



Department of Health

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

October 19, 2016

Hon. Thomas P. DiNapoli
Comptroller
NYS Office of the State Comptroller
110 State Street
Albany, New York 12236

Dear Comptroller DiNapoli:

Pursuant to the provisions of Section 170 of New York State Executive Law, I hereby transmit to you a copy of the New York State Department of Health's comments related to the Office of the State Comptroller's final audit report 2015-S-72 entitled, "Management of Selected Special Revenue Funds."

Please feel free to contact Amy Nickson, Assistant Commissioner, Office of Governmental and External Affairs at (518) 473-1124 with any questions.

Sincerely,

Howard A. Zucker, M.D., J.D.
Commissioner of Health

Enclosure

cc: Ms. Nickson

**Department of Health
Comments on the
Office of the State Comptroller's
Final Audit Report 2015-S-72 entitled,
Management of Selected Special Revenue Funds**

The following are the Department of Health's (Department) comments in response to the Office of the State Comptroller's (OSC) Final Audit Report 2015-S-72 entitled, "Management of Selected Special Revenue Funds."

Recommendation #1

Establish and implement fund management controls to ensure that special revenue funds supported by voluntary contributions are utilized timely and for their intended purposes. Such controls should include, but not be limited to:

- Written plans and policies specifically geared toward the management of specific special revenue funds;
- Procedures to effectively promote the respective distinctive license plates of each fund, as well as the State's ability to accept grants, gifts, and bequests for these funds;
- Public disclosure of how funds are used;
- Regular monitoring of fund activity; and
- Communicating with DMV regarding revenue deposits and possible collaboration of marketing/promotional efforts.

Response #1

The OSC did not specify any Department actions inconsistent with NYS statute or policies or procedures. The Department takes its responsibility for these funds very seriously.

An innovative contract for the operation and promotion of the New York State Donate Life Organ and Tissue Donor Registry (NYSDLR), which was approved by OSC on August 24, 2016, represents a public-private partnership that will significantly strengthen organ donation in NYS. The selected contractor, the New York Alliance for Donation (NYAD), has a long-standing mission of increasing organ, eye and tissue donation in NYS through collaborative advocacy, education, promotion and research. The Department is implementing this new program with the organ donation special revenue funds.

NYS statute directs the Department of Motor Vehicles (DMV) to collect these special revenues, and the Department has no statutory authority to oversee DMV operations. The Department has previously discussed with DMV the use of these special revenue funds, and the two Departments will continue to discuss these issues.

- The Department has written policies and procedures covering these funds. OSC's Guide to Financial Operations is the primary set of policies and reference. In addition, Statewide Financial System procedures, workflow requirements, and job aids are also governing policies.
- Use of these funds to "promote the distinctive license plate of each fund" would detract from their intended important use, which is to promote awareness and research. Further,

it is not known if promotional activities would generate additional revenue, nor would it be appropriate to use donated funds for such a purpose.

- Public information on the authorization and use of these funds is available through Open Book, Open Budget, and ongoing program description updates on the Department's website.
- The Department continues to regularly monitor fund revenues and disbursements. The relevant expenditure plan is the basis for planned activities. Variances and corrective actions or plan revisions are reviewed among finance and program staff.
- The Department and DMV will continue to discuss use of these special revenue funds.