



Hon. George Maragos
Nassau County Comptroller



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VIA E-MAIL

August 21, 2013

Sister Aimée Koonmen, Executive Director
Bethany House
102 Whitehouse Avenue
Roosevelt, NY 11575

Re: Limited Audit of Bethany House's 2011 and 2012 Compliance with the Nassau County Living Wage Law

Dear Sister Koonmen:

A limited Living Wage compliance audit was performed of Bethany House. The objective of this audit was to determine whether Bethany House was in compliance with the Living Wage Law¹ and the related Rules.² The audit period was calendar years 2011 and 2012. To accomplish our objective, we reviewed Bethany House's pertinent books and records.

Based upon our limited audit, our findings and recommendations are as follows:

Audit Finding (1)

Hourly Rates Paid to Employees Were Less than the Rates Mandated by the Living Wage Law

Seven employees from Bethany House ("BH") homeless shelter were paid below the Nassau County Living wage, totaling \$10,055.56 for the period reviewed - January 1, 2011 to December

¹ Nassau County Living Wage Law," Nassau Co. Misc. Laws, Title 57, (2007) as amended.

² Rules of the Nassau County Comptroller and Rules of the Nassau County Executive.

31, 2012. This underpayment was partially rectified within a week after meeting with BH when BH compensated employees for the underpayment.

However, after reviewing their repayment calculations, we determined that one employee was still owed \$1,710.34 and another employee was still owed \$125.29.

On June 17, 2013, BH processed a payroll to pay these two employees the additional salaries owed and provided proof of payment to the Comptroller's Office.

Audit Recommendation:

Going forward, BH should ensure that it is in compliance with the requirements of the Living Wage Law.

Audit Finding (2)

Compensated Time off Policies at BH were not in Compliance with the Living Wage Law

The Living Wage Law requires that any employee working 20 or more hours a week receive compensated time off proportional to the time earned by full-time employees.

BH claimed that they were not aware of this requirement and accrued compensated time off only for those employees working 30 or more hours a week.

Audit Recommendation:

Bethany House should start accruing compensated time-off to anyone working 20 hours or more a week. In addition, BH should calculate the amount of compensated time off owed to those employees that worked 20 or more hours a week but less than 30 hours, and add that amount of time to their accruals.

The matters covered in this report have been discussed with the officials of Bethany House during the course of this audit. On June 25, 2013, our Office submitted a draft report to Bethany House for comment. Bethany House provided its comments on July 8, 2013. Those comments have been included as an appendix to this report.

Sincerely,



JoAnn F. Greene
Director of Field Audit



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Roosevelt, NY 11575
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July 8, 2013

Joann F. Greene, Director of Field Audit
Office of the Comptroller
240 Old Country Road
Mineola, New York 11501

Re: Limited Audit of Bethany House's 2011 and 2012 Compliance with the Nassau County Living Wage Law

Dear Ms. Greene:

Thank you for your letter of June 25, 2013 outlining the findings and recommendations of the Limited Audit that was performed on Bethany House's compliance with the Living Wage Law. We appreciate the opportunity to better understand the requirements of this law and your assistance in helping Bethany House to achieve full compliance to it.

In order to remain in full compliance in the future, Bethany House's Board of Directors has instructed our administration and financial staff to be particularly vigilant concerning the annual changes in the salary rates for all employees of the organization, and we anticipate a change is due in August 2013.

In addition, Bethany House has revised its Employee Manual to reflect that paid time off, vacation and sick-time are accruing for *all employees who work at least twenty hours per week*. Our Employee Manual, which had been developed with the assistance and clear direction of a professional human resources support consultant, had originally defined "full-time" [and eligible to receive both medical and accrued time-off benefits] as any employee working *thirty hours* or more, not the County requirement of *twenty hours*. This has now been revised and our employees have been notified of this revision, and all previously accrued time has been allocated to all employees.

Bethany House has always worked diligently to comply with all county, state and federal guidelines in our thirty-five years of service to the constituents of Nassau County. We realize that we have fallen short regarding the Living Wage Law, but believe it is worthy to mention here that this Law has been poorly promulgated within the County and we have never received any County directives or updates on the LWL. In addition, there is still much confusion regarding employees [three of ours] who had waived Bethany's medical coverage – we believed that this waiver had exempted us from paying the medical supplement. Further, since County employees working part-time are exempt from the LWL, should this also include those employees who work for *County vendors* such as not-for-profit agencies?

At this time, we believe we are in full compliance with the present statutes of the LWL and will continue to strive to remain in compliance. We thank you for your assistance to us and commend you on the professionalism and expertise of your audit staff.

Very truly yours,

Sister Aimee Koonmen, OP
Executive Director

Auditors' Follow-up:

We concur with the corrective actions taken by Bethany House, in particular with its revisions to its Employee Manual to bring it into compliance with the Living Wage Law.

All of the requirements of the Living Wage Law can be found at the Comptroller's website at the following link:

<http://www.nassaucountyny.gov/agencies/Comptroller/LivingWage/index.html>

It is the position of legal counsel that even employees that waive Bethany's medical coverage must still be paid the medical supplement wage.