



Commonwealth of Massachusetts
Office of the State Auditor
Suzanne M. Bump

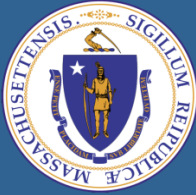
Making government work better

Official Audit Report – Issued June 1, 2021

Brockton Area Multi-Services, Inc.

For the period July 1, 2017 through June 30, 2019





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Office of the State Auditor
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Making government work better

June 1, 2021

Mr. Peter Evers, President and Chief Executive Officer
Brockton Area Multi-Services, Inc.
10 Christy's Drive
Brockton, MA 02301

Dear Mr. Evers:

I am pleased to provide this performance audit of Brockton Area Multi-Services, Inc. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, July 1, 2017 through June 30, 2019. My audit staff discussed the contents of this report with management of the agency, whose comments are reflected in this report.

I would also like to express my appreciation to Brockton Area Multi-Services, Inc. for the cooperation and assistance provided to my staff during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "SMB", written over a light blue circular background.

Suzanne M. Bump
Auditor of the Commonwealth

cc: Mr. David Offutt, Chair of the Board of Directors, Brockton Area Multi-Services, Inc.
Mr. Gary Lambert, Assistant Secretary for Operational Services, Operational Services Division

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LIST OF ABBREVIATIONS

BAMSI	Brockton Area Multi-Services, Inc.
CEO	chief executive officer
CFR	Code of Federal Regulations
CMR	Code of Massachusetts Regulations
COO	chief operations officer
CORI	Criminal Offender Record Information
HR	human resources
ID	identification number
IRS	Internal Revenue Service
MIP	Micro Information Products, Inc.
OSD	Operational Services Division
SOC	Service Organization Control
UFR	Uniform Financial Statement and Independent Auditor's Report

EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of Brockton Area Multi-Services, Inc. (BAMSI) for the period July 1, 2017 through June 30, 2019. In this audit, we determined whether (1) BAMSI's non-payroll expenses were allowable and in accordance with state regulations, (2) the level of compensation provided to BAMSI's executive staff was in accordance with state regulations, (3) BAMSI appointed its board members in accordance with its bylaws, (4) BAMSI followed its procedures when hiring its new president and chief executive officer (CEO), and (5) BAMSI spent its received donations in accordance with any applicable donor restrictions. In addition, for the hiring of the president and CEO, we extended the audit period through October 31, 2019.

Below is a summary of our findings and recommendations, with links to each page listed.

Finding 1 Page 15	BAMSI charged \$11,311 in nonreimbursable expenses to its state contracts.
Recommendations Page 18	<ol style="list-style-type: none">1. BAMSI should cooperate with the state Operational Services Division (OSD) to resolve the identified issues regarding \$11,311 of nonreimbursable costs and should reimburse the Commonwealth for any such costs that OSD determines must be repaid.2. BAMSI should implement internal controls to ensure that its staff reviews all of the president and CEO's expenses for reasonableness and allowability before they are paid.
Finding 2 Page 18	BAMSI did not properly administer its inventory of fixed assets.
Recommendations Page 19	<ol style="list-style-type: none">1. BAMSI should establish policies and procedures to accurately record purchases, maintain inventory, and record disposals of non-capital fixed assets that have been charged to state programs.2. BAMSI should perform an annual physical inventory of these assets to reconcile assets on hand to what is recorded in the inventory.

Finding 3 Page <u>20</u>	BAMSI did not ensure that its board member application process was followed.
Recommendations Page <u>21</u>	<ol style="list-style-type: none">1. BAMSI should develop and implement a procedure to ensure that all applicants complete applications, should document the notification of rejections sent to rejected applicants, and should perform Criminal Offender Record Information reviews before newly appointed board members attend meetings.2. BAMSI should update its board application website software to ensure that the software notifies the chairperson of the board affairs committee when an application is received.3. BAMSI should maintain a log of applicants to ensure that the committee has received all applications.
Finding 4 Page <u>22</u>	BAMSI could not provide acknowledgment letters for all cash donations and misclassified some donations as not having any restrictions.
Recommendation Page <u>23</u>	BAMSI should establish monitoring controls to ensure that it sends donor acknowledgment letters for all donations received and properly records donations with restrictions.

OVERVIEW OF AUDITED ENTITY

Brockton Area Multi-Services, Inc. (BAMSI) was incorporated on March 21, 1975 as South Shore Multi-Services Inc., under Chapter 180 of the Massachusetts General Laws, as a not-for-profit human service organization. On July 9, 1975, it changed its name to Brockton Area Multi-Services, Inc. It was formed for the development, coordination, and delivery of integrated human service programs, and according to its website, its mission is “to empower people and enrich their lives, through compassionate support and diverse services, one individual, one family a time.” During our audit period, BAMSI employed approximately 2,000 people. It operates adult, child, and family services (see [Appendix A](#) and [Appendix B](#)), assisting approximately 30,000 individuals each year in Worcester, Middlesex, Norfolk, Bristol, and Plymouth Counties.

According to its Uniform Financial Statements and Independent Auditor’s Reports (UFRs),¹ during fiscal years 2018 and 2019, BAMSI received \$90,964,769 and \$95,067,197, respectively, in revenue (see [Appendix C](#) for revenue sources).

BAMSI Board of Directors

BAMSI is governed by a board of directors. At the beginning of our audit period, BAMSI’s bylaws required 11 to 15 board members; effective February 21, 2019, they required 6 to 15. During the audit period, the board had 11 to 14 members. The bylaws also require the board to meet monthly, except in July and August, to discuss BAMSI’s mission, strategy, goals, and activities.

BAMSI’s “Selection of New Board Members” policy states,

As Board seats become vacant, new members shall be recruited by networking within the communities that the agency serves or through advertisements as needed.

Potential board members are required to complete an online application via BAMSI’s website and attach a resume.

1. Under the state Operational Services Division’s regulations (Section 1 of Title 808 of the Code of Massachusetts Regulations), any contractor or subcontractor that has been awarded a contract in excess of \$100,000 to provide human and/or social services from a Commonwealth agency is required to file a properly completed UFR annually. These reports contain contractual and financial information prescribed by the Operational Services Division, including audited basic financial statements.

Before July 2018, BAMSI's online board member application system generated emails to both BAMSI's executive assistant and the chairperson of its board of directors' board affairs committee to notify them when someone had applied. An upgrade in July 2018 caused them both to stop receiving notifications. Since July 2018, BAMSI's digital communications manager has periodically checked the website for new applications and forwarded them, with attached resumes, to BAMSI's executive assistant. The assistant forwards qualified applications and resumes to the chairperson of the board affairs committee. After review, the chairperson contacts each applicant for a brief phone interview. During the interview, the chairperson and applicant discuss the BAMSI bylaws' requirements and the reason for the applicant's interest in board membership. If the chairperson chooses to advance the application, s/he returns the application and resume to BAMSI's executive assistant to arrange an in-person interview with the board affairs committee. After the interview, the committee decides whether to recommend a board vote. If it does, it recommends the applicant for approval at the next board meeting. The full board then votes to approve or reject the new board membership. If approved, the applicant is invited to join the board of directors, pending background check results.

Programs

BAMSI operates more than 39 programs for adults, children, and families to support and improve the quality of life for its clients. These programs are classified under Behavioral Health, Developmental/Intellectual Disabilities and Autism Services, Medical/Physical and Brain Injury Services, Public Health and Community Resources, Educational Support and Services, and Family Support Services.

Non-payroll Expenses

Expenses that can be charged to state contracts and reported on UFRs are described in Sections 1.04 and 1.05 of Title 808 of the Code of Massachusetts Regulations (CMR), which explain recordkeeping and reporting requirements as well as which expenses are unallowable. Section 1.04 requires vendors that contract with the state to maintain all records related to transactions. These records must be reported annually on the UFR. Section 1.05 lists 28 categories of unallowable expenses, which include items such as undocumented expenses, bad debt, taxes, non-program expenses, research, lobbying costs, luxury items, and fundraising expenses.

Executive Management Payroll

Each fiscal year, the state Operational Services Division issues regulatory interpretation of 808 CMR 1.05(24) in a memo titled "Policy Guidance / Regulatory Interpretation of 808 CMR 1.05(24) Salaries of Officers and Managers." The memo outlines annual salaries that can be charged to state contracts for officers and managers who devote all their time to state programs. For fiscal years 2018 and 2019, the annual salary rates charged to state contracts were not to exceed \$178,036.35 and \$183,448.93, respectively. The memo for each year of the audit period stated,

Where officers and managers devote less than full time to state programs, the level of reimbursement should be prorated accordingly.

Officers and Managers are defined as: Persons who are responsible for achieving the objectives of the enterprise and who have the authority to establish policies and make decisions by which those objectives are to be pursued. Officers and Managers normally includes members of the board of directors, the chief executive officer [CEO], chief [operations] officer [COO], vice presidents in charge of principal business functions (such as sales, administration, or finance), and other persons who perform similar policymaking functions. Persons without formal titles also may be members of management. In most instances, management of a social service program will include program directors and program managers.

BAMSI is not required to offer severance pay to terminated employees; however, it has an informal severance and separation agreement policy for all levels of employment. The vice president of the Human Resources Department told us that the severance and separation agreement existed as a best practice to avoid future litigation and possible future legal costs. The president and CEO, and/or the COO, determines whether to offer such an agreement.

Hiring of the President and CEO

BAMSI has an executive management succession plan that details actions BAMSI will take to replace its president and CEO if there is an unplanned absence. The plan also states,

*The **Board of Directors** will establish a Search Committee who will make recommendations to the full Board for hiring the final **Chief Executive Officer** candidate.*

In September 2017, the president and CEO announced his retirement as of December 2019. On March 27, 2018, the board hired an outside consulting firm to help search for a new president and CEO. However, on February 25, 2019, the board terminated the consulting contract and created a new search committee of five board members. The board hired a second consulting firm June 14, 2019 to work with

the search committee and advise the board during the process. The search committee narrowed the pool of 31 candidates to 5 by matching resumes to required qualifications and conducting phone interviews. It then conducted formal interviews with these 5 candidates and narrowed its list to 3. The then-current president and CEO created a CEO roundtable group, consisting of the chief information officer, chief financial officer, COO, executive vice president of operations, and executive vice president. The group and the consulting firm separately interviewed the top three candidates; then the firm made recommendations to the group, and the group made recommendations to BAMSI's board of directors. BAMSI's board held a formal vote on September 19, 2019 to approve the new president and CEO and completed an offer letter on October 29, 2019.

Donations

BAMSI has a Philanthropy and Marketing Department that solicits and accepts donations for BAMSI. BAMSI receives donations electronically through its donor management software, NeonCRM; via mail; in person; and at fundraising events. The Finance Department deposits all donations and records them in BAMSI's general ledger. Donations received are categorized as restricted or unrestricted. Restricted donations can only be spent on programs or items in accordance with the donors' instructions; unrestricted donations have no stipulations from donors about how they can be spent. The Philanthropy and Marketing Department's policy is to send acknowledgment letters to all donors.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of certain activities of Brockton Area Multi-Services, Inc. (BAMSI) for the period July 1, 2017 through June 30, 2019. For the hiring of the president and chief executive officer (CEO), we extended the audit period through October 31, 2019.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer; the conclusion we reached regarding each objective; and, if applicable, where each objective is discussed in the audit findings.

Objective	Conclusion
1. Are BAMSI's non-payroll contract expenses compliant with Sections 1.04 and 1.05 of Title 808 of the Code of Massachusetts Regulations (CMR) as well as the terms and conditions of its state contracts?	No; see Findings <u>1</u> and <u>2</u>
2. Is the compensation (including salaries and fringe benefits) that is provided to BAMSI's executive management team compliant with 808 CMR 1.05(5), 808 CMR 1.05(9), and 808 CMR 1.05(24), as well as established agency policies and procedures?	Partially; see Finding <u>1</u>
3. Does BAMSI follow its bylaws and policies for board appointments?	No, see Finding <u>3</u>
4. Did BAMSI follow its procedure for hiring the new president and CEO?	Yes
5. Are restricted cash donations expended in accordance with donors' restrictions?	No, see Finding <u>4</u>

To achieve our audit objectives, we gained an understanding of BAMSI's internal control environment related to the objectives by reviewing applicable laws, regulations, and agency policies and procedures, as well as conducting inquiries with BAMSI's staff and management. We evaluated the design of controls over non-payroll expenses, executive management compensation, board member appointments, the hiring process for the president and CEO, and donations. We tested the effectiveness of controls over non-payroll expenses, executive management compensation, board appointments, and the hiring

process for the president and CEO to determine whether the controls operated as intended during the audit period. For donations, a control was first implemented in fiscal year 2019; we tested the effectiveness of the control to determine whether it operated as intended during that fiscal year.

We performed the following procedures to obtain sufficient, appropriate audit evidence to address the audit objectives.

Non-payroll Expenses

To determine whether the 249,353 non-payroll expense transactions charged to contracts between BAMSI and state agencies² during the audit period complied with 808 CMR 1.05(5), 808 CMR 1.05(9), and 808 CMR 1.05(24), as well as established agency policies and procedures, we examined the supporting original documentation (e.g., receipts, invoices, packing slips, cost allocation plan,³ and depreciation schedules⁴) on file and performed the following procedures:

- We selected a random statistical sample, using a 95% confidence level, a 50% tolerable error rate, and a 20% expected error rate, of non-payroll expense transactions from BAMSI's general ledger. We selected 103 of 249,353 transactions and examined supporting documentation (invoices, cost allocation plan, depreciation schedules, and packing slips) to determine whether allowable non-payroll expenses were charged to state contracts in compliance with 808 CMR 1.04 and 1.05.
- We selected a random nonstatistical sample of 10 (totaling \$34,582, or 64%) of 25 (totaling \$54,430) credit card statements for the president and CEO's expenses from our audit period. We confirmed that the reimbursable charges had supporting documentation (e.g., receipts, invoices, packing slips) and that BAMSI refrained from charging nonreimbursable items (e.g., interest, travel, lobbying costs, sales tax, and alcohol and/or tobacco) to state contracts in compliance with 808 CMR 1.05.
- We extracted from the general ledger all transactions charged to rent and capital lease interest accounts during the audit period to compile a list of BAMSI's leased properties. We selected a judgmental, nonstatistical sample of 20 of 58 owners of BAMSI's leased properties from the list of such owners during the audit period to determine whether BAMSI had leased from any related parties. To obtain the sample, we selected the top 3 owners, who owned the largest number of properties (37, or 36%, of the 104 leased properties), and randomly selected an

2. The agencies were the Department of Public Health, Department of Developmental Services, Department of Mental Health, and Massachusetts Rehabilitation Commission.

3. A cost allocation plan, according to the state Operational Services Division's *UFR Audit & Preparation Manual*, is used when expenses are related to "more than one program or supporting activity, or to a combination of programs and supporting services. These expenses should be allocated among the appropriate functions." For instance, the cost of office rental may be allocated to programs and services based on the total square footage used by each.

4. According to the *UFR Audit & Preparation Manual*, "depreciation [is] a 'systematic and rational' process for allocating the cost of using up assets' service potential or economic benefit over assets' useful economic lives." A depreciation schedule outlines these costs over assets' lives.

additional 17 owners. We searched the county registries of deeds for the counties where the properties were located, and the town assessors' databases for the owners of record, to confirm ownership of all 56 properties that BAMSI leased from the 20 selected owners. For our sample of 20, we determined whether each property owner was a corporation by searching the Secretary of the Commonwealth's corporate business entity database to determine owners' or corporate board members' names. We compared the names of either the corporate board member/s or the owner/s to the list of members of BAMSI's board or executive management team to confirm that no leased property owner's name matched that of any member.

- We compared the names of all 18 board members who were active during our audit period to the general ledger and to federal Internal Revenue Service (IRS) 1099-MISC forms⁵ issued to contractors by BAMSI during the audit period to determine whether compensation received by board members complied with BAMSI's policies.
- We extracted from the general ledger all 4,073 purchases that cost more than \$5,000 and filtered expense transactions for the following general ledger expense accounts: equipment, capital budget buildings and betterments,⁶ and facility operation. We determined which items were depreciable capital assets.⁷ We compared all 25 such assets that were purchased during the audit period to determine whether they appeared on BAMSI's depreciation schedule for assets that cost more than \$5,000.
- We extracted from the general ledger all purchases of less than \$5,000 from three businesses (Jordan's Furniture, George Washington Toma TV and Appliance, and Bob's Discount Furniture) that were made for residential homes⁸ and day habilitation⁹ services and expensed to state contracts during our audit period. We traced all 1,154 transactions, totaling \$526,326, to the general ledger and determined whether the items purchased were expensed to any of BAMSI's state contracts. We examined the invoices to determine the delivery addresses. We performed Internet searches of all the delivery addresses to determine whether the addresses were owned or leased by BAMSI. We researched BAMSI-owned property by using Google Maps and tax assessor records to document types of location (single-family home, apartment, and warehouse). We used Excel to sort items by delivery address and analyzed the quantities purchased for each address. We determined the ages of inventory items and compared them to the useful service lives listed for similar assets in the state Operational Services Division's (OSD's) *UFR Audit & Preparation Manual*. We compared the useful life of each item to the date a replacement item was purchased to determine whether BAMSI purchased new items to replace ones that had not reached the end of their useful lives.
- We compared the address where each item was placed in service to the last BAMSI inventory on record (February 2017) to determine whether each one was purchased before an equivalent item at the same address had reached the end of its useful life.

5. Entities use this form to report non-employees' income.

6. Betterments are improvements to property that enhance its value.

7. A depreciable capital asset is a fixed asset the cost of which is expensed throughout its estimated useful life.

8. BAMSI operates residential homes that provide 24-hour-a-day care for some clients with developmental disabilities.

9. Day habilitation services include medical support, physical and occupational therapy, and behavioral management for individuals with developmental and intellectual disabilities.

Compensation

BAMSI uses cloud-based software, Ultipro, to process payroll, time and attendance, direct deposit, and payroll reports. To determine whether severance paid during the audit period was provided to employees who were not part of the executive management team, we inspected the Ultipro payroll reports for all employees for fiscal years 2018 and 2019. For the two employees who received severance pay during the audit period, we compared the unique employee identification numbers (IDs) to those of executive management team members to determine whether severance was paid to the executive management team only. We compared the severance payments made during the audit period to the severance agreements, recalculated the amounts of severance payments, and verified that the agreements were signed by either the president and CEO or the chief operations officer (COO).

We selected a nonstatistical sample of six employees to determine whether any executive management team compensation that exceeded the limits imposed on the salaries of officers and managers by OSD was properly reported in BAMSI's Uniform Financial Statements and Independent Auditor's Reports (UFRs) as nonreimbursable. To select this sample of six employees, we judgmentally selected the top 3 executive management team members in the organization hierarchy and randomly selected 3 of the other 16 executive management team members from our audit period. We compared Ultipro's gross wages report for fiscal years 2018 and 2019 to each sampled employee's salary. We determined whether each salary exceeded OSD limits. When they did, we reconciled the excess amount of gross wages paid to the reported nonreimbursable expenses in the fiscal year 2018 and 2019 UFRs BAMSI submitted to OSD. We determined that the state contract was not charged more than allowed.

We extracted from BAMSI's general ledger a total of 70 transactions, totaling \$244,574, for the audit period that were classified as life insurance, vehicle insurance, leased vehicles, severance pay, deferred compensation, or nonreimbursable account transactions. We compared all 70 transactions to amounts reported in the UFRs to determine whether they were correctly reported as nonreimbursable according to 808 CMR 1.05. We compared the original vehicle leases and life insurance policies to BAMSI's general ledger and to amounts reported in the UFRs to determine whether nonreimbursable expenses were accurately reported. In addition, we extracted from the general ledger 195 transactions from the audit period that were classified as gas and oil expenses and compared all 195 to the president and CEO's Citizens Bank credit card statements. Using the credit card totals for gasoline purchases and the president and CEO's mileage log, we recalculated the personal use and business use allocations charged.

We determined that no expenses that were incurred for personal use had been charged to state contracts.

We also compared the fiscal year 2019 total compensation of the three highest-ranking members of BAMSI's executive management team, or its "C-level officer" team—CEO, chief financial officer, and COO—to the total compensation of other nonprofit organizations' officers with the same titles for the same period. Through online searches, we identified six similar nonprofit human service providers with fiscal year 2018 revenue commensurate with BAMSI's. We compared BAMSI C-level officers' total compensation to that of officers with the same titles at the six selected organizations to determine whether BAMSI's compensation was comparable to that of similar organizations.

Board Appointments

We requested from BAMSI's Information Technology Department a list of all the online applicants whose applications and resumes had been forwarded to the chairperson of BAMSI's board affairs committee during the audit period, but the department could not retrieve a list of all online applicants from the system. We received 20 applications from BAMSI's community engagement manager. We requested email correspondence from the executive assistant to the board affairs committee chairperson. We compared all 20 applications to the board meeting minutes to determine whether the applications on hand had been acknowledged during the board meetings. In the emails, we found the names of 7 additional applicants who had not applied via the online portal; we compared them to the board meeting minutes to determine whether the applicants were acknowledged during the board meetings. We reviewed all 27 applicants' documentation to determine whether they had the application, resume, and (if applicable) rejection letter required by BAMSI's bylaws. In addition, for all 6 applicants who joined the board during the audit period, we inspected resumes, applications, and board meeting minutes to determine whether the board affairs committee interviewed them; whether the board voted on their appointment; and whether Criminal Offender Record Information reviews had been performed before their first board meetings. For the 21 applicants the board did not choose, we conducted inquiries with the community engagement manager and the board chairperson, and reviewed the board meeting minutes and email correspondence, to determine whether the committee had documented its reasons for not appointing them.

Procedure for Hiring of New President and CEO

We created a timeline—using internal and external emails from the vice president of the Human Resources (HR) Department, the outside consulting firm, and BAMSI’s board members; meeting minutes for the board of directors’ executive sessions; search committee meeting minutes; invoices regarding the outside consulting firm whereof the contract was terminated February 25, 2019; an interview schedule; the job posting for the president and CEO; the engagement letter from the second consulting firm to BAMSI; and the signed and dated offer letter to the candidate for the position of president and CEO—to determine whether BAMSI followed its succession plan to establish a search committee to recommend a candidate to the board. We also performed inquiries with board members and the consulting firm employees who participated in interviewing the candidates and advising the board. We confirmed that all candidates had been interviewed using the same questions on the interviewers’ questionnaire, recalculated the interview category ranking given by the search committee for the final five candidates’ interview questionnaires, and placed them in ranking order by scores to determine whether the final three candidates had the highest scores. We also reviewed original feedback from the CEO roundtable group and the consulting firm to determine the rankings of the final three candidates and whether the top candidate had been offered employment.

Restricted Donations

We extracted all 622 cash donation transactions from the general ledger and separated them into two strata: restricted and unrestricted donations. For the first stratum (restricted donations), we selected a nonstatistical random sample of 10 of 55 donations, and for the second stratum (unrestricted donations), we selected a nonstatistical random sample of 50 of 567 donations. For both strata, we traced general ledger line items to the supporting copies of donor checks, deposit registers, and a BAMSI donor report to determine whether each donation was classified in the general ledger in accordance with the donor’s request. In addition, we examined donation acknowledgment letters sent to donors and determined that they had been sent out in accordance with BAMSI’s policy.

When nonstatistical sampling methods were used, we could not project the results of our testing to the population.

Data Reliability

Ultipro

BAMSI uses Ultipro to process its payroll and payroll tax. We obtained Service Organization Controls (SOC) reports¹⁰ regarding Ultipro's information system general controls covering the audit period, as well as the peer review of the certified public accountant firm that prepared the reports. We verified that the SOC reports described testing of certain information system general controls (security management, access control, configuration management, segregation of duties, and contingency planning) and that they had been tested without exceptions. To determine completeness, we reconciled 2,948 unique employee IDs to Ultipro's payroll total earnings report to determine whether the IDs appeared on the payroll reports. For completeness and accuracy, we traced 20 randomly selected names from the Ultipro list of employees to the employee HR folders. We next traced 20 randomly selected HR folders to the Ultipro list of employees. In addition, we compared Ultipro's quarterly payroll earning reports to IRS 941 forms (Employer's Quarterly Federal Tax Returns) for the audit period.

Sage Micro Information Products, Inc. Nonprofit Accounting Software

BAMSI uses Sage's Micro Information Products, Inc. (MIP) Nonprofit Accounting Software to record its accounting transactions. We tested certain information system general controls (security management, access controls, configuration management, segregation of duties, and contingency planning) of the MIP database. In addition, we extracted from MIP the general ledger transactions for fiscal years 2018 and 2019 and verified that the transaction dates did not fall outside the audit period. We compared the general ledger expense totals for fiscal years 2018 and 2019 to BAMSI's expense totals from Schedule A¹¹ of the UFR to determine completeness. To determine completeness and accuracy, we took a random sample of 20 expenses from the general ledger and traced those to invoices, and we took a random sample of 20 invoices and traced them to the general ledger.

10. These reports are generated by external auditors using American Institute of Certified Public Accountants standards and provide assurance regarding information system and organizational controls.

11. Schedule A details a filer's revenue and expenses during a fiscal year. Expenditures are separated into three categories: organization, administration, and fundraising.

Citizens Bank CentreSuite Credit Card Management System

BAMSI uses Citizens Bank's CentreSuite credit card management system for its approximately 200 employee credit cards. This system allows employees to upload receipts to support their charges. We compared all 25 of the monthly Citizens Bank statements to the CentreSuite reports and to the general ledger for completeness. To assess the accuracy of CentreSuite, we randomly selected a sample of 20 transactions from the audit period and traced them to the general ledger. In addition, we selected 20 transactions from the general ledger and traced them to the CentreSuite report.

Conclusion

Based on the results of our data reliability assessments, we determined that the information obtained for our audit period was sufficiently reliable for the purpose of our audit objectives.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. Brockton Area Multi-Services, Inc. charged \$11,311 in nonreimbursable expenses to its state contracts.

During our audit period, Brockton Area Multi-Services, Inc. (BAMSI) charged \$11,311 in expenses to its state contracts that were nonreimbursable because they were undocumented, unallowable, or not related to BAMSI's social service program activities. BAMSI did not report these costs as nonreimbursable in the Uniform Financial Statements and Independent Auditor's Reports (UFRs) it filed with the state Operational Services Division (OSD); this indicates that state contract funds were used to pay for them. BAMSI could have used this \$11,311 to pay for reimbursable expenses to benefit the clients in its state-funded programs.

During our testing of nonreimbursable expenses, we determined that certain program expenses and expenses incurred by, or for the benefit of, the president and chief executive officer (CEO) were improperly charged as reimbursable to state contracts on the UFRs. Two of the 70 expenses we reviewed should have been charged as nonreimbursable. One was \$2,189 for vehicle insurance for the president and CEO's leased vehicle. The second was \$2,000, comprising three life insurance policies for the president and CEO. Because BAMSI only offers the president and CEO additional life insurance, and one policy lists BAMSI as the beneficiary, the insurance is not a reimbursable expense.

We also identified one expense (a \$488 restaurant expense) from our review of BAMSI's credit card charges that should have been reported as nonreimbursable because BAMSI could not provide supporting documentation for it. We identified a \$25 alcohol purchase that was also unallowable.

Two of the 103 non-payroll expenses we tested lacked supporting documentation (i.e., receipts). One charge was \$158 for staff travel and the other was \$15 for gasoline.

From our testing of purchases of assets that cost less than \$5,000 (referred to in this report as non-capital fixed assets), we identified one \$141 sales tax expense.

Finally, during our test of 195 vehicle-related expenses incurred by the president and CEO, including gasoline and oil, we recalculated the percent of the expenses that was for personal use and the percent that was for business use. We compared our percentages to the charges allocated to state contracts and

determined that vehicle gas purchases totaling \$6,295 that were charged to state contracts were for personal use and should not have been charged.

Below is a table summarizing nonreimbursable expenses charged to state contracts during the audit period.

Nonreimbursable Expenses Charged as Reimbursable

Fiscal Year	Type of Expense	Amount
2018	Life Insurance	\$ 2,000
2018	Sales Tax	141
2018 and 2019	Undocumented Restaurant Expenses, Travel, and Gas or Oil	661
2019	Vehicle Insurance	2,189
2019	Vehicle Fuel for Personal Use	6,295
2019	Alcohol	25
Total		<u>\$11,311</u>

Authoritative Guidance

In relation to the life insurance policy, Section 1.05(9)(a) of Title 808 of the Code of Massachusetts Regulations (CMR) states that “fringe benefits to the extent that they are not available to all employees under an established policy of the Contractor” are unallowable.

Also regarding life insurance, Para. (8)(g)(4) of Appendix B of Part 230 of Title 2 of the Code of Federal Regulations (CFR) states,

Costs of insurance on the lives of trustees, officers, or other employees holding positions of similar responsibility are allowable only to the extent that the insurance represents additional compensation. The costs of such insurance when the organization is named as beneficiary are unallowable.

In addition, 808 CMR 1.02 defines reimbursable operating costs as follows and provides additional cost standards regarding allowable costs:

Those costs reasonably incurred in providing the services described in the contract . . . with the exception of costs enumerated in 808 CMR 1.05 and costs excluded in the Authorized Price. Operating costs shall be considered "reasonably incurred" only if they are reasonable and allocable using the standards contained in Federal Office of Management and Budget Circular A-122.

Federal Office of Management and Budget Circular A-122 states that tax payments are a reasonable expense except "taxes from which exemptions are available." Section 6(e) of Chapter 64H of the Massachusetts General Laws provides a sales tax exemption to organizations like BAMSI that are exempt from taxation under Section 501(c)(3) of the federal Internal Revenue Code.

Further, 808 CMR 1.04(1) explains how to document expenses:

The Contractor . . . shall keep on file . . . supporting documents . . . which reflect . . . costs incurred in or allocated to any Program of services rendered under the Contract.

Additionally, 808 CMR 1.05(26) details specific costs that are nonreimbursable to contractors and cannot be charged to state contracts:

Undocumented Expenses. Costs which are not adequately documented in the light of the American Institute of Certified Public Accountants statements on auditing standards for evidential matters.

Section AU-C 500.05 of the American Institute of Certified Public Accountants' *Codification of Statements on Auditing Standards* defines audit evidence as follows:

Information used by the auditor in arriving at the conclusions on which the auditor's opinion is based [including] both information contained in the accounting records underlying the financial statements and other information.

The section also defines accounting records as including supporting records such as receipts.

Regarding vehicle insurance and vehicle fuel for personal use, Para. (8)(h)(4) of Appendix B of 2 CFR 230 states,

That portion of the cost of organization-furnished automobiles that relates to personal use by employees (including transportation to and from work) is unallowable as fringe benefit or indirect costs regardless of whether the cost is reported as taxable income to the employees.

Finally, 808 CMR 1.05(23) defines "all costs associated with luxury items including . . . alcoholic beverages" as nonreimbursable.

Reasons for Issues

BAMSI officials stated that the expenses were erroneously charged to state contracts because of staff turnover and that two missing receipts could not be produced because they had been misfiled. BAMSI

does not have internal controls in place to ensure that its staff reviews all the president and CEO's expenses for reasonableness and allowability before they are paid.

Recommendations

1. BAMSI should cooperate with OSD to resolve the identified issues regarding \$11,311 of nonreimbursable costs and should reimburse the Commonwealth for any such costs that OSD determines must be repaid.
2. BAMSI should implement internal controls to ensure that its staff reviews all the president and CEO's expenses for reasonableness and allowability before they are paid.

Auditee's Response

BAMSI agrees to cooperate with OSD to reimburse the Commonwealth for any costs that OSD determines must be repaid. BAMSI has instituted policies and procedures to review the CEO's expenses on a regular basis. This review is conducted both internally ([chief financial officer] or [vice president] of Finance) as well as externally (Board of Directors). BAMSI has also eliminated the use of a Company vehicle for the CEO as well as any life insurance policies that claimed the CEO as the beneficiary.

Auditor's Reply

Based on its response, BAMSI is taking measures to address our concerns in this area.

2. BAMSI did not properly administer its inventory of fixed assets.

During our audit period, BAMSI did not properly administer its inventory of furniture and equipment purchases of non-capital fixed assets for client use at residential homes, state day habilitation programs, and other programs. On February 6, 2017, BAMSI stopped maintaining its inventory of 1,154 non-capital fixed assets (the purchase prices of which totaled \$526,326) intended for client use at its residential homes, day habilitation programs, and other programs. BAMSI also did not conduct a periodic physical inventory of these fixed assets, and its inventory records lacked key information on each asset, including purchase amounts for 242 items, serial numbers for 401 items, purchase dates for 66 items, model numbers for 52 items, and information regarding any disposals that occurred. Because of inventory irregularities, we believe that some items with no recorded disposal dates had been disposed of. For example, based on its most recent inventory and its purchases during the audit period, BAMSI owns a five-bedroom house with four washing machines; another five-bedroom house with eight dishwashers, six washing machines, and five dryers; and a third five-bedroom house with three ovens. These are

homes with only limited hookups for dishwashers, washing machines, dryers, and ovens, which indicates that purchases have not been taken off the inventory when disposed of.

As a result of these issues, fixed assets are at a higher risk of theft and misuse.

Authoritative Guidance

The "Inventory Records" section of OSD's *General Audit and Compliance Requirements* states that an inventory "shall contain the sources of funding, description and location of each item."

In addition, the "Fixed Assets—Acquisition Policy" issued jointly by the Office of the Comptroller of the Commonwealth and OSD states,

Non-[generally accepted accounting principles] Fixed Assets must be recorded in a Department's inventory and reconciled at least annually. This inventory can be either electronic or on paper, as long as it records the date of purchase, amount, description, location and disposition of an item.

This includes the type of assets discussed in this finding, such as appliances. Although it is not required for BAMSI, this policy represents a best practice that BAMSI should follow for non-capital assets.

The "Business Ethics and Fraud, Waste and Abuse Prevention" section of BAMSI's contract with Department of Developmental Services states,

The Contractor certifies that performance under this contract, in addition to meeting the terms of the contract, will be made using ethical business standards and good stewardship of taxpayer and other public funding and resources to prevent fraud, waste and abuse.

Reasons for Noncompliance

BAMSI officials stated that the agency's policy was to maintain and conduct an inventory for items that cost \$5,000 or more and that they were not required to inventory items that cost less. Therefore, for assets that cost less, they did not have a policy or procedures for recording purchases, conducting a physical inventory, or disposing of assets.

Recommendations

1. BAMSI should establish policies and procedures to accurately record purchases, maintain inventory, and record disposals of non-capital fixed assets that have been charged to state programs.
2. BAMSI should perform an annual physical inventory of these assets to reconcile assets on hand to what is recorded in the inventory.

Auditee's Response

BAMSI has instituted policies and procedures that strengthen internal controls regarding the purchasing and tracking of non-capital fixed assets charged to state programs. BAMSI has instituted an electronic Accounts Payable system increasing the levels of review and approval for all non-capital purchases. BAMSI is also instituting a more robust system of inventory tracking for non-capital purchases. Starting in FY 21, BAMSI will begin performing physical inventories of all capital and non-capital items. Performing this inventory in FY 20 was not practical due to COVID restrictions.

Auditor's Reply

Based on its response, BAMSI is taking measures to address our concerns in this area.

3. BAMSI did not ensure that its board member application process was followed.

During our audit period, BAMSI did not always follow the established process for board member applications. Specifically, from the 27 applications we requested and reviewed, only 20 applicants completed the online application; the other 7 submitted their resumes in person or by email without applications. However, BAMSI could not provide a list of all applicants who applied via the portal on its website and did not maintain a log of applicants. Therefore, we cannot confirm that we received an application or resume from everyone who applied for a board position during our audit period. In addition, for 10 of the applicants who were not selected, BAMSI's board chairperson did not send written notification of the board's decision. Finally, there was no documentation to substantiate that BAMSI had conducted the required Criminal Offender Record Information (CORI)¹² review for one person before the person became an active board member.

Without a log of applicants, the board affairs committee may not be aware of all potential applicants and may not choose the applicants best suited for a board seat. In addition, applicants who did not receive notification letters would not know why they had not been accepted. Finally, without performing background checks before applicants become active board members, BAMSI may appoint a board member with a criminal record.

12. A CORI review is a search of Massachusetts court records to determine whether a person has a possible criminal record. It is performed by the Massachusetts Department of Criminal Justice Information Services.

Authoritative Guidance

Section 2 of Article VIII of BAMSI's bylaws from December 15, 2016; September 20, 2018; and February 21, 2019 states,

- a. Interested candidates for board membership are required to complete an online application and attach a resume. . . .*
- c. If the candidate is accepted following the vote, then the Board will send a letter to the candidate with an invitation to join the Board pending an acceptable CORI (Criminal Offense Record Information) check.*

The board's "Policy for Selection of a New Board Member," dated December 15, 2016, states,

- 9. If approved by a majority vote, the candidate shall be informed . . . of the Board's decision pending the passing of a CORI review.*
- 10. The newly approved board member shall be asked to attend the next board meeting after the CORI is approved.*
- 11. If the candidate is not approved, the Chairperson of the Board Affairs Committee shall inform him/her of the Board's decision in writing.*

Reasons for Noncompliance

BAMSI officials told us that there had been an update to the website software BAMSI uses to accept board member applications and it no longer alerted the chairperson of the board affairs committee when someone applied. Because of staff turnover in its Information Technology Department, BAMSI overlooked resolving this issue. BAMSI officials told us that the system could not print a list of everyone who applied online and no one retained a log of all applicants. Additionally, BAMSI does not have a procedure in place to document written notification of the board's decision about an application. Finally, BAMSI officials told us it was an oversight that no CORI review had been performed for a new board member.

Recommendations

1. BAMSI should develop and implement a procedure to ensure that all applicants complete applications, should document the notification of rejections sent to rejected applicants, and should perform CORI reviews before newly appointed board members attend meetings.
2. BAMSI should update its board application website software to ensure that the software notifies the chairperson of the board affairs committee when an application is received.
3. BAMSI should maintain a log of applicants to ensure that the board affairs committee has received all applications.

Auditee's Response

BAMSI has instituted new policies [and] procedures for interviewing potential new board members, onboarding new board members and the resignation of current board members. Some of these procedures include the formation of a Board Affairs Committee as well as a Board Interview Committee. Also included in the procedures are CORI checks for potential new members as well as the creation of an information package providing new members with pertinent information pertaining to BAMSI. Once selected, new Board members are required to attend an orientation provided by the Board Chairperson and a member of BAMSI staff and sign an affirmation of BAMSI Board Code of Ethics as well as a disclosure of any conflicts of interest they may have. All documentation pertaining to all Board applicants will [be] maintained at BAMSI, whether the applicant is accepted or not.

Auditor's Reply

Based on its response, BAMSI is taking measures to address our concerns in this area: it is implementing procedures for the board application process and has updated its application software. We recommend that BAMSI maintain a log of applicants to ensure that the board affairs committee has received all applications.

4. BAMSI could not provide acknowledgment letters for all cash donations and misclassified some donations as not having any restrictions.

BAMSI could not provide letters acknowledging receipt of all donations and misclassified some donations. We sampled 60 transactions from the audit period, totaling \$53,058, to verify that acknowledgment letters had been sent. For 29 donors, the donations of which totaled \$25,198, BAMSI could not provide the letters. In addition, from our test of 50 donations classified in BAMSI's general ledger as unrestricted donations (totaling \$49,361), 9 donations (totaling \$1,220) were improperly classified as such: the donors had specified that they were to be used for a specific purpose, so they were restricted.

As a result, there is a higher-than-acceptable risk that restricted donations may not be used for their intended purposes.

Authoritative Guidance

BAMSI's "Incoming Gifts and Donations Policy" states,

- 1. All incoming donations which have a restriction (permanent or temporary) imposed by the donor, either of use or timeline, will be recorded as a "restricted donation" according to generally accepted accounting principles (GAAP). . . .*

3. *The Vice President of Community Relations will acknowledge the donation (cash or equipment) by sending a letter to the donor.*

Reasons for Noncompliance

BAMSI's management stated that there was high turnover in the Philanthropy and Marketing Department, and BAMSI lacked monitoring controls to ensure that acknowledgment letters were sent and that restricted donations were accurately reflected in the accounting records.

Recommendation

BAMSI should establish monitoring controls to ensure that it sends donor acknowledgment letters for all donations received and properly records donations with restrictions.

Auditee's Response

BAMSI has just recently hired a new Vice President of Philanthropy and increased the number of personnel in the department. BAMSI implemented a new donation tracking software (Donor Perfect) which will provide Philanthropy with better documentation for all donations and donors. Reconciliations between the data in Donor Perfect and the general ledger are performed on a monthly basis and any discrepancies are investigated in a timely manner.

Auditor's Reply

Based on its response, BAMSI is taking measures to address our concerns in this area.

APPENDIX A

Adult Services¹³

Behavioral Health

Adult Community Clinical Services (ACCS): *Is designed to improve the quality of life and support recovery process for adults with mental health needs. ACCS provides comprehensive services to individuals referred to BAMSI from the Department of Mental Health. ACCS utilizes a recovery-based model through person-centered care which requires the active involvement of persons served and their support network.*

Adult Day Treatment Center: *A recovery-oriented therapeutic day program for adults with mental health needs. The primary focus is group treatment to improve functional skills essential to successful independent living. The program teaches living skills that help build relationships and connections to the community, helping to manage symptoms associated with mental health and engaging in meaningful activity.*

The Clubhouse: *Supports its members in their recovery to improve quality of life and sense of self-worth, including employment, education, health and wellness, community linkage, life skills, housing as well as social and recreational activities.*

Individual & Family Counseling: *People with wide ranging mental health needs are served at the Whitman Counseling Center, an outpatient mental health clinic, as well as outreach services in various locations coordinated with local public and private agencies. Resources are maximized for those served, promoting success in all aspects of life—family, work and community.*

Recovery Learning Communities (RLC): *Dedicated to promoting the empowerment of peers and their families in a caring recovery community, the RLC is completely peer-run relying heavily on the 10 recovery principles. The Southeast Area RLC offers social groups, support groups and peer staff who value lived experience.*

Developmental/Intellectual Disabilities and Autism Services

Residential Services: *Residential homes with 24-hour staff supervision are available for individuals with a wide-range of developmental needs. Homes are designed to provide an environment that is stimulating, supportive and promotes integration in the community.*

Day Habilitation: *Services for individuals with developmental/intellectual disabilities and brain injury ensuring each person receives needed support to achieve personal and life-fulfilling goals.*

Employment & Volunteer Services: *Assists individuals with intellectual disabilities, acquired brain injuries and mental health challenges to secure community-based employment. BAMSI believes that all persons should have opportunities to perform work that is valued, enabling all individuals to achieve success with appropriate supports.*

13. Text in this appendix is quoted from the Brockton Area Multi-Services, Inc. annual reports for fiscal years 2018 and 2019.

Individual Supports: Support for those selected to live independently in their own home with limited assistance from staff.

Medical/Physical and Brain Injury Services

Brain Injury Residential Network: Residential homes provide 24-hour staff supervision and nursing support for individuals with Traumatic and Acquired Brain Injury.

Brain Injury Community Center: Designed to enhance life for those 22 years of age or older with a documented Acquired or Traumatic Brain Injury. Centers are designed to support members in achieving self-sufficiency through education, employment and self-advocacy. Working collectively with staff and one another, members improve informed decision-making, enhance general health and wellness, while building independent and functional living skills to more fully enjoy all aspects of community living.

Day Habilitation: Services for individuals with developmental/intellectual challenges and brain injury, ensuring each person receives medically necessary and person-centered support to achieve personal and life-fulfilling goals.

Enrichment Centers: One-stop community centers that support the needs of adults with Acquired Brain Injury and Money Follows the Person (MFP) waiver funding.

Employment & Volunteer Services: Assists individuals with developmental/intellectual disabilities, acquired brain injuries and mental health challenges to secure community-based employment. BAMSI believes that all persons should have opportunities to perform work that is valued, enabling success with appropriate supports.

Family Training & Support: The Money Follows the Person (MFP) waivers support adults and their [families] to transition from long-term settings to the community. One important element in the development of an individual's care plan, through the MFP waiver, is to provide family training and support during the complex process of transitioning home.

Individual Supports: Support for those selected to live independently in their own home with limited assistance.

Pre-Vocational/Vocational Services: Support and resources for those with various disabilities/needs to secure individualized community-based employment across the Commonwealth. BAMSI supports each person to discover what career fits their interests, skills and abilities. We do more than help people find jobs; we help people build careers.

Public Health and Community Resources

Case Management: Serves individuals with [human immunodeficiency virus, or HIV] and their families, providing access to medical, social, and support services to help individuals better manage their health and improve their overall quality of life. Now that HIV is no longer considered a terminal illness, Case Management provides essential support and encouragement supporting those with HIV to live their best lives.

Community Outreach, Prevention, & Education (C.O.P.E.): Provides HIV outreach, education, counseling, and testing to individuals at risk of infection and opiate overdose. Services are provided through a drop-in center as well as street outreach.

Service Coordination: A program provided in conjunction with the Brockton Housing Authority for senior and/or adult disabled residents. The service ensures that medical, social and financial needs of residents are managed in a way that promotes and sustains their independence.

Dorn Davies Senior Center: Provides daily activities and support to assist seniors and their caregivers. Programs include social and recreational activities, informational workshops and other support services.

APPENDIX B

Child, Family, and Community Services¹⁴

Behavioral Health

Brockton After School Enrichment (BASE): A therapeutic after school program that promotes social skills development for children ages 6–12 with complex emotional and behavioral needs; specifically designed for students who have been unable to succeed in non-therapeutic community settings.

Community Service Agency (CSA) of the Brockton Area: A community-based program that facilitates access to, and ensures coordination of care for youth with serious emotional disturbance (SED) and their families. The goal of the CSA is to support families in gaining a sense of competency in parenting their children with SED, in order to benefit fully in community and home life.

Home Based Services: A service available to those unable to access an outpatient clinic for individual psychotherapy, or for those who prefer services in the privacy of their home. Clinicians meet with individuals in their home or an identified community setting.

Family FIRST (Flexible Intensive Response Support Team): A program to assist children and youth diagnosed with serious emotional disturbance (SED) and their families. The team, including the family, develop a plan based upon the family's unique strengths, values and preferences.

Individual and Family Counseling: This program serves people with wide-ranging mental health needs at our outpatient mental health clinic, the Whitman Counseling Center, as well as outreach in various locations. By coordinating with local public and private agencies, resources are maximized promoting success in all aspects of life—family, work and community.

Educational Support and Services

Brockton After School Enrichment (BASE): A therapeutic after-school program that promotes social skills development for children ages 6–12 with complex emotional and behavioral needs; specifically designed for students who have been unable to succeed in non-therapeutic community settings.

Educational & School Consultation: Support for children and adolescents with emotional and behavioral needs including consistent therapeutic intervention during the school day and ongoing consultation and therapeutic support for parents/guardians to sustain progress and assure long-term success.

Read to Succeed: Supports at-risk youth involved with the juvenile justice system. The outreach and education offered through this service are delivered at a local courthouse. The

14. Text in this appendix is quoted from the Brockton Area Multi-Services, Inc. annual reports for fiscal years 2018 and 2019.

program includes a clinician and teacher who provide reading and writing tutoring and instruction, life skills to identify environmental stressors and access to resources that promote ongoing learning.

Wraparound Coaching: *A program that assists the Community Service Agencies in providing high fidelity Wraparound services to youth and families, while adhering to the principles of Wraparound.*

Family Support Services

Family Support Services: *Provides a regional Family Support Center, Intensive Family Support Services and medically complex programs to support children, adults and their families with developmental disabilities. Family support utilizes BAMSI's strong affiliations and partnerships with state agencies, community-based organizations and other resources.*

Intensive Flexible Family Support (IFFS): *A unique program designed around the specific needs of each individual with the aim of helping those served reach their potential while retaining a strong sense of independence and self-worth. Social and vocational support is provided to help individuals reach their goals.*

Parent Information Network (PIN): *Information, support and advocacy program for parents designed by those with lived experience to support families who have children with serious emotional, behavioral, and/or mental health challenges. Services are confidential and free of charge.*

Parents of Transitional Aged Youth (PTAY): *PTAY helps families guide young adults, ages 14–25, with behavioral, emotional or mental health needs through the transition to adulthood.*

Public Health and Community Resources

Plymouth County Children's Advocacy Center: *A program in partnership with the Plymouth County District Attorney's Office, dedicated to minimizing trauma to children and families when concerns of abuse arise. The Center coordinates investigations and assessments with clinical and legal competence in an atmosphere that is safe and respectful of each family's culture.*

Early Intervention (EI): *A public health program providing therapeutic support to infants and toddlers who have developmental delays or are at risk for such delays. Services are available for children from birth to age 3 and are provided in the family home or other locations comfortable for the child.*

HELPLINE: *A program that provides information, referral and advocacy for individuals seeking emergency assistance. HELPLINE is a free, telephone service that provides information and access to medical, dental and mental health care, as well as access to other social service agencies. HELPLINE also provides services at various adult and primary care practices and community colleges.*

Local Systems of Care: *Parents, businesses, mental health providers, schools, faith-based communities, transitional aged youth, medical centers, recreational programs and others from*

Brockton, Holbrook, Easton, Avon, Stoughton, Bridgewater, East Bridgewater and West Bridgewater . . . join together to be part of the Local System of Care Committee. This committee serves as an advisory council for the Community Service Agency (CSA).

Women, Infants, & Children (WIC): *A federal public health program, administered locally by BAMSI, that benefits low and moderate-income families. WIC promotes the health and well-being of women, infants, children and their families by offering assistance with nutrition, opportunities to meet and interact with other families and referrals to other resources.*

APPENDIX C

Summary of Revenue by Fiscal Year

Revenue Source	Fiscal Year 2018*	Fiscal Year 2019*
Department of Developmental Services	\$54,902,123	\$ 56,715,016
Medicaid—Direct Payments	9,297,724	9,290,724
Department of Mental Health	8,141,872	9,270,895
Private Client, Third Party, and Other Offsets	3,916,137	3,958,067
Client Resources	3,741,458	3,939,308
Department of Public Health	3,812,659	3,870,390
Massachusetts Rehabilitation Commission	2,543,852	2,647,679
Medicaid—Subcontract	2,084,485	1,544,841
Massachusetts State Agency Non—Purchase of Service	—	1,191,406
Other Revenue	407,474	591,581
Massachusetts Local Government or Quasi-Government Entities	536,042	561,748
Contributions, Gifts, Legacies, and Bequests	318,192	392,132
Other Massachusetts State Agency Purchase of Service	440,467	263,495
Other Grants (Excluding Direct Federal)	228,424	176,620
Private In-Kind Donations	138,255	155,109
Investment Revenue	88,767	192,168
Private Client Fees (Excluding Third Party)	117,511	101,281
Medicare	85,266	91,452
Federated Fundraising	65,682	44,696
Department of Children and Families	84,955	43,360
Released Net Assets†	13,424	25,229
Total	<u>\$90,964,769</u>	<u>\$ 95,067,197</u>

* The fiscal year for Brockton Area Multi-Services, Inc. begins July 1 and ends June 30 (e.g., fiscal year 2018 began July 1, 2017 and ended June 30, 2018).

† Released net assets are donated assets that have become available for spending because a donor-imposed stipulation has been satisfied.