



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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FILE COPY

July 6, 2012

Ms. Meg Schnabel
Redevelopment Opportunities for Women
306 N. Tucker
St Louis, MO 63101

RE: Federal Emergency Shelter Grant (FESG) (Project #2012-HOM09)

Dear Ms. Schnabel:

Enclosed is a report of the fiscal monitoring review of the Redevelopment Opportunities for Women, a not-for-profit organization, FESG Program, for the period January 1, 2011 through December 31, 2011. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of Redevelopment Opportunities for Women. Fieldwork was completed on June 11, 2012.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the City of St. Louis, Department of Human Services (DHS) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Respectfully,

Dr. Kenneth M. Stone, CPA, CGMA
Internal Audit Executive

Enclosure

cc: Antoinette Triplette, Program Manager, DHS
Paul Mehta, Fiscal Manager, DHS



CITY OF ST. LOUIS

**DEPARTMENT OF HUMAN SERVICES (DHS)
FEDERAL EMERGENCY SHELTER GRANT (FESG)**

**REDEVELOPMENT OPPORTUNITIES FOR WOMEN
CONTRACT #62420
CFDA #14.231**

FISCAL MONITORING REVIEW

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

PROJECT #2012-HOM09

DATE ISSUED: JULY 6, 2012

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES (DHS)
FEDERAL EMERGENCY SHELTER GRANT (FESG)
REDEVELOPMENT OPPORTUNITIES FOR WOMEN
FISCAL MONITORING REVIEW
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011**

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INTRODUCTION

Background

Contract Name: Redevelopment Opportunities for Women

Contract Number: 62420

Contract Period: January 1, 2011 through December 31, 2011

CFDA Number: 14.231

Contract Amount: \$51,300

This contract provided Federal Emergency Shelter Grant (FESG) funds to Redevelopment Opportunities for Women (Agency) to promote financial assistance to women at risk of becoming homeless in the City of St. Louis.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state, and local Department of Human Services (DHS) requirements for the period January 1, 2011 through December 31, 2011 and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by DHS. Evidence was tested supporting the reports the Agency submitted to DHS and other procedures were performed as considered necessary. Fieldwork was completed on June 11, 2012.

Exit Conference

The Agency was offered the opportunity for an exit conference on, June 21, 2012, but the Agency declined.

SUMMARY OF OBSERVATIONS

Conclusion

The Agency did not fully comply with federal, state, and local DHS requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2011-HOM13 issued October 7, 2011 noted no observations.

A-133 Status

According to a letter received from the Agency, dated May 26, 2012, it did not expend \$500,000 or more in Federal funds in its calendar year ended June 30, 2011; therefore, it was not required to have an A-133 audit.

Summary of Current Observations

A recommendation was made for the following observations, which, if implemented, could assist the Agency in fully complying with federal, state, and local DHS requirements.

Opportunity to file Internal Revenue Service (IRS) Form 990 in a timely manner

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

Opportunity To File Internal Revenue Service (IRS) Form 990 In A Timely Manner

The Agency did not file the IRS Form 990 for the year ending December 31, 2011 or the extension by the due date. The report was due November 15, 2012; however, the Agency filed an extension on February 12, 2012.

Non-for-profit organizations, with annual gross receipts of \$25,000, are required to file an IRS Form 990 by the 15th day of the fifth month, following the end of the fiscal/calendar year, and make the Form available for public inspection for a period of three years.

The Agency did not file its IRS Form 990 for the year ending June 30, 2011 by the due date.

Non-compliance with the IRS Form 990 reporting requirements may result in a \$20 fine per day up to a maximum of \$10,000 per year. The Agency may also lose its tax-exempt status.

Recommendation

It is recommended the Agency establish a system of internal controls to ensure compliance with the IRS Form 990 reporting requirements.

Management's Response

We do-not concur with the observation.

The Agency did file its IRS Form 990 for the year ending June 30, 2011 in a timely manner. The error that did occur was allowed by the IRS as "No Fault" to the Agency. The tax return or extension was due by November 15, 2011. An electronic extension was filed on October 18, 2011; however, it was rejected because of a "matching short name variation". When the rejection was discovered a paper extension was filed on December 1, 2011. Please see our accountant's letter (previously submitted) of December 1, 2011.

The Internal Revenue Service (IRS) accepted this paper extension and the submission of our 990. A 990 filing extension is permitted by law and our procedures were done according to what is permitted following IRS requirements. There was no penalty as a result.

Auditor's Comment

Based on the information submitted by the Agency, this observation is considered resolved.