



Gateway-Longview

serving children, youth and families since 1890

February 10th, 2015

The Honorable Andrew M. Cuomo
Governor of New York State
NYS Capitol Building
Albany, NY 12224

Roberto Velez
Acting Commissioner
Office of Children and Family Services
52 Washington St.
Rensselaer, NY 12144

Dr. Howard Zucker
Acting Commissioner
Department of Health
Corning Office Building
Empire State Plaza
Albany, NY 12237

Elizabeth Berlin
Acting Commissioner
NYS State Education Department
State Education Building
89 Washington St. – Room 125
Albany, NY 12234

Mr. John V. Tauriello
Acting Commissioner
Office of Mental Health
44 Holland Avenue
Albany, NY 12229

Mr. David Fleming
Office of State Comptroller
PSU-CAP Submission and Audit Response
10 State Street, 12th Floor
Albany, NY 12236

Re: Report 2009-S-90

Dear Mr. Fleming:

The Board of Directors and Administration of Gateway-Longview, Inc. wishes to take this opportunity to address your office regarding the above captioned report. First, we would stress that we take the findings and recommendations identified in the audit with the utmost importance, and are fully committed to leading Gateway-Longview with the highest level of conduct and integrity going forward.

As the OSC recognized, Gateway-Longview has gone through significant change since the period covered by the audit with both the Board of Directors and Executive Management. In 2013, a new CEO, CFO, and Compliance Officer were hired. In addition, the Board was reconstituted, and all the trustees identified in the audit are no longer serving on the Board. Moreover, all prospective Board members are informed of the Agency's stringent Conflict-of-Interest Policy, and are fully informed of their fiduciary responsibilities and duties to the organization and the public it serves.



☐ Lynde School & Campus
6350 Main Street
Williamsville, NY 14221
(716) 633-7266
(716) 634-3925 fax

☐ Therapeutic Pre-School
5360 Genesee Street
Bowmansville, NY 14026
(716) 686-8670
(716) 686-8677 fax

☐ Monroe Place SILEP Complex
296 Monroe Street
Buffalo, NY 14212

☐ Family Resource Center
347 East Ferry Street
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(716) 783-3100
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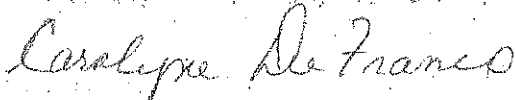
Relating to the Upper New York Conference of the United Methodist Church

In addition, the bylaws and several key policies and procedures were amended to comply with all governing statutes, rules and regulations. This includes the formation of a committee of independent board members to evaluate potential conflicts and to present a recommendation to the full board for approval, as well as oversee the audit of our independent auditor. We further acknowledge past deficiencies in record keeping which did not enable us to fully demonstrate that some business decisions were in the best interest of the agency, and have enhanced internal controls and documentation to meet the expectations of all stakeholders.


As a result of this audit, the Board hired the Bonadio Group to independently evaluate the Agency specifically on the issues identified in the audit. As the attached letter indicates, we are pleased to report all deficiencies have been remediated.

We commend the OSC staff who worked on the audit and appreciate the professional manner in which the OSC personnel worked with the current Administration and the Board. We further look forward to working collaboratively with the OCFS, SED, OMH, and DOH to review the issues identified, so we may continue our mission to provide the best services for children and families.

Respectfully submitted,



Carolyn DeFranco
CEO & President, Gateway-Longview, Inc.


Richard A. Grimm, III
Chair Audit & Compliance, Gateway-Longview, Inc.



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1. Ensure the Board members avoid conflicts of interest and annually file written disclosures of any business involvement with Gateway or related parties.

The *Conflict of Interest Policy* was revised to comply with all State and Federal Laws and regulations, and clearly defines the procedures for disclosing, evaluating, and processing conflicts of interest. At Board Orientation and every year thereafter, a Board meeting is dedicated to compliance training. This training includes Directors reviewing and signing the *Conflict of Interest Disclosure Statements*, the *Code of Conduct*, and the *Code of Ethics*. All three documents set the parameters governing the Board's fiduciary duty to act in the best interests of the agency. The disclosure statement requires Board members to document their current employment and any other boards where they currently serve as a Trustee. Subsequently, the Audit and Compliance Committee, made up entirely of independent directors, thoroughly reviews all COI disclosure statements. The Audit and Compliance Committee is also charged with ensuring all policies governing COI are enforced by the entire Board, and that proper procedures such as full disclosure and recusal from vote are followed.

- Applicable Policies: *Bylaws ; Conflict of Interest Policy; Code of Ethics; Code of Conduct*
- Implementation Responsibility : BOD Audit and Compliance Committee; Corporate Compliance Officer; CEO
- Record Retention: The Conflict of Interest Disclosure Statements are permanently maintained in corporate files. Board deliberations around C.O.I are documented in held Audit and Compliance and Board Minutes.
- Dates of Training: 1/17/13 Annual Board Compliance Training
1/28/14-1/30/14 New Board Member Orientation
12/18/14 Annual Compliance Training
- Current Status: The Agency is not engaged in any business transactions with any Agency or Foundation Boards Members.

2. Modify the bylaws to ensure the Board of Directors formally approves all contracts at or above a specified dollar threshold and that these decisions are adequately documented. Ensure the Board is provided with sufficient information and analysis to make informed decisions regarding such contracts.



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The Agency Bylaws were amended to require Board approval with respect to any contracts having a value in excess of \$50,000.00. The Finance Committee of the Board is responsible for ensuring the competitive bidding and contract approval process is followed as directed in the Procurement Policy. The Board members will be provided ample information and time to thoroughly vet all competitive bids, and such deliberations will be documented in both the Finance Committee and Agency Board minutes. If contracts are not awarded to the most competitive bidder, the justification for such decision will be documented.

- Policies: *Bylaws; Procurement; Record Retention and Destruction*
- Implementation Responsibility: BOD Finance Committee; CFO ; CEO
- Record Retention: Records related to all bids and contracts will be maintained for minimum of 8 years.

3. Ensure that reporting of reimbursable expenses complies with all prescribed program guidelines and requirements. At a minimum this should include maintaining supporting documentation for claimed expenses as well as documentation to support competitive bidding efforts.

The CFO, Comptroller and CEO have attended CFR training, and will continue to attend ongoing training offered by County and State Regulatory Entities to remain up to date with respect to reporting requirements. In addition, current cost manuals for all funding sources are saved on the accounting shared drive which all accounting staff have access to, including the following: SED RCM, SSOP and Medicaid Cost Report . Furthermore, if the agency has any questions regarding whether a cost is allowable, the agency will consult with our outside auditors or the applicable state accountant or rate setting unit.

In addition, accounting staff and program leaders have been educated on the documentation required for invoices from independent contractors, and multiple internal controls have been implemented to ensure compliance. In addition, the Corporate Compliance Department will conduct periodic internal audits to ensure compliance with procurement and record retention requirements.

- Policy: *Procurement; Code of Conduct; Accounting; Corporate Compliance Plan*
- Implementation Responsibility: BOD Finance Committee; Chief Financial Officer; Corporate Compliance Officer; CEO
- Record Retention: Purchasing Dept, Files; Accounting Department Files
- Dates of Training: 11/13/13 NYS CFR Training Sr. Comptroller
3/26/14 ECDMH CFR Training Sr. Comptroller; CFO; CEO
10/29/14 NYS CFR Training CFO
3/21/15 ECDMH CFR Training Sr. Comptroller; CFO