

The borough of Queens Boards has 14 Boards—Boards 1 through 14—each having at least one full-time clerical staff person in addition to a District Manager.

Table I, on the following page, lists each Board's Personal Service and Other than Personal Services expenditures for Fiscal Year 2003.

**Table I**  
**Summary of Expenditures for the 14 Queens Boards**  
**Fiscal Year 2003**

	<b>Personal Services</b>	<b>Other Than Personal Services</b>	<b>Total Expenditures</b>
<b>Board 1</b>	\$149,475	\$34,636	\$184,111
<b>Board 2</b>	140,603	68,420	209,023
<b>Board 3</b>	139,899	78,480	218,379
<b>Board 4</b>	151,370	39,222	190,592
<b>Board 5</b>	127,125	56,724	183,849
<b>Board 6</b>	157,724	46,340	204,064
<b>Board 7</b>	147,488	57,382	204,870
<b>Board 8</b>	145,866	73,120	218,986
<b>Board 9</b>	157,038	18,577	175,615
<b>Board 10</b>	146,723	45,549	192,272
<b>Board 11</b>	147,412	58,172	205,584
<b>Board 12</b>	107,574	83,269	190,843
<b>Board 13</b>	128,735	58,381	187,116
<b>Board 14</b>	151,081	33,128	184,209

## **Objective**

This audit was conducted to determine whether the 14 Queens Boards are complying with certain payroll, timekeeping, purchasing, and inventory procedures, as set forth in the New York City Comptroller's *Internal Control and Accountability Directives* (Comptroller's Directives) 3, 13, 24, 25, and 27; Department of Citywide Administrative Services (DCAS) personnel rules and leave regulations; Procurement Policy Board (PPB) rules; and the Department of Investigation's Standards for Inventory Control and Management.<sup>1</sup>

## **Scope and Methodology**

This audit covered the period July 1, 2002, through June 30, 2003.

To obtain an understanding of the procedures and regulations with which the Boards are required to comply, we reviewed relevant provisions of: Comptroller's Directives 3, 13, 24, 25, and 27; DCAS personnel rules and leave regulations; PPB rules; and the Department of Investigation's Standards for Inventory Control and Management. We interviewed staff members of the Board offices and of the Borough President's Office to obtain an understanding of the payroll, timekeeping, and purchasing procedures in place and to determine how the Boards safeguard their physical assets.

### **Tests of Compliance with Comptroller's Directive 13, Payroll Procedures, And with DCAS Personnel Rules and Leave Regulations**

We reviewed attendance records of all 60 employees—14 managerial and 46 non-managerial employees—for the four-week period June 7, 2003, through June 28, 2003, to determine whether the Boards maintain reliable and accurate time records. We selected a period in the last month of the fiscal year to assess records at fiscal-year end. We examined the attendance records for completeness and evidence of supervisory review. We compared the attendance records to the Payroll Management System (PMS) Employee Leave Details Report (PEILR721) to determine whether all reportable timekeeping transactions were accurately posted on PMS. We reviewed compensatory time transactions and annual leave use for evidence of proper approvals and posting. In addition, we reviewed the employees' personnel files for completeness and evidence that proper approvals were obtained when they were hired.

We also reviewed salary history reports and related approval documentation covering Fiscal Year 2003 for all 60 employees listed on the payroll register for the pay period ending

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<sup>1</sup> Comptroller's Directive 3, "Procedures for the Administration of Imprest Funds"  
Comptroller's Directive 13, "Payroll Procedures"  
Comptroller's Directive 24, "Purchasing Function—Internal Controls"  
Comptroller's Directive 25, "Guidelines for the Use and Submission of Miscellaneous Vouchers"  
Comptroller's Directive 27, "Fiduciary Accounts—Procedures For Requesting, Controlling and Monitoring"

June 28, 2003, to determine whether pay increases were accurately calculated and properly authorized. For all three non-managerial employees who separated from City service during Fiscal Year 2003, we determined whether separation payments were properly calculated. We also checked whether the employees were appropriately removed from the City payroll. To determine whether Board employees were receiving salaries that were within the salary ranges of their civil service titles, we compared the salaries of all individuals listed as Board employees (during Fiscal Year 2003) to the minimum and maximum salary amounts of their civil service titles specified in the City's Career and Salary Plan. We reviewed the Paycheck Distribution Control Report (form 319) for the periods ending June 6, and June 20, 2003, to ascertain whether employees signed for their paychecks.

We determined whether compensatory time that was carried beyond the 120-day limit for its use was transferred to sick leave. If such compensatory time was not transferred to sick leave, we determined whether the employee's personnel file contained documentation authorizing that the time be carried over. We also determined whether medical documentation, when required by DCAS regulations, appropriately supported sick leave use. Finally, we determined whether approved carryover authorizations were present in employees' personnel files for those employees who had excess annual leave balances (more than the amount that each employee earns in a two-year period) to their credit. The results of the above tests covering the month of June 2003, while not projectable to the entire year, provided us a reasonable basis to assess the compliance of the Boards with Comptroller's Directive 13, payroll procedures, and with DCAS personnel rules and leave regulations.

### **Tests of Compliance with Comptroller's Directives 3, 24, 25**

The Boards issued a total of 1,067 payment vouchers in Fiscal Year 2003 (922 purchase vouchers, 130 miscellaneous vouchers, and 15 imprest fund vouchers). Of the 1,067 vouchers, we selected all 167 vouchers (132 purchase vouchers, 32 miscellaneous vouchers, and three imprest fund vouchers) issued by the Boards during June 2003 so as to assess controls operating at fiscal-year end. We examined each voucher for the requisite approvals and authorizations, and for evidence that the transactions were for proper business purposes and were supported by adequate documentation. For the 132 purchase vouchers, we also determined whether: the voucher was properly coded; an authorized purchase order was on file; sales and excise taxes were correctly omitted; and bids were obtained when required by PPB rules. Finally, to determine whether there was adequate segregation of duties for the payment process, we examined each voucher for evidence that different individuals performed the Preparer's Certification, the Pre-audit Certification, and the Departmental Certification. The results of the above tests, while not projectable to all payment vouchers processed during the fiscal year, provided us a reasonable basis to assess the Boards' compliance with Comptroller's Directive 24. With regard to the 32 miscellaneous vouchers, we determined whether the vouchers were issued for only allowable purposes. The results of this test, while not projectable for all miscellaneous vouchers issued during the fiscal year, provided us a reasonable basis to assess the compliance of the Boards with Comptroller's Directive 25. To assess the Boards' controls over imprest funds at fiscal-year end, we reviewed the imprest fund bank statement of each Board for the month of June 2003. We examined all the canceled checks listed on each bank statement for June for:

authorized signatures and amounts; a specific payee (as opposed to “bearer” or “cash”); an endorsement; and a “void after 90 days” inscription on each check. We also determined whether the Boards performed required monthly bank reconciliations. The results of the above tests, while not projectable to the entire population of imprest fund checks for the year, provided us a reasonable basis to assess the compliance of the Boards with Comptroller’s Directive 3.

### **Test of Board 8 Compliance with Comptroller’s Directive 27**

During the audit period, Board 8 maintained a fiduciary account. Contributions from an open-house event and fees charged for use of the Board’s copy machine were deposited in this account. Based on the Board’s records, we determined whether the moneys received were accounted for. In addition, we determined whether the account conformed to Comptroller’s Directive 27.

### **Tests of Compliance with Department of Investigation’s Standards for Inventory Control and Management**

To determine whether Boards maintained complete and accurate records for equipment items, we made field visits to each Board and performed a physical inventory check of major equipment and determined whether the items were recorded on inventory lists. We also reviewed all 26 equipment items purchased during Fiscal Year 2003 to see whether the items were on hand and properly recorded on the inventory records. Finally, we determined whether all items examined were properly tagged as property of the Boards, in accordance with Department of Investigation’s Standards for Inventory Control and Management.

### **Other Tests Performed**

During the course of our review, we noted that Board 1 receives revenue from an organization that operates an annual street fair. Therefore, we expanded our testing to include a review of this revenue and the permit application for this event. Specifically, we determined whether the amounts received were properly accounted for in accordance with City policy.

\* \* \* \*

This audit was conducted in accordance with generally accepted government auditing standards (GAGAS) and included tests of the records and other auditing procedures considered necessary. This audit was performed in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

## **Discussion of Audit Results**

The matters covered in this report were discussed with officials of the 14 Queens Boards and the Queens Borough President's Office during and at the conclusion of this audit. A preliminary draft was sent to officials of the Boards and the Queens Borough President's Office and was discussed at an exit conference held on May 13, 2004. On May 25, 2004, we submitted a draft report to the Boards and the Queens Borough President's Office with a request for comments. We received written comments from 12 of the 14 Boards and the Borough President's Office, all of which have been included as addenda to this report.

In their responses, the 12 Boards and Borough President's Office described steps they have taken or will take to implement the report's recommendations. The Borough President's Office also stated that it appeared that the audit took "an unusually long time to complete" and that the original scope of the audit was broadened without explanation.

We are pleased that the issues raised in the audit are being addressed. However, we categorically disagree with the Borough President Office's contention that the audit took an unusually long time to complete. In fact, the 10 months between the entrance conference and the issuance of the preliminary draft is actually a reduction in the total amount of time spent on community board audits when compared to prior years. Previously, each community board audit took between four and six months to complete. Therefore, to complete 14 separate audits would have taken between 56 and 84 months of audit effort. Obviously, combining the audits has significantly reduced the amount of time expended on these audits. In addition, the scope of the audit was not altered at any point during the audit process—all audit testing was limited to Fiscal Year 2003, the scope period stated at the inception of the audit.



## **FINDINGS AND RECOMMENDATIONS**

The 14 Boards generally adhered to the requirements of Comptroller's Directives 3, 13, 24, 25, and 27; payroll procedures; DCAS personnel rules and leave regulations; and the PPB rules. In this regard, we found:

- Annual leave, sick leave, and compensatory time earned and used was authorized and accurately recorded;
- Employees' annual leave balances did not exceed the two-year accrual limit;
- Personnel files were complete, including documentation that approvals were obtained for personnel actions;
- Employees were accurately paid upon separation from City service;
- Employees signed for their paychecks;
- Salaries of Board employees were within the allowable salary ranges for their respective civil service titles, with the exception of one Board 6 employee;
- Items purchased were necessary for the Boards' operations;
- Bids were obtained for purchases exceeding \$2,500;
- Sampled vouchers and corresponding purchase orders were properly approved and the amounts paid to vendors were accurately calculated and excluded sales and excise taxes;
- Appropriate documentation was maintained to support the sampled vouchers;
- Imprest fund purchases did not exceed \$250;
- Invoices were maintained to support imprest fund payments;
- Imprest fund checks had the required authorized signatures, designated specified payees and, with the exception of Board 14, had the inscription "void after 90 days";
- Imprest fund bank accounts were appropriately reconciled;
- Funds received by Board 8 for its open-house event and copy machine fees were accounted for; and
- Inventory items purchased during Fiscal Year 2003 were on hand.

In addition, our examination of the Boards' Personal Services and Other Than Personal Services expenditures disclosed no instances in which moneys were improperly used. However, there were several minor instances in which the Boards did not follow certain aspects of DCAS personnel rules and leave regulations, Comptroller's Directive 3 and 27, and the Department of Investigation's Standards for Inventory Control and Management, which are summarized in Table II, below:

**Table II**  
**Findings of Noncompliance with**  
**Timekeeping, Purchasing, Payroll, and Inventory Procedures**

<b>Audit Finding</b>	<b>Noted at</b>
Four employees exceeded the number of undocumented sick leave instances allowed in a six-month period.	Boards 1, 5, and 9
An employee's salary exceeded the maximum pay rate for her civil service title.	Board 6
Imprest fund checks did not have the inscription "void after 90 days" imprinted on them.	Board 14
Eight Boards lacked complete inventory records.	Boards 1, 2, 6, 7, 9, 10, 11, and 12.
Funds improperly maintained in a fiduciary account.	Board 8
Sponsor payment deposited into the City's General Fund but incorrectly categorized as a refund of expenditures rather than revenue.	Board 1

These issues are discussed in detail in the following sections of this report.

### **Timekeeping Weaknesses**

Our review of the Boards indicated that four employees exceeded the number of undocumented sick leave instances allowed in a six-month period at three boards.

Board 1 had one employee with six instances of undocumented sick-leave use within a six-month period. In addition, Board 5 had two employees, one with seven and one with eight instances of undocumented sick-leave use; and Board 9 had one employee with six instances of undocumented sick-leave use within a six-month period. Section 3.2 of DCAS Leave Regulations requires proof of a medical condition when an employee uses undocumented sick

leave more than five times within a six-month period. However, there was no proof of a medical condition in the files of the three Boards.

### **Recommendation**

Boards 1, 5, and 9 should:

1. Adhere to DCAS sick leave regulations concerning medical documentation.

**Board 1 Response:** “Sick Leave – Staff has been informed of regulations regarding sick leave and when necessary documentation will be required.”

**Board 5 Response:** “I apologize for this problem, and I intend to now keep a ledger record of attendance, including leave balances, reductions and additions for each employee. Each of our employees, myself included, will have our own ledger page. This will better enable me to inform workers of when they are exceeding or about to exceed sick leave or annual leave balances. I have explained the importance of good attendance to our employees, especially since our goal is to do our utmost on behalf of those living in the CB5Q area.”

**Board 9 Response:** “One Employee had six instances of undocumented sick leave use within a six month period. All employees have been advised of DCAS Leave regulations (Sec.3.2).”

**Borough President’s Office:** “The Community Board offices are very small. There are no more than an average of five employees in any of the offices. Accordingly, each of the offices tend to have a somewhat informal relationship between the Chair, District Manager and employees. Employees that are absent with undocumented sick-leave have verbal conversations with the District Manager or Chair if abuse is suspected. There has never been a reason for these small offices to use the formal Personnel Procedure. However, the Borough President’s Timekeeping and Personnel Offices will work with the Boards to implement a more formal procedure.”

### **Employee Paid in Excess of Salary Range**

The annual salary of one Board employee was not within the salary range of her Career and Salary Plan title, as required by DCAS personnel rules. The annual salary of the Assistant District Manager of Board 6 exceeded the maximum pay rate for her Career and Salary Plan title by \$3,286. This employee’s salary is \$46,713, but the maximum salary for her particular title is \$43,427.

The City Career and Salary Plan contains minimum and maximum pay rates for each title. According to the Plan, “the purpose of this resolution is to provide fair and comparable pay for comparable work.” Thus, the minimum and maximum pay rates are an integral part of the Career and Salary Plan.

### **Recommendation**

2. Board 6 should transfer the Assistant District Manager into a title that she qualifies for and that has a salary range properly encompassing her current salary or her salary should be appropriately adjusted.

**Board 6 Response:** “Community Board 6 has taken corrective action regarding the title of . . . . Her title has been changed to Community Coordinator as of December 16, 2003.”

**Borough President’s Office:** “Effective December 16, 2003 this employee’s title was changed from Assistant District Manager to Community Coordinator. The employee’s salary is now within the range for the title”

### **Purchasing Weaknesses**

We found that Board 14’s imprest fund checks were not stamped or inscribed “void after 90 days.” Comptroller’s Directive 3 states, “Checks must be imprinted void after 90 days.”

### **Recommendation**

3. Board 14 should ensure that all imprest fund checks are stamped “void after 90 days.” When ordering checks, the Board should require the bank to print “void after 90 days” on the new checks.

**Board 14 Response:** “We have read the audit and agree with the findings regarding our board. We have purchased a stamp that reads ‘Void after 90 days.’ ”

**Borough President’s Office:** “Board 14 has purchased a stamp and stamped all imprest fund checks ‘void after 90 days.’ In addition, new checks have been ordered with ‘void after 90 days’ Imprinted on checks.”

### **Inventory Control Weaknesses**

Eight Boards did not maintain complete and accurate inventory records for their equipment. While all the items reviewed were present at the Boards, 10 items were not included on the inventory lists, and three items were listed with incorrect serial numbers. In addition, six of those eight Boards did not ensure that all equipment was properly tagged for identification. The specific findings are presented in Table III, following.

**Table III**  
**Summary of Inventory Control Weaknesses**

	<b># of items examined</b>	<b># of items listed without serial numbers</b>	<b># of items without identification tags</b>	<b># of items not recorded on the inventory list</b>
<b>Board 1</b>	36	0	35	0
<b>Board 2</b>	29	2	15	0
<b>Board 6</b>	28	1	1	1
<b>Board 7</b>	53	0	2	0
<b>Board 9</b>	37	0	0	4
<b>Board 10</b>	40	0	5	0
<b>Board 11</b>	27	0	1	1
<b>Board 12</b>	22	0	22	2
<b>Totals</b>	272	3	81	8

### **Recommendations**

Boards 1, 2, 6, 7, 9, 10, 11, and 12 should ensure that:

4. Complete and accurate inventory records are maintained for equipment.
5. All items are affixed with identification tags.

**Board 1 Response:** “Identification Labels - All of Community Board 1’s owned property has been labeled.”

**Board 2 Response:** “Please be advised the inventory records have been updated. In addition, the 108<sup>th</sup> Precinct etched all equipment with the identification number 108-03-059.”

**Board 6 Response:** “With regard to inventory items all items are accounted for, tagged, and recorded as recommended. As soon as we were notified of these problems Community Board 6 took the appropriate corrective action.”

**Board 7 Response:** “These items were properly marked indicating that they were the property of Community Board #7/Queens.”

**Board 9 Response:** “Four items were not listed on our inventory list. These four items have added to our inventory list

**Board 10 Response:** “We at Community Board 10 have labeled the five inventory items that were without identification tags and we are now in compliance.”

**Board 11 Response:** “Please be advised that we have added the unlisted item to our inventory list and we have also labeled the item that did not have an identification tag. We trust the actions we have taken satisfy your recommendations to correct inventory weaknesses.”

**Board 12 Response:** “ The recommendations that (1) complete and accurate inventory records be maintained for equipment and (2) affix items with identification tags are being processed for compliance.”

**Borough President’s Office:** “All Boards have reviewed their inventory. Boards have tagged any items that were not tagged. Boards have ensured all items are included on the inventory list and all equipment is properly tagged for identification.”

### **Fiduciary Account Should Be Closed**

Board 8 maintained a fiduciary account where contributions from an open-house event and fees charged for use of the Board’s copy machine were deposited. Board 8 accurately recorded revenues and expenses from this account and performed the appropriate reconciliations. However, under the provisions of Comptroller’s Directive 27, revenue such as donations and fees for the use of City property should be deposited directly into the City’s General Fund. Specifically, Directive 27, which became effective on April 4, 2003, states:

“Any public or private grants or donations given to the City of New York for the purpose of supporting the City’s own programs will not qualify as either a private purpose trust or agency fund. Such bequests are considered public-purpose resources under GASB no.34 and must be recorded in the General Fund.

“Generally, any resources received from the sale of City goods or services, the use of City property and City resources and/or the receipt of donations to City employees for City business or programs are assets of the City of New York and must be accounted for in the General Fund.”

Therefore, the fiduciary account should be closed and the balance transferred to the General Fund. As of March 23, 2004, the fiduciary account balance was \$2,324.

### **Recommendations**

Board 8 should:

6. Close the fiduciary account and transfer the balance to the City’s General Fund.
7. Instruct the Department of Finance to deposit any donations and fees the Board receives directly into the General Fund.

**Board 8 Response:** “We raised money through a Senior Fair and an open house. A Trust and Agency account was setup, see letter dated February 16, 1996 from Mr. Michael Spitzer, NYC Comptroller’s Office. Now, 8 years later, under Comptroller’s directive #27, these types of accounts are no longer permitted. When we setup this account, we called each agency, received an OK and everything was perfectly legal. Since we followed all procedures correctly, we disagree with your findings. As such, we are requesting the money currently in the Trust and Agency Account be placed in a separate account for use by Community Board 8 in FY05.”

**Borough President’s Office:** “This account was set-up by the Comptroller’s office prior to Directive 27 being issued. The Boards do not receive copies of Directives from the Comptroller’s Office. The Board should not be held accountable for a Directive never issued to them. Since the date of the preliminary draft of the audit, Board 8 has contacted the Comptroller’s Office and the account is being closed.”

The Queens Borough President Office stated that it contacted the Comptroller’s Bureau of Accountancy and OMB regarding the closing of the fiduciary account that Board 8 had for several years. It was agreed that the Trust & Agency Account would be closed and the balance in the account would be set up as a Revenue Grant in Fiscal Year 2005.

**Auditor’s Comments:** We are not questioning Board 8’s original deposit of funds into a fiduciary type account. At the time, this was the appropriate place for such donations and fees. However these funds, under Directive 27 cannot be deposited into such an account. We disagree with the Borough President’s contention that the Boards do not receive copies of directives from the Comptroller’s Office. According to our Bureau of Accountancy, the directives are sent to all City agencies, including community boards. In addition, each community board is responsible for ensuring that it is well versed in City policy that affects its operations. In any case, we are pleased that Board 8 is taking steps to be in compliance with the directive.

#### **Issues Related to a Street Fair Sponsored by Board 1**

On December 18, 2002, the Chairman of Board 1 prepared an application for a permit to hold a street fair. On the same day, the Community Coordinator of Board 1, who ultimately reports to the Chairman of the Board, recommended to the Mayor’s Street Activity Permit Office that it approve the permit. Under an informal agreement with the organization that operated the fair, the Board received 50 percent of the net proceeds generated by the event, which amounted to \$8,709.50. We question whether this arrangement presents a conflict of interest given that Board 1 officials both submitted the permit application and recommended that the permit be approved for this revenue-generating event.

Moreover, the proceeds from this event were not properly accounted for on the City’s books and records. The Board deposited the proceeds in the City’s General Fund. However, Board 1 incorrectly advised the Department of Finance to credit these funds against Board’s 1

expense budget, instead of properly recording these receipts as revenue in the City's General Fund. As a consequence, this transaction allowed the Board to increase its spending against appropriations above the amount authorized in its Fiscal Year 2003 budget.

Finally, Board 1 does not maintain a record of revenues received, as required by Directive 11. Directive 11 states, "Agencies must maintain a Cash Receipts and Disbursements Journal (cash book). All cash receipts and cash disbursements must be entered on a daily basis."

### **Recommendations**

Board 1 should:

8. To avoid any appearance of impropriety, Queens Community Board 1 should seek in writing an opinion from the Conflicts of Interest Board as to whether (a) Community Board 1 may apply for a street fair permit and then recommend its approval; and (b) Community Board 1 should disclose at the time it makes an application that fundraising for Community Board 1 will be conducted during the street fair.
9. Instruct the Department of Finance to record sponsorship fee payments as revenue in the General Fund.
10. Maintain a cash receipts journal listing all sponsor fees received, including the organization's name, amount, date received, and date deposited.

**Board 1 Response:** "Street Fair - Regarding the recommended approval of the Street Fair application for a Community Board sponsored street fair, as suggested by your office, we sent a letter to the Conflicts of Interest for an opinion. . . . As of this date we did not receive a response. Their response, when received, will be forwarded to you."

**Borough President's Office:** "Henceforth, cash receipts journal will be maintained listing all sponsor fees received including organization's name, amount, date received and date deposited. On May 17, 2004 a letter was written and sent to the Conflicts and Interest Board concerning this issue requesting an opinion. Board 1 awaits reply."





**City of New York**  
**Community Board #1, Queens**  
American Museum of Moving Image  
36-01 35<sup>th</sup> Avenue  
Astoria, N.Y. 11106  
Tel: 718-786-3335, Fax: 718-786-3368

Helen Marshall,  
*President, Queens*  
Karen Koslowitz,  
*Deputy Borough President*  
Vinicio Donato,  
*Chairperson*  
George Delis,  
*District Manager*  
Lucille T. Hartmann,  
*Asst. District Manager*

Vinicio Donato  
Chairperson

Joseph Guarino  
First Vice Chairperson  
George L. Stamatiades  
Second Vice Chairperson  
Norma Nieves-Bias  
*Third Vice Chairperson*  
John A. Scouraidis  
*Executive Secretary*

**COMMITTEES &  
CHAIRPERSONS**

*Consumer Affairs*  
Madeleine Gillis

*Education*  
Linda Perno

*Environmental Protection*  
Joan Asselin

*Health & Social Services/  
Senior/Special Citizens*  
Myron Kaner

*Housing*  
Mary O'Hara

*Industrial/Commercial*  
Julian Wagner

*Parks & Recreation/  
Cultural Affairs/OTB*  
Ann Kril

*Public Safety*  
Antonio Meloni

*Transportation*  
Jeffrey Gold

*Youth*  
Jose Batista

*Zoning & Variance*  
John Carusone

*Sergeants-at-Arms*  
Peter Palles

June 10, 2004

Mr. Lawrence Welgrin  
Audit Manager  
Office of the Comptroller  
1 Centre Street  
New York, NY 10007-2341

Dear Mr. Welgrin:

RE: Audit Report Response

- 1) Sick Leave – Staff has been informed of regulations regarding sick leave and when necessary documentation will be required.
- 2) Street Fair –Regarding the recommended approval of the Street Fair application for a Community Board sponsored street fair, as suggested by your office, we send a letter to the Conflicts of Interest for an opinion (see enclosed) as of this date we did not receive a response. There response, when received, will be forwarded to you.
- 3) Identification Labels – All of Community Board 1's owned property has been labeled..

Sincerely,

*Vinicio Donato*  
Vinicio Donato

cc: Ms Carol Ricci, BPO  
Ms Christine Ward-McKee, BPO



City of New York  
Community Board #1, Queens  
American Museum of Moving Image  
36-01 35<sup>th</sup> Avenue  
Astoria, N.Y. 11106  
Tel: 718-786-3335, Fax: 718-786-3368

Helen Marshall,  
*President, Queens*  
Karen Koslowitz,  
*Deputy Borough President*  
Vinicio Donato,  
*Chairperson*  
George Delis,  
*District Manager*  
Lucille T. Hartmann,  
*Asst. District Manager*

Vinicio Donato  
*Chairperson*  
Joseph Guarino  
*First Vice Chairperson*  
George L. Stamatziades  
*Second Vice Chairperson*  
Norma Nieves-Blas  
*Third Vice Chairperson*  
John A. Scourakis  
*Executive Secretary*  
**COMMITTEES &  
CHAIRPERSONS**  
*Consumer Affairs*  
Madeleine Gillis  
*Education*  
Linda Perno  
*Environmental Protection*  
Joan Asselin  
*Health & Social Services/  
Senior/Special Citizens*  
Ron Kaner  
*Housing*  
Mary O'Hara  
*Industrial/Commercial*  
Julian Wager  
*Parks & Recreation/  
Cultural Affairs/OTB*  
Ann Kril  
*Public Safety*  
Antonio Meloni  
*Transportation*  
Jeffrey Gold  
*Youth*  
Jose Batista  
*Zoning & Variance*  
John Carusone  
*Sergeants-at-Arms*  
Peter Pallos

May 17, 2004

Mr. Mark Davies  
NYC Conflict of Interest Board  
2 Lafayette Street, Suite 1010  
New York, NY 10007

Dear Mr. Davies:

RE: Street Festival

We were informed that Community Boards can raise money for their Other Than Personal Services (OTPS) budget. We hold a street festival each year that is run by an independent contractor.

Recently we were audited by the Comptroller's office and asked if it is a conflict for our or any Community Board to submit and approve of their own street fair application. (See enclosed). We met with the auditors last Thursday and pointed out to them that the Community Boards only recommend any application. The Mayor Office of Street Activities approves or denies the application and issues a permit, not the Community Board.

Please inform me if there is any conflict here.

Thank you.

Sincerely,

George Delis

cc: Mr. Hugh Weinberg, BPO  
Mr. Lawrence Welgrin,  
Comptroller's Office



## Community Board No. 2

43-22 50th Street  
Woodside, New York 11377  
(718) 533-8773  
Fax (718) 533-8777

Joseph Conley  
Chairman

May 14, 2004

Dolores M. Rizzotto

District Manager

Greg Brooks  
The City of New York  
Office of the Comptroller  
Executive Offices  
1 Centre Street  
New York, New York 10007-2341

RE: Audit Report on the Financial and Operating Practices  
Of Community Board 2 Queens/FP04-075A

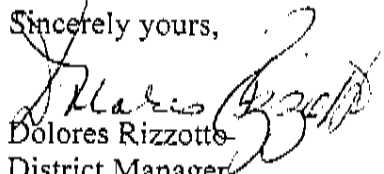
Dear Mr. Brooks:

Community Board 2 attended the May 13, 2004 Exit Conference at Queens Borough Hall to discuss the preliminary draft report on the noted matter.

On Page 7 of the report, CB2 was noted as *not having complete inventory records*. Please be advised the inventory records have been updated. In addition, the 108<sup>th</sup> Precinct etched all equipment with the identification number 108-03-059.

Thank you for your attention to this matter.

Sincerely yours,

  
Dolores Rizzotto  
District Manager

cc: Lawrence Welgrin, Audit Manager, Office of the Comptroller  
Hon. Helen Marshall, President, Borough of Queens  
Hon. Karen Koslowitz, Deputy Borough President, Borough of Queens  
Carol Ricci, Agency Chief Contracting Officer, Queens Borough Hall  
Christine Ward McKee, Queens Borough Hall Fiscal Office  
Vaughn Sciortino, Queens Borough Hall Timekeeping  
Suzanne Marchetti, Queens Borough Hall Personnel Department  
Joseph Conley, Chairperson, CB2  
Diane Ballek, Treasurer, CB2

Audit fy 2003 exit confer.43

The  
City  
of  
New York



Richard Italiano  
Chairperson

Community Board 4 Q  
104-03 Corona Avenue 2<sup>nd</sup> Floor  
Corona, NY 11368-2923  
Phone: (718) 760-3141 Fax (718) 760-5971

Rose Renda-Rothschild  
District Manager

May 28, 2004

The City Of New York  
Office of the Comptroller  
Executive Offices  
One Centre Street  
New York, NY 10007-2341

Atten: Greg Brooks

Dear Mr. Brooks:

We have read your draft report and find it is complete and to the point.

We have no comment to add or delete.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rose Renda-Rothschild".

Rose Renda-Rothschild  
District Manager

RRR:m



## Community Board No. 5

Borough of Queens  
Ridgewood, Maspeth, Middle Village and Glendale  
61-23 Myrtle Avenue • Glendale, NY 11385  
(718) 366-1834  
E-mail: qnscb5@nyc.rr.com



Vincent Arcuri, Jr.  
Chairperson

Gary Giordano  
District Manager

June 8, 2004

Mr. Greg Brooks  
Deputy Comptroller for  
Policy, Audits, Accountancy & Contracts  
Office of the NY City Comptroller  
Executive Offices  
1 Centre Street  
New York, New York 10007-2341

FAX AND MAIL

Re: Audit Report on the Financial  
and Operating Practices of the  
14 Queens Community Boards  
FP04-075A

Dear Mr. Brooks:

In the Fiscal Year 2003 Audit Report, conducted by The City Comptroller's Bureau of Financial Audit, the findings include that we had two employees with undocumented sick leave use. Your good office points out that proof of a medical condition is required when an employee uses undocumented sick leave more than five (5) times within a six-month period.

I apologize for this problem, and I intend to now keep a ledger record of attendance, including leave balances, reductions and additions for each employee. Each of our employees, myself included, will have our own ledger page. This will better enable me to inform workers of when they are exceeding or about to exceed sick leave or annual leave balances.

I have explained the importance of good attendance to our employees, especially since our goal is to do our utmost on behalf of those living in the CB5Q area.

Sincerely,

*Gary Giordano*  
Gary Giordano  
District Manager

CC: Mr. Lawrence Welgrin, Audit Manager, Office of the NY City Comptroller  
Hon. Karen Koslowitz, Deputy Borough President of Queens  
Carol Ricci, BUDget Director for the Queens Borough President  
Vaughn Sciortino, Timekeeping Director for the Queens Borough President  
Christine Ward-McKee, Fiscal Officer for the Queens Borough President  
Vincent Arcuri, Jr. - Chairman, CB5Q



**Whitepot**  
*Settled 1653*

The City of New York  
**Community Board #6, Queens, Rego Park and Forest Hills.**  
73-05 Yellowstone Boulevard, Forest Hills, N.Y. 11375  
(718) 263-9250      FAX: (718) 263-2211      email: [cb6q@nyc.rr.com](mailto:cb6q@nyc.rr.com)

Joseph C. Hennessy  
Chairman

Kathleen A. Histon  
District Manager

Gail M. Gordon  
1<sup>st</sup> Vice President

Steven Goldberg  
2<sup>nd</sup> Vice Chairman

Elizabeth Anderson  
Vice Chairman-Sec'y

Todd Reisman  
Vice Chairman-Finance

Norman Tepper, P.E.  
Vice Chairman-Land Use

Lynn C. Schulman  
Vice Chairman-Scoping

Virginia F. Wilson  
Ass't. District Manager

May 27, 2004

Helen M. Marshall  
President  
Borough of Queens

Greg Brooks  
Deputy Comptroller  
1 Centre Street  
New York, N. Y. 10007-2341

Dear Deputy Comptroller Brooks:

Community Board 6 has taken corrective action regarding the title of Virginia F. Wilson. Her title has been changed to Community Coordinator as of December 16, 2003. With regard to inventory items all items are accounted for, tagged, and recorded as recommended. As soon as we were notified of these problems Community Board 6 took the appropriate corrective action.

Very truly yours,

Joseph C. Hennessy  
Chair, CB 6  
District Manager



# Community Board 7

Borough of Queens  
Bay Terrace, College Point, Beechhurst, Flushing,  
Malba, Queensborough Hill and Whitestone

45-35 KISSENA BLVD., FLUSHING, NY 11355  
(718) 359-2800  
Fax: (718) 463-3891

Helen Marshall  
*Borough President*

Karen Koslowitz  
*Deputy Borough President/Community Boards*

**Mr. Greg Brooks**  
Deputy Comptroller  
Policy, Audits, Accountancy and Contracts  
Office of the Comptroller  
1 Centre Street – Executive Offices  
New York, N.Y. 10007-2341

May 25, 2004

Eugene T. Kelty, Jr.  
*Chairperson*

Marilyn Bitterman  
*District Manager*

RE: Audit

Dear Mr. Brooks:

Enclosed is a copy of a letter that the Chairperson of Community Board #7 sent to Eva Schwenk on May 20, 2004. Please note that every item that she circled and faxed back to the board on May 20<sup>th</sup> was re-checked by the Chairperson, as well as myself. These items were properly marked indicating that they were the property of Community Board #7/Queens.

We invite you back to our office to re-examine these items.

Sincerely,

A handwritten signature in black ink, appearing to read "Marilyn Bitterman", with a horizontal line extending from the end.

Marilyn Bitterman  
District Manager

c.c. Borough President Helen Marshall  
Carol Ricci, BPO/Chief Contracting Officer  
Vaughn Sciortino, Timekeeping  
Suzanne Marchetti, BPO/ Management and Budget  
Christine Ward-McKee, Fiscal Officer

Enclosure(s)



# Community Board 7

Borough of Queens

Bay Terrace, College Point, Beechhurst, Flushing,  
Malba, Queensborough Hill and Whitestone

45-35 KISSENA BLVD., FLUSHING, NY 11355

(718) 359-2800

Fax: (718) 463-3891

Helen Marshall  
*Borough President*

Eugene T. Kelty, Jr.  
*Chairperson*

Karen Koslowitz  
*Deputy Borough President/Community Boards*

May 20, 2004

Marilyn Bitterman  
*District Manager*

Ms. Eva Schwenk  
Office of the City Comptroller  
Bureau of Financial Audit  
One Centre Street – Municipal Building  
New York, N.Y. 10007

RE: Audit

Dear Ms. Schwenk:

I am in receipt of your memo regarding Community Board #7's inventory list. At the entrance conference that I attended with Linda Talavera ( Marilyn Bitterman was out on medical leave), a question came up regarding miscellaneous furniture such as chairs, tables and file cabinets. We were advised by the Comptroller's office that those items did not have to be part of the inventory list. However, we did mark the chairs and tables in the office.

All items that you circled were tagged when you came to the office, and I suggest the next time you do an inventory check in my office that you get down on the floor, crawl under the desk, and pull the computer tower out so that you can see the appropriate markings. Every item that we were told to mark, has been marked with an indelible pen with the I.D. stating C.B. 7/Qns. We followed the rules that were given out initially.

Sincerely,

Eugene T. Kelty, Jr.,  
Chairperson

c.c. William Thompson Comptroller



rough President, Helen Marshall

Deputy Borough President, Karen Koslowitz



Chairman, Alvin Warshaviak

*The City of New York*  
*Borough of Queens*

**Community Board 8**

197-15 Hillside Avenue  
Hollis, NY 11423-2126  
Tel # (718) 264-7895  
Fax # (718) 264-7910  
Cb8q@nyc.rr.com



District Manager, Diane Cohen

May 17, 2004

Mr. Lawrence Welgrin  
New York City Comptroller  
Audit Bureau  
One Centre Street  
New York, NY 10007

Re: Audit Report - Preliminary Draft  
FP04-075A

Dear Mr. Welgrin:

Regarding Page 3 in the report "Funds improperly maintained in a fiduciary account" Board 8. Please be advised when we opened the account in 1996, we went to "Conflicts of Interest Board" for a ruling, see attached. (Case #96-79 and #95-27).

We raised money through a Senior Fair and an open house. A Trust and Agency account was setup, see letter dated February 16, 1996 from Mr. Michael Spitzer, NYC Comptroller's Office. Now, 8 years later, under Comptroller's directive #27, these types of accounts are no longer permitted.

When we setup this account, we called each agency, received an OK and everything was perfectly legal. Since we followed all procedures correctly, we disagree with your findings. As such, we are requesting the money currently in the Trust and Agency Account be placed in a separate account for use by Community Board 8 in FY05.

Very truly yours,

Diane Cohen  
District Manager

DC/bm  
Enclosure  
cc: A. Warshaviak  
S. Marchetti



Michael N. Spitzer  
BUREAU CHIEF  
CHIEF ACCOUNTANT

*Edessa*  
*Moran Room 200*

THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF ACCOUNTANCY  
1 CENTRE STREET  
NEW YORK, N.Y. 10007-2341

TELEPHONE: (212) 689-8027  
FAX NUMBER: (212) 689-2126

ALAN G. HEVESI  
COMPTROLLER

February 16, 1996

Ms. Diane Cohen, District Manager  
Community Board 8, Borough of Queens  
81-26 150th Street  
Jamaica, NY 11435

Dear Ms. Cohen:

In response to your letters of 1/4/96 and 1/29/96, we are in the process of setting up the Trust & Agency account you requested.

Upon the establishment of the Trust & Agency account, donors should make their checks payable to the Community Board and you would deposit them into the proper codes when they are set up. The Trust & Agency account is set up within the City's accounting system whereby you administer it by making deposits and processing vouchers against the available balances in the account.

We will let you know when the Trust & Agency account is set up.

The Comptroller's Office does not set up 501C3 corporations for City agencies as you requested in your letters.

If you have any further questions, please feel free to contact me.

Very truly yours,

*Michael N. Spitzer*  
Michael N. Spitzer  
Chief Accountant

MNS:tm



CITY OF NEW YORK  
CONFLICTS OF INTEREST BOARD  
2 Lafayette Street, Suite 1010  
New York, New York 10007  
(212) 442-1400  
Fax - (212) 442-1423 TDD - (212) 442-1430

Sheldon Oliensis  
Chair

April 4, 1996

Jane W. Parver

Benito Romano

Shirley Adelson Siegel

Ms. Diane Cohen  
District Manager  
Community Board 8  
81-26 150th Street  
Jamaica, New York 11435

Mark Davies  
Executive Director  
Counsel

Re: Conflicts of Interest Board Case No. 95-79

Dear Ms. Cohen:

Jo-Antoinette Frey  
Deputy Director

Hugh B. Weinberg  
Deputy Counsel

Laura Denman  
Director of Training  
and Education

Jerry Rachnowitz  
Director of  
Financial Disclosure

Joan R. Salzman  
Associate Counsel for  
Enforcement

This is in response to your letter to the Conflicts of Interest Board (the "Board") dated March 28, 1996, requesting an opinion as to whether, consistent with the conflicts of interest provisions of Chapter 68 of the City Charter, Community Board 8 in Queens (the "Community Board") may accept payment of a fundraising fee from Time Warner Cable ("Time Warner") in connection with the Community Board's second annual Senior Citizens Fair (the "Fair").

You have advised the Board that the Community Board would charge a \$25 fee to private organizations attending the Fair to recoup the cost of renting space at Queens College. Due to budget cuts, the Community Board is unable to pay for the space with City funds and thus must seek funds from private organizations to cover the cost of the rental space. While Time Warner is currently a City franchisee, the company has no matters pending before the Community Board.

In Advisory Opinion No. 95-27 (copy enclosed), the Board addressed the circumstances under which community boards may accept or solicit donations to support their programs and initiatives. In that opinion, the Board advised, among other things, that members and staff of community boards may accept donations from private individuals or organizations, provided that the donors do not have matters pending before the donee community board or have matters in which the donee community board's involvement is imminent. Since Time Warner has no matters pending before the Community Board, it would not be a violation of Chapter 68 to accept payment of a fee for Time Warner's participation in the Fair.

RECEIVED  
APR 05 1996  
C.B.8.Q.

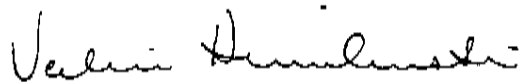
COIB Case No. 96-79  
April 4, 1996  
Page 2

You are thus advised, based on your representations, that it would not violate Chapter 68 for the Community Board to charge fees to Time Warner or other private organizations which do not have matters pending before the Community Board in order to pay for rental space for the Fair. However, all of the organizations which choose to participate in the Fair should be informed that their payment of a fee and participation in the Fair will not affect any possible future dealings with the Community Board or serve as a quid pro quo in securing favorable treatment from the Community Board. See Advisory Opinion No. 95-27.

This letter expresses the views of counsel to the Board and is intended to provide information and guidance to you. It is not a binding opinion of the Board and is not binding on you or the Board.

The views expressed in this letter are conditioned on the correctness and completeness of the facts supplied to us. If such facts are in any respect incorrect or incomplete, the advice we have given to you may not apply. If at any time you would like further advice based on a change of circumstances or additional information, or if you would like a formal opinion of the Board, please contact us. The Board meets regularly each month.

Very truly yours,

  
Valerie Himelewski  
Assistant Counsel

Enclosure

96-79.ST/VH



CITY OF NEW YORK  
CONFLICTS OF INTEREST BOARD

2 Lafayette Street, Suite 1010

New York, New York 10007

(212) 442-1400

Fax - (212) 442-1423 TDD - (212) 442-1430

ADDENDUM I  
Page 13 of 28

Sheldon Oliensis  
*Chair*

Jane W. Parver

Benito Romano

Shirley Adelson Siegel

Contributions to Community Boards  
Fundraising by Community Boards

Charter Sections 2604(b)(1)(b)  
(b)(2)  
(b)(3)

Mark Davies  
*Executive Director  
Counsel*

Jo-Antoinette Frey  
*Deputy Director*

Hugh B. Weinberg  
*Deputy Counsel*

Laura Denman  
*Director of Training  
and Education*

Jerry Rachnowitz  
*Director of  
Financial Disclosure*

Joan R. Salzman  
*Associate Counsel for  
Enforcement*

Advisory Opinion No. 95-27

The Conflicts of Interest Board (the "Board") has received a request for an opinion from the district manager of a community board (the "Community Board") as to whether, consistent with the conflicts of interest provisions of Chapter 68 of the City Charter, the members and staff of the Community Board may accept donations on behalf of the Community Board and hold fundraising events to support the Community Board's programs and initiatives. Specifically, the district manager has asked whether: (i) the Community Board may accept grants from private foundations; (ii) the Community Board may accept monetary contributions from individual Community Board members, community-based organizations, and individual residents; (iii) the Community Board may accept donations of supplies from Community Board members, community-based organizations

COIB Advisory Opinion No. 95-27  
November 17, 1995  
Page 2

and individual residents; and (iv) Community Board members or staff may hold fundraising events on behalf of the Community Board during official working hours or at other times.

It is the opinion of the Board, for the reasons stated below, that the Community Board members and staff may solicit and accept contributions to the Community Board and generally engage in fundraising on behalf of the Community Board, provided they act in accordance with the conditions specified in this opinion.

#### Background

The district manager has advised the Board that the Community Board, like many other community boards throughout the City, is faced with severe budget reductions which will have a significant impact on its ability to serve the community. The services which the Community Board provides to the community include, among others: assisting City agencies in communicating with the people in its district; preparing detailed plans for the district; developing priorities for how funds should be allocated; reviewing proposals for the use or development of land located in the district; and

COIB Advisory Opinion No. 95-27  
November 17, 1995  
Page 3

rating the delivery of local services, which include fire, sanitation, police and transportation.

As a result of the budget reductions, the Community Board is seeking private sources of funding for its programs and initiatives, and it has asked the Board for guidance as to how to conduct this fundraising program in a manner consistent with Chapter 68.

#### Discussion

As the Board has stated in its Advisory Opinion No. 92-21:

In general, it is the opinion of the Board that the City is well served by contributions from the public which aid the City's efforts to meet the needs of its citizens. Philanthropy which takes the form of donations to the City should be encouraged. This is especially true now when the City is under severe financial constraints.

The Board also observed in that opinion, however, that the City's receipt of contributions is not free from ethical problems.

Community boards are unique among City agencies. Their memberships consist of individuals who are residents or individual representatives from organizations and businesses which are located within the particular districts which the community boards

COIB Advisory Opinion No. 95-27  
November 17, 1995  
Page 4

serve. That is, members of community boards frequently sit on such boards as a direct result of their private interests. When a public servant's public duties stem from his or her private interests, special care must be taken to avoid potential conflicts of interest.

Indeed, no community board member may vote on any matter which may result in a personal and direct economic gain to the member or any person with whom the member is associated. See Charter Section 2604(b)(1)(b).

It is, therefore, in light of the special nature of community boards, that the Board addresses herein each of the district manager's specific inquiries.

#### Grants From Private Foundations

In Advisory Opinion No. 92-21, the Board determined that City agencies may, under certain circumstances, solicit and accept gifts from private donors. These factors include, among other things, whether the potential donor has any matters or is likely to have any matters pending before the recipient City agency. The Board stated that, if so, City agencies should inform such potential donors in their solicitation that any gifts will not affect the



COIB Advisory Opinion No. 95-27  
November 17, 1995  
Page 5

decision-making process or serve as a quid pro quo in securing favorable determinations from these agencies.

Furthermore, with respect to community boards engaging in fundraising, the Board, in its Advisory Opinion No. 92-27, determined that a community board could solicit funds to hire a consultant to work on one of the community board's projects. Such solicitations could, however, only be made to individuals and organizations which did not have any matters pending before the community board, or which had no matters where the Community Board's involvement was imminent. This condition was deemed critical, in order to avoid the prospect of a contribution's being used as an inducement for, or as a form of pressure to secure, official action in favor of a donor.

In light of the opinions discussed above, it is thus the opinion of the Board that, with respect to the Community Board's solicitation and acceptance of grants and other donations from private foundations, such actions are consistent with Chapter 68, provided that the Community Board members and staff do not solicit contributions or otherwise accept donations of money or supplies from those foundations (or from firms, organizations or individual residents) which have

COIB Advisory Opinion No. 95-27  
November 17, 1995  
Page 6

matters pending before the Community Board, or which have matters where the Community Board's involvement is imminent. Also, all potential contributors must be informed that any donations would not affect the contributors' dealings with the Community Board or serve as a quid pro quo in securing favorable treatment from the Community Board, in the event the contributors have matters before the Community Board in the future. See Advisory Opinion No. 92-21.

Contributions of Money and Supplies from Community Board Members, Other Individuals and Community-Based Organizations

For the reasons stated above, the Community Board may also accept contributions of money and supplies from Community Board members, other individuals and community-based organizations, provided that anyone acting on behalf of the Community Board acts in accordance with the conditions discussed in this opinion.

These conditions apply not only to community-based organizations and individuals, but also to members of the Community Board who personally have matters pending before the Community Board or who have

COIB Advisory Opinion No. 95-27  
November 17, 1995  
Page 7

interests in firms which have matters pending before the Community Board.<sup>1</sup> As noted above, community board members may have such interests, but may not vote on any matter which may result in a personal and direct economic gain. See Charter Section 2604(b)(1)(b). By the same token, community board members may not take any action -- which includes contributing to their community boards at a time when they have matters pending before the boards or when they expect to have matters before their boards -- which could cause the appearance that the community board members were using their positions as public servants to obtain any financial gains or other private or personal advantages, direct or indirect, for the community board members or any persons or firms associated with them. See Charter Section 2604(b)(3).

Thus, it is the opinion of the Board that the Community Board may accept contributions of money and supplies from Community Board members who personally have no matters pending before the Community Board or

---

<sup>1</sup> "Interest" means an ownership interest in a firm or a position with a firm. See Charter Section 2601(12).

COIB Advisory Opinion No. 95-27  
November 17, 1995  
Page 8

matters where the Community Board's involvement is imminent, from Community Board members whose firms have no such matters, and from other community-based organizations and individuals, provided that the conditions discussed in this opinion are observed and that no potential contributor is caused to make a contribution by the expectation of favorable treatment in return for his or her contribution, which could cause the appearance of a conflict of interest.

Fundraising Activities by Community Board Members and Staff on behalf of the Community Board

The Board has addressed fundraising activities by public servants in several of its advisory opinions, most notably in Advisory Opinion Nos. 91-10 and 93-15, which offered guidance to various City officials and employees as to how to conduct themselves while engaging in fundraising activities on behalf of not-for-profit organizations.

In fundraising situations, the Board has advised City officials and employees that their solicitations should be free of any implication that the officials and employees would obtain any direct or indirect

COIB Advisory Opinion No. 95-27  
November 17, 1995  
Page 9

personal benefit and should not otherwise create a perception that their City offices are being misused as "a lure or pressure." See Advisory Opinion No. 91-10. See also Charter Section 2604(b)(2), which provides that no public servant shall have any financial or other private interest, direct or indirect, which is in conflict with the proper discharge of his or her official duties.

In Advisory Opinion No. 93-15, the Board stated that the principal concern in fundraising situations "is whether or not a public servant's actions would create an appearance that he or she is using the power of public office to pressure others into contributing, taking official action on the basis of whether or not a contribution has been made, or allowing contributors to have access to City government in a manner not enjoyed by the general public."

For the reasons stated in this section and elsewhere in this opinion, it is the Board's opinion that members and staff of the Community Board may, consistent with Chapter 68, engage in fundraising on behalf of the Community Board, provided that they do not target individuals, firms or other organizations

COIB Advisory Opinion No. 95-27  
November 17, 1995  
Page 10

which have matters pending before the Community Board or which have matters where the Community Board's involvement is imminent, or which are otherwise likely to perceive a fundraising appeal as a promise of special treatment in return for a contribution.

The fundraising at issue in this opinion differs from the kind of fundraising discussed in Advisory Opinion Nos. 91-10 and 93-15 because the fundraising activities here are being conducted on behalf of the Community Board rather than a non-City entity. Since the fundraising activities here are in furtherance of the Community Board's and the City's interests, this work is consistent with the Community Board members' and staff's official duties. Thus, board members and staff may perform this work on City time, and they may use City equipment and resources to perform this work.<sup>2</sup>

#### Conclusion

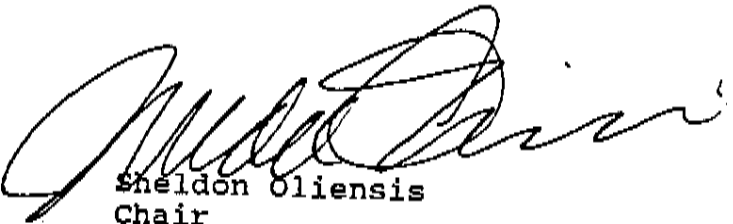
It is the Board's opinion, for the reasons discussed above, that members and staff of the

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<sup>2</sup> If the board members and staff were engaged in fundraising activities on behalf of non-City entities, they would be required to perform this work only at times when they were not required to perform services for the City, and they would be prohibited from using City equipment and other City resources. See Charter Sections 2604(b)(2) and (3), respectively.

COIB Advisory Opinion No. 95-27  
November 17, 1995  
Page 11

Community Board may solicit and accept contributions of money or supplies, hold fundraising events, or make contributions themselves, in order to generally support the Community Board's programs and initiatives, provided that they do not solicit or accept contributions from individuals, businesses or organizations which have matters pending before the Community Board, or which have matters where the Community Board's involvement is imminent. In addition, all potential contributors should be informed that contributions will not affect any possible future dealings with the Community Board or serve as a quid pro quo in securing favorable treatment from the Community Board.



Sheldon Oliensis  
Chair

Jane W. Parver

Benito Romano

Shirley Adelson Siegel

Dated: November 17, 1995

95-73.ao

City of New York



## COMMUNITY BOARD NO. 9

Queens Borough Hall  
120-55 Queens Boulevard, Room 310-A  
New Gardens, NY 11424

(718) 286-2686  
Fax (718) 286-2685  
Meeting Hotline (718) 286-2689

---

Ivan Markovitch, Chairperson \* Mary Ann Carey, District Manager \* Helen Marshall, Borough President

---

June 11, 2004

Mr. Greg Brooks  
Office of the Comptroller  
Executive Offices  
1 Centre Street  
New York, NY 10007-2341

Dear Mr. Brooks:

The following is the response to the two minor issues of noncompliance with the Audit conducted in April 2004:

1. Four items were not listed on our inventory list. They are:  
1 Dell Monitor- serial # MX0627IR- tag #0014  
1 View Sonic Monitor- serial #218012505056- tag#0001  
1 Gateway Monitor- serial # 0023778721- tag# 0006  
1 Gateway Monitor- serial # 0023778722- tag # 0004  
These four items have been added to our inventory list
2. One Employee had six instances of undocumented sick leave use within a six month period.  
All employees have been advised of DCAS Leave regulations (Sec.3.2)

If there are any questions please contact me at the above telephone number.

Sincerely,

Mary Ann Carey  
District Manager





ELIZABETH BRATON  
Chairperson

COMMUNITY BOARD 10

CITY OF NEW YORK ♦ BOROUGH OF QUEENS  
115-01 LEFFERTS BOULEVARD  
SOUTH OZONE PARK, N.Y. 11420  
TEL: (718) 843-4488  
FAX: (718) 738-1184  
E-MAIL: cb10qns@nyc.ny.gov



KARYN PETERSEN  
District Manager

May 27, 2004

Mr. Greg Brooks  
Deputy Comptroller  
Policy, Audits, Accountancy & Contracts  
NYC Office of the Comptroller  
One Centre Street – 5<sup>th</sup> Floor  
New York, New York 10007-2341

Dear Deputy Comptroller Brooks:

In response to the findings of the Audit Report on the Financial and Operating Practices of the Community Boards, we at Community Board 10 have labeled the five inventory items that were without identification tags and we are now in compliance.

Very truly yours,

Karyn Petersen  
District Manager

KP/pat

cc: Lawrence Welgrin, Audit Manager ✓  
Christine Ward-McKee, Fiscal Officer



## Community Board No. 11

46-21 Little Neck Parkway, Little Neck, New York 11362

(718) 225-1054  
FAX (718) 225-4514  
E-Mail: [cb11q@nyc.rr.com](mailto:cb11q@nyc.rr.com)

Jerry Iannece  
Chairman

Anne Marie Boranian  
District Manager

Helen Marshall, President  
Borough of Queens

Karen Koslowitz, Dep. Borough President  
and Director of Community Boards

May 11, 2004

Mr. Greg Brooks  
NYC Office of the Comptroller  
1 Centre Street  
New York, NY 10007-2341

RE: FY2003 Audit Report

Dear Mr. Brooks:

We are writing in response to the preliminary draft report of the FY2003 Audit on the Financial and Operating Practices of the 14 Queens Community Boards.

Page nine of the above-mentioned preliminary draft report, Table III, Summary of Inventory Control Weaknesses, states that Queens Community Board 11 was found to have one inventory item without an identification tag and one inventory item not recorded on the inventory list.

Please be advised that we have added the unlisted item to our inventory list and we have also labeled the item that did not have an identification tag. We trust the actions we have taken satisfy your recommendations to correct inventory weaknesses.

Thank you.

Very truly yours,

  
Anne Marie Boranian  
District Manager

jb

cc: Hon. Helen Marshall, Queens Borough President  
Mr. Jerry Iannece, Chair, CB#11Q  
Ms. Carol Ricci, Agency Chief Contracting Officer, QPBO  
Ms. Vaughn Sciortino, Timekeeping, QPBO  
Suzanne Marchetti, QBPO Management & Budget  
Christine Ward-McKee, QBPO Fiscal Officer



# Community Board 12

## The City of New York

### Borough of Queens

90-28 161st Street  
Jamaica, New York 11432-6187

ADDENDUM I  
Page 27 of 28

Helen Marshall  
BOROUGH PRESIDENT

Karen Koslowitz  
DEPUTY BOROUGH PRESIDENT  
COMMUNITY BOARDS QUEENS

(718) 658-3308  
Fax: (718) 739-6997

Gloria R. Black, Ph.D  
CHAIRPERSON

Yvonne Reddick  
DISTRICT MANAGER

June 9, 2004

Mr. Greg Brooks  
The City of New York, Office of Comptroller  
Executive Officer  
1 Centre Street  
New York, NY 10007-2341

Dear Mr. Brooks:

Please be advised that I have reviewed the draft report: Audit Report on Financial and Operating Practices 2003 and find no contraindications to your assessment.

In addition, the recommendations that (1) complete and accurate inventory records be maintained for equipment and (2) affix items with identification tags are being processed for compliance.

Thank you for your service.

Yours truly,

Gloria R. Black, Ph.D.  
Chairperson  
Community Board 12, Q

cc: Helen Marshall, Queensborough President  
Yvonne Reddick, District Manager  
Carol Ricci, Agency Chief Contracting Offices  
Vaughn Sciortino, Timekeeping  
Suzanne Marchetti, BPO  
Randy Panetta, Management & Budget  
Christine Ward-McKee, Fiscal Officer



**COMMUNITY**  
**BOARD ♦ 14**

June 8, 2004

COMMUNITY BOARD 14  
City of New York  
Borough of Queens

DOLORES ORR  
Chairperson

JONATHAN L. GASKA  
District Manager

William C. Thompson Jr.  
Comptroller  
1 Centre Street Rm. 722  
New York, NY 10007

RE: Audit Report FP04-075A

Dear Comptroller Thompson Jr.:

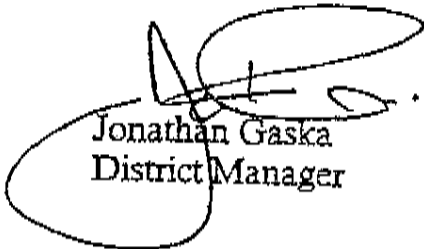
In response to the Audit Report FP04-075A Queens Community Board#14.

We have read the audit and agree with the findings regarding our board. We have purchased a stamp that reads "Void after 90 days."

If you would like to discuss this matter further please contact me.

Sincerely,

JG/cn

  
Jonathan Gaska  
District Manager

Cc: Hon. Helen Marshall  
Ms. Christine Ward-McKee, Fiscal Officer



1931 Mon Avenue  
Far Rockaway, NY 11691  
Tel. (718) 471-7300  
Fax (718) 868-2657

HELEN M. MARSHALL  
PRESIDENT



CITY OF NEW YORK  
OFFICE OF THE  
PRESIDENT OF THE BOROUGH OF QUEENS  
120-55 QUEENS BOULEVARD  
KEW GARDENS, NEW YORK 11424-1015

(718) 286-3000  
TDD (718) 286-2656  
FAX (718) 286-2876

Mr. Greg Brooks  
Deputy Comptroller  
City of New York  
Municipal Building, 5<sup>th</sup> Floor  
New York, New York 10007

Dear Mr. Brooks:

This letter is in response to the Preliminary Draft Audit Report on the Financial and Operating Practices of the 14 Queens Community Boards dated April 28, 2004. Your staff, representatives from each of the 14 Community Boards and representatives from our office met on May 13, 2004. At that time, the issues contained in the report were discussed. Subsequently, this response has been prepared as the official response.

Firstly, we would like to note the time the audit took to be completed. Completion of the audit appeared to take an unusually long time. It began with an entrance conference in July, 2003, which is more than six months from the date the preliminary draft was completed. In the middle of the audit, the scope was broadened and we feel an explanation for this should be included. Now we will respond to the findings point by point:

*Timekeeping Weakness*

Board 1 – one employee with six instances of undocumented sick-leave use within a six month period.

Board 5 – two employees, one with seven and one with eight instances of undocumented sick-leave use within a six-month period.

Board 9 – one employee with six instances of undocumented sick-leave use within a six-month period.

The Community Board offices are very small. There are no more than an average of five employees in any of the offices. Accordingly, each of the offices tend to have a somewhat informal relationship between the Chair, District Manager and employees. Employees that are absent with undocumented sick-leave have verbal conversations with the District Manager or Chair if abuse is suspected. There has never been a reason for these small offices to use the formal Personnel Procedure. However, the Borough President's Timekeeping and Personnel Offices will work with the Boards to implement a more formal procedure.

*Employee Paid in Excess of Salary Range*

Board 6 – Assistant District Manager exceeds the pay rate for title by \$3,286.

Effective December 16, 2003 this employee's title was changed from Assistant District Manager to Community Coordinator. The employee's salary is now within the range for the title.

On several occasions the Executive Board was made aware of the fact that the employee was being paid over the maximum for the title. However, the District Manager had to wait for an official Executive Board meeting and vote on changing the employee's title before any change could be effectuated.

*Purchasing Weakness*

Board 14 – imprest fund checks not stamped "void after 90 days."

Board 14 has purchased a stamp and stamped all imprest fund checks "void after 90 days." In addition, new checks have been ordered with "void after 90 days" Imprinted on checks.

*Inventory Control Weakness*

Boards 1, 2, 6, 7, 9, 10, and 12 – did not maintain complete and accurate inventory records for equipment. All items are not affixed with tags.

All Boards have reviewed their inventory. Boards have tagged any items that were not tagged. Boards have ensured all items are included on the inventory list and all equipment is properly tagged for identification.

Some of the Boards chose to respond individually. Following is each of their responses:

- Board 2  
All inventory records have been updated.  
In addition, the 108<sup>th</sup> Precinct etched all equipment with the identification number 108 03 059.
- Board 7  
  
Every item noted was checked and re-checked by the Chairperson and the District Manager. All items were properly marked as property of the Community Board.
- Board 10  
  
Board has labeled the five inventory items with identification tags.

Board had added the one unlisted item to their inventory list. They have also labeled the item that did not have an identification tag.

*Fiduciary Account Should Be Closed*

Board 8 – maintained a fiduciary account where contributions from an open-house event and fees charged for use of the Board's copy machine were deposited. The Board accurately recorded revenues and expenses from this account and performed the appropriate reconciliation. However, fees for use of City property should be deposited directly into the City's General Fund. Fiduciary account should be closed and balance transferred to City's General Fund. Finance should deposit any donations and fees from the Board directly into the General Fund.

This account was set-up by the Comptroller's office prior to Directive 27 being issued. The Boards do not receive copies of Directives from the Comptroller's Office. The Board should not be held accountable for a Directive never issued to them. Since the date of the preliminary draft of the audit, Board 8 has contacted the Comptroller's Office and the account is being closed.

On May 27 Christine Ward, Fiscal Officer, Queens Borough President Office, contacted Mike Spitzer and Eileen Moran regarding the closing of the Fiduciary account which Board 8 had for several years. Eileen Moran returned the call and indicated she has been in touch with Diane Cohen, District Manager, Lawrence Welgrin, Audit Manager and Randy Panetta, OMB. They have all agreed that the Trust & Agency Account would be closed and the balance in the account would be set up as a Revenue Grant in Fiscal Year 2005.

*Issues Related to a Street Fair Sponsored by Board 1*

Board 1 – the Chair prepared an application for a permit to hold a street fair. On the same day the application was approved by the Community Coordinator of Board 1. The Board received 50 percent of the net proceeds of the event. To avoid any appearance of impropriety, Board 1 should seek in writing an opinion from the Conflicts of Interest board as to whether (a) Board 1 may apply for and approve on its behalf a permit for a street fair; and (b) Board 1 should disclose at the time it makes application that fundraising for Board 1 will be conducted during the fair. Department of Finance should be instructed to record sponsorship fee payments as revenue in the General fund. A cash receipts journal should be maintained listing all sponsor fees received including organization's name, amount, date received and date deposited.

Henceforth, cash receipts journal will be maintained listing all sponsor fees received including organization's name, amount, date received and date deposited.

On May 17, 2004 a letter was written and sent to the Conflicts and Interest Board concerning this issue requesting an opinion. Board 1 awaits reply.

The Boards have responded to all of the issues raised in the Audit. Hopefully, these items will be removed from the final audit assuming they have resolved the issue. If you have any questions or need additional information, please do not hesitate to call Carol Ricci, ACCO at 718 286 2660.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Alexandra Rosa".

Alexandra Rosa  
Chief of Staff  
President, Borough of Queens