

Department of Education
Office of Inspector General – Internal Audit
Eighteen-Month Status Report on: The Florida Endowment for Vocational Rehabilitation, Inc.,
dba The Able Trust – Administrative Costs
Report # A-1819DOE-021 Issued: June 20, 2019
Status as of December 20, 2020

Finding	Recommendation(s)	Management Response as of June 20, 2019	Management Response as of December 20, 2020	Anticipated Completion Date & Contact
<p>The Able Trust reported inaccurate administrative costs and percentages.</p>	<p>In order to streamline 413.615(9)(j), Florida Statutes language with The Able Trust’s operations, we recommend DVR propose changing the statute language from calendar year to fiscal year and from estimated expenditures to actual expenditures.</p>	<p>VR will pursue statute language change during the 2020 Legislative Session to coincide with the IG recommendations.</p> <p>Management Response as of December 20, 2019 Proposed language was submitted to DOE for review/approval. Recommended language sent to Legislative staff. Currently waiting to see the actual language from legislators.</p> <p>Anticipated Completion Date & Contact End of 2020 Session.</p> <p>Management Response as of June 20, 2020 HB 901 was passed by legislature, waiting Governor’s</p>	<p><i>Statute language change implemented. Admin costs being reported accurately with additional transparency. Admin cost is below 10% with Tony’s leadership at Abletrust.</i></p>	<p><i>Completed.</i></p>

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		signature, that updates the recommended language from calendar year to fiscal year and estimated to actual expenditures. Anticipated Completion Date & Contact 6/30/20		

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<p>The Able Trust reported inaccurate administrative costs and percentages.</p>	<p>We recommend The Able Trust enhance its procedures to ensure accurate calculation of administrative costs and maintain efficient and effective administration, pursuant to 413.615(9)(j), Florida Statutes. We also recommend The Able Trust ensure administrative costs are only paid from private sources and up to 75% of interest and earnings on the endowment principal for FY 2018-2019 in accordance with the Florida Statutes.</p>	<p>See Attachment A</p> <p>Management Response as of December 20, 2019 *The Able Trust will also implement internal standards to assure regular tracking and reporting of the administrative costs cap and limits on use of interest and earnings, to comply with statutory limitations. A review of current and historic “sources and uses” of funds is being conducted to properly distinguish the various public and private funds in The Able Trust investment accounts and their corresponding earnings so that our Board can better ensure compliance with statutory limits and project future needs. *For fiscal year 2020-21, The Able Trust will reformat its financial reports to better represent project costs and more</p>	<p>As noted in Management Response of June 20, 2020, new format for budget and monthly financial reporting launched on July 1, 2020 which allows the organization to regularly track and monitor administrative costs to ensure compliance. Sample of 10/31/20 financials attached. (See bottom of page 4 for notation.)</p> <p>The organization’s independent audit for FY 2019-2020 was recently completed and administrative costs for the fiscal year were maintained below the statutory cap of 15%.</p>	<p>COMPLETED- New formats implemented and regularly monitored, effective 7/1/2020.</p>

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		<p>clearly identify administrative costs and sources and uses of funds throughout the year, including the pro-rata.</p> <p>Anticipated Completion Date & Contact</p> <p>Expected completion, January 2020</p> <p>Expected completion, January 2020</p> <p>Expected completion, August 2020</p> <p>Management Response as of June 20, 2020</p> <p>Throughout FY 2019-20, monthly financial reports were reviewed to assess and adjust admin fees ratio. Budget for next fiscal year has been reformatted to make it easier to clearly identify and assess restricted expenditures and calculate ratios. New format to launch 1 July 2020 with the start of next fiscal year. Analysis of</p>		

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		financials for fiscal years 2010-2011 to present completed and used to evaluate baselines and trends across accounts. As stated above, proposed budget for fiscal year 7/1/2020 to 6/30/2021 has been reformatted to make it easier to quickly identify, evaluate, and adjust restricted expenditures and administrative ratio. Budget Proposal is pending final review and approval by Board and DVR. New format will go into use 1 July 2020. Anticipated Completion Date & Contact 7/1/2020 Tony Carvajal, President Completed 12/23/2019 Tony Carvajal, President 7/1/2020 Tony Carvajal, President		