

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

<b>Finding</b>	<b>Recommendation(s)</b>	<b>Management Response as of June 20, 2019</b>	<b>Management Response as of December 20, 2019</b>	<b>Anticipated Completion Date &amp; Contract</b>
<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>	<ul style="list-style-type: none"> <li>• The Able Trust has updated its tracking and reporting tools to reflect OIG and statutory guidelines. The 2018-19 audit has been updated to correspond to standards (see attached, Audit Note “Administrative Costs”).</li> <li>• For 2019-20 budget, The Able Trust staff coordinated with the Director of Division of Vocational Rehabilitation and Florida Department of Education staff to adjust the proposed budget in order to comply with the statutory 15% administrative costs cap.</li> </ul>	<ul style="list-style-type: none"> <li>• Completed 12/5/19</li> <li>• Completed 10/15/19</li> </ul>

			<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• For fiscal year 2020-21, The Able Trust will reformat its financial reports to better represent project costs and more clearly identify administrative costs and sources and uses of funds throughout the year, including the pro-rata</li> </ul>	<ul style="list-style-type: none"> <li>• Expected completion, January 2020</li> <li>• Expected completion, January 2020</li> <li>• Expected completion, August 2020</li> </ul>
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			<p>portion of interest and earnings on the endowment principal of private and public funds. (Expected completion of financial reports redesign is August 2020.)</p> <ul style="list-style-type: none"><li>• For any questions on the information above, please contact Tony Carvajal at: (850) 224-4493, Ext 222</li></ul>	
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12/20/2019

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The Able Trust reported inaccurate administrative costs and percentages.	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.	VR will pursue statute language change during the 2020 Legislative Session to coincide with the IG recommendations.	Proposed language was submitted to DOE for review/approval. Recommended language sent to Legislative staff. Currently waiting to see the actual language from legislators.	End of 2020 Session.