



Department of Environmental Protection Office of Inspector General

August 17, 2023

Report A-2122DEP-018

Audit of Agreement with Florida State Park Foundation, Inc.

INTRODUCTION

The Florida Department of Environmental Protection (Department) Office of Inspector General (OIG) conducted an audit of the Division of Recreation and Parks (Division) Citizen Support Organization Agreement (Agreement) with Florida State Park Foundation, Inc. (CSO). This audit was initiated as a result of the OIG Annual Audit Plan for Fiscal Year 2021-2022.

AUDIT SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of the audit included CSO activities and financial records for the period beginning January 1, 2021 to May 31, 2022.

The objectives of the audit were to:

- Evaluate controls over CSO Agreement revenue and expenses.
- Determine the CSO's compliance with the Agreement.
- Evaluate Park management oversight of CSO activities.

To achieve our audit objectives, our methodology included:

- Reviewing applicable statutes, regulations, and internal operating procedures.
- Conducting an analysis of CSO and Division records to include CSO activities and financial documents.
- Interviewing the CSO and Division staff.

BACKGROUND

The current Agreement with the CSO was executed in September 2015. The CSO supports all Florida State Parks through programs that preserve and protect State Parks, educate visitors about the value of State Parks, encourage community engagement and active use of State Parks, and by providing financial support to supplement State funding. The CSO has implemented several programs including Yellow Buses in the Parks, the Learning in Florida's Environment Program, and a small grants program. These programs represent a partnership between the CSO, the Department, State Park specific Citizen Support Organizations, and the public.

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RESULTS OF AUDIT

The CSO was established and operates in compliance with Section 258.015, Florida Statutes (F.S.). During the audit, we reviewed documentation from the CSO and the Division for the months of January 2021 through May 2022, including but not limited to monthly bank statements and reconciliation worksheets, general ledger, CSO Board meeting minutes, CSO membership list and payments, and CSO reports required by the Division. In addition, we reviewed CSO revenue and expense source documents for the sample months of November 2021 and May 2022. Based on our review, we found the following:

Revenue and Expenses

The CSO maintains two checking accounts, a money market account, and an investment account. Account ending balances were as follows:

Account	Ending Balance December 2021	Ending Balance May 2022
<i>Checking</i>		
<i>Checking I - Truist</i>	\$347,196.19	\$366,838.36
<i>Checking II - Wells Fargo</i>	NA	\$115,565.70
<i>Money Market - Truist</i>	\$105,659.28	\$355,673.02
<i>Investment Funds - Truist</i>	\$21,966,894.18	\$19,017,170.06
Total Ending Balance	\$22,419,749.65	\$19,855,247.14

According to the CSO's 2021 Internal Revenue Service (IRS) Form 990, revenues and expenses for calendar year 2021 were as follows:

2021 CSO Revenues and Expenses	
Revenues	
<i>Contributions and Grants</i>	\$874,155.00
<i>Investment Income</i>	\$1,734,399.00
<i>Other Income</i>	\$0.00
Total Revenue	\$2,608,554.00
Expenses	
<i>Grants and similar amounts paid</i>	\$705,224.00
<i>Salaries, other compensation, employee benefits</i>	\$307,350.00
<i>Professional fundraising fees</i>	\$69,850.00
<i>Other Expenses</i>	\$269,980.00
Total Expenses	\$1,352,404.00
Net Profit/(Loss)	\$1,256,150.00

Chapter 2.12 of the Division's CSO Handbook recommends the CSO address financial policies either in their Bylaws or through a separate stand-alone financial policy. The CSO has created its own Financial Policy document.

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Financial Duties

Section 3.0 of the Financial Policy states, *Financial duties and responsibilities should be separated so that no one person has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, or any critical accounting function.* The CSO uses an outsourced company for bookkeeping tasks. This company is responsible for tracking donations, recording membership dues, performing financial reconciliations, income expenses, payroll, as well as assisting with the CSO's yearly financial audit.

Donations: The CSO has two electronic methods for collecting membership dues and donations. Reports from both systems must be merged in order to document all members and donations. In addition, an employee of the bookkeeper retrieves the mail from a Post Office Box managed by the CSO typically once a week. The employee opens the mail by themselves and enters any checks received as donations into a spreadsheet. The employee then creates a deposit slip and takes the deposit to the bank. The spreadsheet is sent to the Chief Executive Officer (CEO) for review. The bookkeeper uses the spreadsheet to enter received funds into the correct category in the general ledger and to update the membership tracking database.

Reconciliations: The Account Reconciliations section of Appendix A of the Financial Policy states, *Bank statements should be received and opened by the CEO. The CEO should scan the statements for unusual vendors, ensure signatures are authorized, and initial the bank statements signifying this review. The bank statements should then be given to the outsourced bookkeeper or outsourced accountant to perform the reconciliation. The reconciliation should then be reviewed by the CEO. Both the preparer and reviewer should initial the reconciliation signifying that there are no unreconciled items and that the reconciled balances agree to the general ledger. A copy of the reconciliation should be maintained with the bank statement or with other monthly closing documents.* Reconciliations were provided by the CSO; however, they do not contain the CEO's initials or any documentation signifying a review was completed by the CEO.

Inventory: Section 16.0 of the Financial Policy states, *Tangible assets exceeding \$1000 and expected to last longer than a year are classified as capital assets and included in an inventory record, annually. The capital assets inventory record contains descriptions, serial numbers, dates of purchase or receipt, valuations, dates of valuation and item locations.* The CSO indicated that the organization does not own any capital assets and therefore does not complete an annual inventory.

CSO Revenues

According to the CSO's financial statements, revenues are generated from grants, fundraising, investments, donations, and membership dues.

Grants, Fundraising & Investments: The CSO created a Limited Liability Company, Florida State Park Service, LLC (Service), to manage grant funds and endowments. Grants are received by the CSO and funds are passed from the CSO to the Service operations. The grant expenditures are made throughout a period of time (typically quarterly). At the end of the period, the expenditures are logged into the general ledger and a lump sum is transferred from the CSO's general ledger to the Service's for a total amount of expenses for the time period. The Service operates with the same Financial Policy as the CSO. The CSO employs a Grant Manager who is in charge of all grant revenue and expenses. The CSO maintains a license plate program with the Florida Department of Highway Safety and Motor Vehicles. Additionally, the CSO manages investments funded by endowments.

Membership Payments: Section 4.2 of the CSO's Amended Bylaws states, *Members of the Foundation shall pay membership dues as determined by the Board of Directors. Memberships are for a one-year period and may be renewed annually. A member is considered a member in good standing of the Foundation as long as his/her membership dues are paid. The Board of*

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Directors shall have the right to establish and define non-voting categories of membership. The CSO accepts membership dues by cash, check, credit card, wire transfer, and online payments. The CSO stated that it is very rare for cash to be collected as web-based collections are most common. Membership is managed by a third-party vendor. Collection of dues is managed by two third-party vendors: through the website or an email mailing list link. If membership dues are collected outside the web-based system, member information is manually entered and stored in the membership database.

We reviewed membership payments in the general ledger and membership payment documentation provided by the CSO for 2021, as well as the individual sample months of November 2021 and May 2022. Based on our review, the general ledger does not match the membership payments collected for 2021 nor the sample months. See table below:

2021 Membership Dues	
Membership Payments Total	\$ 48,628.00
General Ledger Total	\$ 46,672.00
November 2021 Membership Dues	
Membership Payments Total	\$ 7,058.00
General Ledger Total	\$ 1,040.00
May 2022 Membership Dues	
Membership Payments Total	\$ 3,295.00
General Ledger Total	\$ 2,175.00

Based on our interview with the bookkeeper and CEO, they advised the discrepancies identified could be caused by errors created when data is pulled and merged from the two third-party sources that collect membership payments. In addition, the membership fees collected by the third-party vendors are stored and then paid out in batches to the CSO; therefore, membership payments made in one month could be distributed to the CSO in a different month.

In 2021, fifteen membership payments were collected for amounts that do not correlate with membership levels provided by the CSO. The CEO advised that irregular membership payments were attributed to an "Other Amount" option on the website. A member of the public could purchase a membership through the website but enter a custom amount. The CSO would follow up with the person making the irregular payment to determine if the payment was for a specific membership level and associate the member to the correct level. This issue was resolved by removing the "Other Amount" field. Currently the website only allows the designated levels to be selected.

Section 4.3 of the CSO's Amended Bylaws states, *A member in this Foundation is considered a non-voting member until he/she is elected to serve on the Board of Directors. A member may be nominated to serve as a Director. To be elected or appointed to the Board of Directors or any committee or subcommittee, a member must be in good standing as outlined in these Bylaws.* Based on our review, several persons listed as "Attending Board Members" in the Board meeting minutes during 2021 Board meetings did not pay dues in the 2021 fiscal year.

CSO Expenditures

The CSO makes purchases using CSO issued credit cards, checks, electronic bill pay through QuickBooks, and bank wire transfer. There are currently two credit cards issued, one to the CEO and one to the Grant Manager. Due to electronic bill/invoice payment, checks are rarely utilized.

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The CSO uses Expensify¹ to document employee mileage and purchases made by the employee for reimbursement and CSO issued credit cards for non-reimbursement. Expenses are generally recorded on a monthly basis.

Section 11.0 of the CSO Financial Policy states in part, *An expense report is prepared and approved when requesting personal reimbursement for [Florida State Park Foundation] FSPF expenses. Relevant invoices and receipts are attached...The CEO will review and approve all staff and board Member related reimbursements and the Treasurer will review and approve the CEO's reimbursements.* During our audit, we reviewed 13 expense reports which contained 43 expenditures. Supporting documentation was provided for all 43 expenditures; however, some were quotes/invoices and not receipts, some were not itemized, and some were illegible. All expense reports were approved in accordance with the Financial Policy.

Section 7.0 Credit Card Use Policy states, *Credit cards will be issued in the name of the employee or board officer. The credit card may be used only for the purchase of goods or services for official business of the Foundation and all expenditures must be supported by an invoice/receipt. Employees with credit cards are responsible for its protection and custody and shall immediately notify the credit card company and CEO if it is lost or stolen. Employees issued credit cards must immediately surrender the card to the CEO when affiliation with the Foundation has ended. The person using a credit card for purchases that cannot be substantiated as a necessary purchase for official business will be subject to disciplinary action.* Based on our review, we noted instances where the CEO's CSO issued credit card was used by another member of the CSO staff. According to the CEO, verbal permission is granted to the CSO employee to use the credit card and that employee adds the expenditure to Expensify under their account. The expense is then processed through the approval path connected to the Expensify user. This process allows the CEO to approve charges made with the credit card issued in the CEO's name.

Section 14.0 of the Financial Policy states, *Purchases up to \$1000 are approved by President or the CEO. Purchases greater than \$1000 are approved by the Board of Directors. Generally, FSPF seeks three quotations for purchases greater than \$5000 where at least three suppliers are available for that service or product. In the case where only one supplier is available for that service or product, documentation must be obtained and approved by the Board prior to the purchase.* We reviewed a sample of large purchases from the audit period and were able to verify Board approval within the Board meeting minutes that took place prior to the purchase. However, no quotes were provided for the expenditures. The CEO advised that when the CSO is working with parks to make a purchase, the CSO does not source the items, they merely purchase the items chosen by Park management.

CSO Compliance with Agreement and Division Requirements

Chapter 4.11 of the Division's CSO Handbook and Chapter 1.4 of the Operations Manual (OM) requires the CSO to comply with Payment Card Industry (PCI) Data Security Standards when accepting payment cards directly or indirectly through a third-party provider. For the audit period, the CSO completed a PCI Self-Assessment Questionnaire and an Attestation of Compliance as required.

Section 112.3251, F.S., states, *A citizen support or direct-support organization created or authorized pursuant to law must adopt its own ethics code. The ethics code must contain the standards of conduct and disclosures required under ss. 112.313 and 112.3143(2), respectively. However, an ethics code adopted pursuant to this section is not required to contain the standards of conduct specified in s. 112.313(3) or (7). The citizen support or direct-support organization may adopt additional or more stringent standards of conduct and disclosure requirements if those*

¹ Expensify is a software company that develops an expense management system for personal and business use.

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standards of conduct and disclosure requirements do not otherwise conflict with this part. The ethics code must be conspicuously posted on the citizen support or direct-support organization's website. The CSO has an established Code of Ethics that is posted on the CSO's website pursuant to Section 112.3251, F.S.

Section 8.1 of the Amended Bylaws states. *The Board of Directors may create committees as needed, such as marketing, fundraising, bylaws and operations or governance. There shall be seven (7) standing committees – Executive, Nominations, Budget & Finance, Communications, Legislative Advisory, Development, and John Kerschner Scholarship Fund Committees. The President appoints all committee chairs. Committee chairs do not need to be members of the Board. All required committees are active and contain the required members.*

Section 617.1601(1), F.S., states, *A corporation shall keep as records minutes of all meetings of its members and board of directors, a record of all actions taken by the members or board of directors without a meeting, and a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation.* In addition, Section 617.1601(5), F.S., states, *A corporation shall keep a copy of the following records: (a) Its articles of incorporation or restated articles of incorporation and all amendments to them currently in effect. (b) Its bylaws or restated bylaws and all amendments to them currently in effect. (c) The minutes of all members' meetings and records of all action taken by members without a meeting for the past 3 years. (d) Written communications to all members generally or all members of a class within the past 3 years, including the financial statements furnished for the past 3 years under s. 617.1605. (e) A list of the names and business street, or home if there is no business street, addresses of its current directors and officers. (f) Its most recent annual report delivered to the Department of State under s. 617.1622.* We reviewed the CSO's Articles of Incorporation, Bylaws, meeting minutes of all Board meetings, financial statements, and Annual Report. However, meeting minutes are not maintained for all committee meetings.

CSO Reporting

Paragraph 4.b.1 of the Agreement states that the CSO will, *timely deliver complete and accurate reports to the Division, DEP, the Florida Department of State and Internal Revenue Service as set forth in the CSO Handbook.*

Section 5.6 of the CSO Handbook states in part, *CSOs that have met the requirements of Internal Revenue Service (IRS) Code Section 501(c)(3) as approved public charitable organizations are exempt from federal income tax. Although exempt from federal income tax, CSOs are required to file annual returns of their income and expenses with the IRS. A not for profit is required to file one (1) of the three (3) possible filings listed below with the IRS. Beginning in 2008, small tax-exempt organizations who were not required to file returns because their gross receipts did not exceed a certain threshold are now required to file an annual electronic notice (990-N), which is not accepted by the Division. The Division requires an IRS 990 or 990-EZ. These filings are due to the IRS on the fifteenth (15th) day of the fifth (5th) month after the end of the organization's fiscal year. A copy of the CSO's filings is due to the Division no later than six (6) months following the close of the organization's fiscal year.* The CSO filed Form 8868, Application for Automatic Extension of Time to File an Exempt Organization Return, as well as a Form 990 which contained all required information.

Section 5.7 of the CSO Handbook outlines requirements for the CSO to submit an Annual Financial Report. However, it has been determined in previous audits that the Annual Financial Report is no longer required by the Division.

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Section 13 of the Agreement states that the CSO shall file and renew the Not-For-Profit Corporation Annual Report annually with the Department of State, in accordance with Chapter 617, F.S. We verified the report was filed as required.

Section 4.6 of the Agreement requires the CSO to adopt an Annual Program Plan that is developed as set forth in the CSO Handbook Section 4.2. The CSO handbook outlines the requirements for the Annual Program Plan; *The Division requires, before the beginning of every CSO's fiscal year, the Board of Directors and Park Manager develop an Annual Program Plan, Form DRP- 052 (see Appendix 7.0) that identifies the goals for the coming year. This plan must include all proposed projects (park improvements, large construction, plans for endowments or contracts, fundraising activities, visitor service activities, and events). For each proposed in-park activity and event, the plan must include the designation of a specific location, date, and time.* The CSO completed and submitted the Annual Program Plan to the Division on time; however, the required form, DRP-052, was not utilized and the Annual Program Plan did not include all of the required information.

The CSO maintains a fiscal year that ends December 31 and begins January 1 as required by Paragraph 4.b.4 of the Agreement. According to Section 20.058, F.S., the Department must collect information from the CSO and submit a report to the Governor and Legislature by August 15th of each year. The CSO Handbook requires the CSO to submit the necessary information to the Division by July 1st in order to meet the statutory requirement. We verified the report was timely submitted and contained information in accordance with the Agreement and Section 20.058, F.S.

The CSO Handbook states, *Section 215.981(2), F.S., and the CSO Agreement, requires each CSO with annual expenditures in excess of \$300,000, including all grants, provide an annual financial audit of the CSO's accounts and records.* We verified an independent financial audit of the CSO's accounts and records was completed by an independent Certified Public Accountant.

Division Oversight

The CSO holds Board meetings quarterly and committee meetings as necessary. Board meeting minutes are recorded by the Secretary and retained by the CSO. We reviewed meeting minutes to determine Division involvement and oversight of CSO activities. According to the minutes of CSO meetings held in 2021, Division staff attended all four CSO Board meetings.

Section 4.12.3 of the CSO Handbook states in part, *Department Directive 150, Delegation of Authority, requires the Division Director or designee to approve all grant proposals, including those submitted by CSOs on behalf of the Division.* The Division Director stated that he reviewed the proposed grants and fundraising activities with the CSO prior to their application and verbally approved each; however, documentation of approval was not provided.

Volunteer Coordination

The Division's CSO Handbook and the OM sets forth procedures for the administration of Volunteers for the Division. Chapter 5 of the CSO Handbook states in part, *All Citizen Support Organization (CSO) Board of Directors, like all Florida Park Service (FPS) regular service volunteers, are required to sign a Volunteer Agreement once annually.* According to the Division, Volunteer Agreements are uploaded into VSys² in bulk by a Division employee, under the name "Florida State Park Foundation." We reviewed Volunteer Agreements uploaded into VSys for 2021. Of the 20 individuals listed as "Attending Board Members" in the Board meeting minutes during 2021, seven did not have signed Volunteer Agreements in VSys. Additionally, per Division

² VSys is the database used for recruiting, onboarding, scheduling, tracking, and managing volunteers for the Division.

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staff, annual training is not required by the Division because the Board members are not public facing Volunteers. However, based on an interview with the CSO's CEO and other documentation reviewed, Board members do participate in activities and attend CSO/Park functions held at various Parks.

Section 5.2 of the CSO Handbook states, *According to Division policy, (see Operations Manual (OM) Chapter 2) park staff must conduct a search of the state and national sexual offenders and predators registry before employing or appointing a new regular service volunteer. A record of the search, whether positive or negative, must be maintained in the volunteer's personnel record. The Florida Department of Law Enforcement's Sexual Offenders and Predators Registry is available at <http://offender.fdle.state.fl.us/offender/Search.jsp> The U.S. Department of Justice National Sex Offender Public Website is available at <http://www.nsopw.gov/>. As a best practice, the Division recommends both the national and state sexual predator searches of the CSO's employees.* According to the Division, Sexual Predator checks for CSO Board members are conducted and recorded in VSys by a Division employee under the name "Florida State Park Foundation." Based on our review, all Sexual Offender and Predator checks for individuals listed as "Attending Board Members" were completed as required.

The Division's OM states, *The Friends of Florida State Parks, Inc. and Florida Greenways and Trails Foundation, Inc. board members must submit their volunteer information monthly to their CSO president or designee who should then submit the information to the Division's CSO and Volunteer Program.* According to the CSO CEO, Board members submit their Volunteer hours monthly. If no hours are submitted, an estimation of 2 hours is allocated for email monitoring and completion of tasks sent by the CEO to Board members. The CEO provides the Volunteer hours to the Division quarterly and a Division employee records the Volunteer hours into VSys on behalf of the CSO. We reviewed the Volunteer hours submitted by the CSO and the Volunteer hours entered into VSys for calendar year 2021.

CSO Volunteer Hours 2021	
Submitted by CSO	1468
Entered in VSys	1950

Based on our review, an additional 482 Volunteer hours were recorded in VSys. We determined the number of monthly hours provided by the CSO was not always the number that was recorded in VSys. Additionally, we determined one Board member enters time directly into VSys and hours are also reported to the Division by the CSO for this same Board member. For the 2021 calendar year, the hours recorded in VSys by the Board member, did not match the number of hours reported by the CSO for 10 out of 12 months.

CONCLUSION

Based on our audit, the CSO was established and operates in compliance with Section 258.015, F.S. We observed that continuous communication was demonstrated between the CSO and Division management. However, we noted control weaknesses in the areas of adherence to CSO Financial Policy, completeness of the Annual Program Plan, CSO Board membership, Volunteer coordination, and record retention of Board Committee meeting minutes. Further, we identified opportunities for management to strengthen some of its internal controls as well as some areas where new monitoring controls could be established and implemented to ensure compliance with Agreement terms and Division requirements. Our findings and recommendations are listed below.

FINDINGS AND RECOMMENDATIONS

Finding 1: Adherence to Financial Policy – CSO Financial Policy is not being followed as required by Paragraph 5 of the CSO Agreement

Section 9.0 of the Financial Policy states, *All mail will be opened by both the CEO and the outsourced bookkeeper, date-stamped and given to the CEO for review and approval.* Section 10.0 of the Financial Policy states in part, *The outsourced bookkeeper will fill out a deposit slip while still in the presence of CEO. The CEO will review and initial signifying her review.* Based on this audit, the CEO is not present for the opening of mail, or the preparation of the deposit slips, and there was no documentation provided showing the CEO's required review.

The Account Reconciliations section of Appendix A of the Financial Policy states, *Bank statements should be received and opened by the CEO. The CEO should scan the statements for unusual vendors, ensure signatures are authorized, and initial the bank statements signifying this review. The bank statements should then be given to the outsourced bookkeeper or outsourced accountant to perform the reconciliation. The reconciliation should then be reviewed by the CEO. Both the preparer and reviewer should initial the reconciliation signifying that there are no unreconciled items and that the reconciled balances agree to the general ledger. A copy of the reconciliation should be maintained with the bank statement or with other monthly closing documents.* Reconciliations were provided by the CSO; however, they do not contain CEO initials or any documentation of review.

Section 11.0 of the CSO Financial Policy states in part, *An expense report is prepared and approved when requesting personal reimbursement for FSPF expenses. Relevant invoices and receipts are attached.* Supporting documentation for sampled expenses was incomplete and illegible.

Section 7.0 Credit Card Use Policy states, *Credit cards will be issued in the name of the employee or board officer. The credit card may be used only for the purchase of goods or services for official business of the Foundation and all expenditures must be supported by an invoice/receipt. Employees with credit cards are responsible for its protection and custody and shall immediately notify the credit card company and CEO if it is lost or stolen. Employees issued credit cards must immediately surrender the card to the CEO when affiliation with the Foundation has ended. The person using a credit card for purchases that cannot be substantiated as a necessary purchase for official business will be subject to disciplinary action.* Furthermore, Section 11.0 of the Financial Policy states in part, *The CEO will review and approve all staff and board Member related reimbursements and the Treasurer will review and approve the CEO's reimbursements.* Expenditures made on the CSO credit card issued to the CEO is circumventing approval by the Treasurer by allowing other CSO staff members to document purchases on Expensify profiles that are approved by the CEO.

Recommendation:

- 1.1 We recommend the Division provide additional oversight to ensure compliance with the established CSO Financial Policy. The CSO should adhere to the established Financial Policy that outlines adequate internal controls and responsibilities for all areas of cash collections and expenditures consistent with standards in the Division's OM and CSO Handbook.

Division Response: The Division concurs with the finding and will work with the Foundation to ensure compliance with the established CSO Financial Policy.

Finding 2: Membership Payments – Membership payments and supporting documentation provided were inconsistently reported and documented

Section 4.2 of the CSO's Amended Bylaws states, *Members of the Foundation shall pay membership dues as determined by the Board of Directors. Memberships are for a one-year period and may be renewed annually. A member is considered a member in good standing of the Foundation as long as his/her membership dues are paid. The Board of Directors shall have the right to establish and define non-voting categories of membership.* The CSO accepts membership dues by cash, check, credit card, wire transfer, and online payments. The CSO stated that it is very rare for cash to be collected as web-based collections are most common. Membership is managed by a third-party vendor. The collection of dues is managed by two third-party vendors: through the website and an email mailing list link. If membership dues are collected outside the web-based system, member information is manually entered and stored in the database. Our review found discrepancies between what was reported in the general ledger and membership payment documentation provided.

Section 4.3 of the CSO's Amended Bylaws states, *A member in this Foundation is considered a non-voting member until he/she is elected to serve on the Board of Directors. A member may be nominated to serve as a Director. To be elected or appointed to the Board of Directors or any committee or subcommittee, a member must be in good standing as outlined in these Bylaws.* Section 4.2 of the CSO's Amended Bylaws states, *A member is considered a member in good standing of the Foundation as long as his/her membership dues are paid.* Based on our review several individuals listed as "Attending Board Members" in the Board meeting minutes during 2021 Board meetings did not pay dues in the 2021 fiscal year. The non-payment would render these members not in good standing and thus ineligible to be a voting member.

Recommendations:

- 2.1** We recommend the Division work with the CSO to ensure compliance with its established Bylaws regarding CSO membership and to discontinue practices that misrepresent CSO membership payments. In addition, we recommend the CSO establish written guidelines and procedures regarding memberships, particularly dues, categories, and reinstatement, either in their Bylaws or in a separate stand-alone policy.

Division Response: The Division concurs with the finding and will work with the Foundation to update the bylaws to address CSO membership practices.

- 2.2** We recommend the Division work with the CSO to develop a process for tracking and ensuring that all voting Board members are in good standing.

Division Response: The Division concurs with the finding and will work with the Foundation to develop a process for tracking and ensuring that all voting board members are in good standing.

Finding 3: Annual Program Plan – Annual Program Plan lacks information required by the CSO Handbook

Section 4.6 of the Agreement requires the CSO to adopt an Annual Program Plan, that is developed as set forth in the CSO Handbook Section 4.2. The CSO Handbook outlines the

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requirements for the Annual Program Plan; *The Division requires, before the beginning of every CSO's fiscal year, the Board of Directors and Park Manager develop an Annual Program Plan, Form DRP- 052 (see Appendix 7.0) that identifies the goals for the coming year. This plan must include all proposed projects (park improvements, large construction, plans for endowments or contracts, fundraising activities, visitor service activities, and events). For each proposed in-park activity and event, the plan must include the designation of a specific location, date, and time.* The CSO completed and submitted the Annual Program Plan to the Division on time; however, the required form, DRP-052, was not utilized and the Annual Program Plan did not include plans for endowments or contracts, visitor service activities, or events.

Recommendation:

3.1 We recommend that the Division work with the CSO to ensure the Annual Program Plan is completed on form DRP-052, as required.

Division Response: The Division concurs with the finding and will work with the Foundation to complete the Annual Program Plan on the appropriate DRP form.

Finding 4: Document Retention and Meeting Minutes – Board Committee meeting minutes are not kept or retained as required by Section 617 F.S.

Section 617.1601(1), F.S., states, *A corporation shall keep as records minutes of all meetings of its members and board of directors, a record of all actions taken by the members or board of directors without a meeting, and a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation.* The CSO retains meeting minutes for quarterly Board meetings; however, meeting minutes are not kept for all committee meetings.

Recommendation:

4.1 We recommend the Division work with the CSO to ensure accurate records of meeting minutes, actions taken by the members or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors on behalf of the corporation are created and stored for the appropriate amount of time as listed in Section 617, F.S.

Division Response: The Division concurs with the finding and will work with the Foundation to ensure accurate meeting records of meetings minutes, actions taken by the Board of Directors, and meetings by committees are created and retained.

Finding 5: Volunteer Agreements, Training, and recording Volunteer hours – Volunteer Agreements were not obtained for all Board members, required annual training was not completed, and discrepancies were noted for recorded Volunteer hours.

Chapter 5 of the CSO Handbook states in part, *All Citizen Support Organization (CSO) Board of Directors, like all Florida Park Service (FPS) regular service volunteers, are required to sign a Volunteer Agreement once annually.* According to the Division, Volunteer Agreements are uploaded into VSys in bulk by a Division employee, under the Name "Florida State Park Foundation." We reviewed Volunteer Agreements uploaded into VSys for 2021. Of the 20 individuals listed as "Attending Board Members" in the Board meeting minutes during 2021, seven did not have signed Volunteer Agreements in VSys. Additionally, per Division staff, annual training is not required by the Division because the Board members are not public facing Volunteers.

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However, based on an interview with the CSO's CEO and other documentation reviewed, Board members do participate in activities and attend CSO/Park functions held at various Parks.

The Division's OM states, *The Friends of Florida State Parks, Inc. and Florida Greenways and Trails Foundation, Inc. board members must submit their volunteer information monthly to their CSO president or designee who should then submit the information to the Division's CSO and Volunteer Program.* According to the CSO CEO, Board members submit their Volunteer hours monthly. If no hours are submitted, an estimation of 2 hours is allocated for email monitoring and completion of tasks sent by the CEO to Board members. The CEO provides the Volunteer hours to the Division quarterly and a Division employee records the Volunteer hours into VSys on behalf of the CSO. We reviewed Volunteer hours submitted by the CSO and hours recorded in VSys. Based on our review, an additional 482 Volunteer hours were recorded in VSys. We determined the number of monthly hours provided by the CSO was not always the number that was recorded in VSys. Additionally, we determined one Board member enters time directly into VSys and hours are also reported to the Division by the CSO for this same Board member. For the 2021 calendar year, the hours recorded in VSys by the Board member, did not match the number of hours reported by the CSO 10 out of 12 months.

Recommendations:

- 5.1** We recommend that the Division work with the CSO to ensure that Volunteer Agreements are signed and submitted to the Division and Volunteer training is completed annually, as required.

Division Response: The Division concurs with the finding and will work with the Foundation to ensure Volunteer Agreements are signed and annual training is completed.

- 5.2** We recommend that the Division work with the CSO to accurately document Board member Volunteer hours.

Division Response: The Division concurs with the finding and will work with the Foundation to accurately record volunteer hours of the board.

Finding 6: CSO Reporting Requirements – The Division's CSO Handbook and Agreement have not been updated to reflect current practices and control requirements.

According to Chapter 5.7 of the Division's CSO Handbook, *The CSO's Annual Financial Report, a Division requirement, is not to be confused with the Corporate Annual Report required by the Florida Department of State, Division of Corporations (see Chapter 5: Section 4) or the CSO's Annual Report to the Department (see Chapter 5: Section 12). The Annual Financial Report is due to the Division no later than six (6) months following the close of the CSO's fiscal year.* As a result of legislative changes made in 2019 to section 20.2551 F.S., the information contained in the Annual Financial Report became duplicative of the information in the CSO's Annual Report to the Legislature. Therefore, the Division decided to eliminate the CSO requirement of submitting an Annual Financial Report. The Division's decision was conveyed in an interview during a previous audit. The Division's CSO Handbook, dated January 15, 2015, has not been revised to reflect the updated reporting requirements.

This issue was previously addressed in:

- Audit Report A-1920DEP-019, Audit of Agreement with the Friends of Lake Louisa State Park, Inc., Citizen Support Organization published in 2019

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Office of Inspector General
Audit of Agreement with Florida State Park Foundation, Inc.**

- Audit Report A-2122DEO-019, Audit of Agreement with Olustee Battlefield Citizens Support Organization, Inc. published in 2023

Recommendation:

- 6.1 We recommend the Division revise the CSO Handbook to remove outdated information to reflect current Division policies and requirements.

Division Response: The Division concurs with the finding and will update the CSO Handbook.

Finding 7: Grant Proposal Approval – The Division Director had not provided documented proof of approval for grant proposals.

Section 4.12.3 of the CSO Handbook states in part, *Department Directive 150, Delegation of Authority, requires the Division Director or designee to approve all grant proposals, including those submitted by CSOs on behalf of the Division.* The Division Director stated that he reviewed the proposed grants and fundraising activities with the CSO prior to their application and verbally approved each; however, documentation of approval was not provided. Lack of documented approval increases the Division's risk of unapproved grant funding being received by the CSO, and provides no record of the approval in the event of staff turnover. Additionally, the Division's CSO Handbook, dated January 15, 2015, has not been revised to reflect the deleted Department Directive 150.

Recommendations:

- 7.1 We recommend the Division Director provide and maintain written approval for all grant proposals submitted by the CSO.

Division Response: The Division concurs with the finding and will work with the Foundation to ensure that grants and fundraising activities are approved by the contract manager.

- 7.2 We recommend the Division revise the CSO Handbook to remove the deleted Department Directive 150 reference and update to include the requirement for prior Division Director or designee approval for all grant proposals submitted by the CSO.

Division Response: The Division concurs with the finding and will update the CSO Handbook.

STATEMENT OF ACCORDANCE

Statement of Accordance

The Mission of the OIG is to promote accountability, integrity, and efficiency by providing quality audits, investigations, management reviews, and technical assistance.

This work product was prepared pursuant to § 20.055, Florida Statutes, in accordance with the *Principles and Standards for Offices of Inspectors General* as published by the Association of Inspectors General and the *International Standards for the Professional Practice of Internal Auditing*, as published by the Institute of Internal Auditors, Inc. The audit was conducted by Jennifer Garretson and supervised by Candie M. Fuller.

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Office of Ombudsman and Public Services
public.services@floridadep.gov
(850) 245-2118

Candie M. Fuller,
Inspector General