



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

DEPUTY COMMISSIONER
Office of Performance Improvement and Management Services
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April 16, 2015

RECEIVED
EXECUTIVE CORRESPONDENCE

APR 22 2015

OFFICE OF THE STATE COMPTROLLER
THOMAS P. DINAPOLI
COMPTROLLER

The Honorable Thomas P. DiNapoli
Comptroller
Office of the State Comptroller
110 State St. 15th Flr
Albany, NY 12236

Dear Comptroller Dinapoli:

In accordance with the provisions of Section 170 of the Executive Law, the following are actions that the State Education Department (Department) has taken, or will be taking, to implement the recommendations contained in the Office of the State Comptroller's (OSC) Final Audit Report (2014-S-39), Compliance with the Reimbursable Cost Manual: Institutes of Applied Human Dynamics (Institutes).

Recommendation 1: Review the recommended disallowances resulting from this audit and make the appropriate adjustments to the Institutes' Consolidated Fiscal Reports (CFRs) and reimbursement rates, as appropriate.

The Department is reviewing the information submitted by OSC on March 26, 2015 and will use this information to apply the audit adjustments to the Institutes' tuition reimbursement rates for all the findings.

Recommendation 2: Assess the claimed costs of \$689,963 pertaining to the questionable procurement of janitorial supplies through a less-than-arm's-length arrangement and determine if further adjustments to the CFRs are warranted.

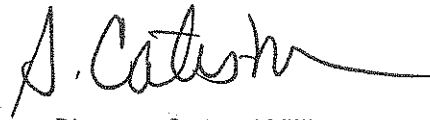
The Department has reviewed these claimed costs and determined that of the total \$689,963 identified, \$55,417 or 8 percent was allocated to our programs. The Department did not make further adjustment because after the audit, the Institutes purchased janitorial supplies through a purchasing organization.

Recommendation 3: Work with Institutes' officials to help them comply with the Reimbursable Cost Manual provisions.

The Institutes of Applied Human Dynamics ceased operations as of March 31, 2015.

If you have any questions regarding this response, please contact Suzanne Bolling,
Director of Special Education Fiscal Services at 518-486-7859.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Cates-Williams". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Sharon Cates-Williams