



City of Greensboro

Date: November 23, 2009
To: Rashad Young, City Manager
From: Internal Audit Division
Subject: Guilford Interfaith Hospitality Network

The Internal Audit Division has completed our annual review of The Guilford Interfaith Hospitality Network along with a Programmatic Review by the Housing & Community Development Department for the 2007-2008 year. Attached you will find our review report; the agency response; the departmental response and our replies to their responses. We feel that sufficient corrective actions have been implemented to our recommendations as we move forward. If you have any questions or need additional information, please let us know. Thanks.

A handwritten signature in black ink, appearing to read "Len Lucas".

Len Lucas
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager
Andy Scott, Interim Assistant City Manager for Economic Development
Dan Curry, Interim Director of Housing & Community Development



City of Greensboro

Date: August 19, 2009
To: Dan Curry, Acting Director of Housing & Community Development
From: Internal Audit Division
Subject: Guilford Interfaith Hospitality Network

The Internal Audit Division has performed our yearly monitoring visit of the Guilford Interfaith Hospitality Network which received An Emergency Shelter Operations grant in the amount of \$20,438 from the City of Greensboro during the 2007 to 2008 grant year.

The Emergency Shelter Operations Nussbaum Housing Partnership Allocation grant in the amount of \$20,438 helps to perform all the necessary services provided in connection with operating and maintaining a shelter for homeless persons. The Agency shall provide emergency shelter for families with children by utilizing churches and congregational volunteers, collaboration of community volunteers, resources, and support services to empower homeless families to become self sufficient and acquire and maintain housing. The following costs are eligible for reimbursement: staff salaries; maintenance and security salary; maintenance and operation; insurance and utilities for a center located at 707 N. Greene St. Approximately 75 beneficiaries were projected to be served by the Agency.

We examined selected financial transactions and program documentation maintained by the agency for compliance with the contract and for assurance that program goals were achieved. Based on our review, it appears that the funds have been spent according to the terms of the contract except for the following findings:

FINDING:

In the Board of Directors minutes dated September 10, 2007, their Auditor, stated "The Agency was charged a \$1,240 tax penalty by the Internal Revenue Service for late submission of taxes."

RECOMMEND:


We recommend that the Agency provide the City with the reason why the taxes were submitted late and why a penalty was charged by the Internal Revenue Service.

We request a written signed response from Guilford Interfaith Hospitality Network and the Department of Housing & Community Development by September 2, 2009 and mailed to the City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27402.

We would like to thank Mr. Clarke Martin, Executive Director, and the staff of the Guilford Interfaith Hospitality Network for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-2821.



Mickey Kerans
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Andy Scott, Interim Assistant City Manager for Economic Development
Clarke Martin, Executive Director of Guilford Interfaith Hospitality Network



Date: August 12, 2009
To: Clarke Martin, Director, Guilford Interfaith (GIHN)
From: Michael Blair, City of Greensboro HCD
RE: *FY08/09 GIHN Paisley House Programmatic Evaluation*

HCD and Internal Audit staff conducted an onsite visit at the Guilford Interfaith Hospitality Network (GIHN) offices on April 14, 2009. HCD staff appreciates the assistance provided by GIHN which was well represented by Executive Director Clarke Martin and other staff.

The period under review, along with current site conditions, was from July 1, 2007 to June 30, 2008. Examined were various program materials and financial files.

Funding and Number Served

Paisley House was funded for \$20,438 (27 households served) in FY07/08 for shelter operations which was successfully completed June 30, 2008; in addition Paisley House received \$25,000 in FY06/07.

CDBG Eligibility (file review) and Consolidated Plan Relationship

All program participant files contained adequate verification of homelessness and used both of the required HCD verification forms. The program relationship to 2005-2009 Consolidated Plan are priorities 2A and 2A-C.

Board and Board Minutes

The advisory board met 10 times in FY07/08 which is a good level of activity (nine meetings had quorums). The advisory board has around 14 members, approximately even between women and men, from a wide range of professional backgrounds. Minutes are maintained and are generally understandable including the minutes where the external annual audit was reviewed and accepted by the board.

Grievance Policy

The agency has a multi-level (meaning that if a complaint is not resolved it goes to the next level for resolution) grievance policy.

CHIN

The agency uses CHIN and has three licenses.

Conditions

The site visit of the facility found it to be well maintained. A site inspection should be conducted in FY09/10.

Paisley House Measures:

Fiscal Year:	FY04/05	FY05/06	FY06/07	FY07/08
Total Families Served:	49	21	22	27
Total Individuals Served:	159	77	62	79
Client Nights:	6,676	3,778	2,668	3,794
Average Occupancy:	157%	73.3%	53%	74%
Ave. Individuals/Night:	18	10	7.3	10.4
Maximum Stay:	6 Months	105 Days	96 Days	91 Days
Average Length of Stay (days):	44	44	53	50

As a result of this review HCD staff is making zero (0) findings, one (1) concern and zero (0) observations regarding the use of HCD funding.

A *finding* is defined by HCD as a program element that does not comply with a local, federal, or contractual, rule or regulation whereas a *concern* is either a potential finding or program weakness that should be improved to avoid future problems. An *observation* can be either a positive comment about the agency or a suggestion that may improve a service or element of operations.

Concern – Internal Audit Finding - IRS Penalty

The Internal Audit report contains a finding that the agency was charged a \$1,240 late tax submittal fee by the IRS.

Requested Action

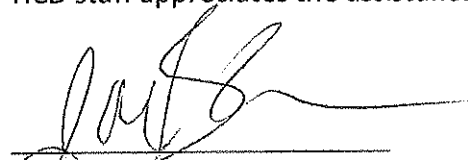
To reply to the Internal Audit finding that requests an explanation for the oversight and to make certain with effective board policies that it does not reoccur in the future.

The Internal Audit report includes one finding regarding the IRS penalty. Please reply as requested.

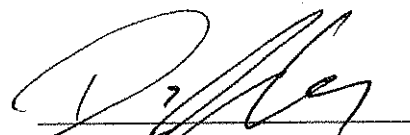
The concern in this review, in our view, does not reflect negatively on GIHN staff and their work ensuring the continued success of the referenced program. The intent of the concern is to help prevent future unnecessary costs to the agency.

It is HCD staff opinion that GIHN - Paisley House is an eligible and effective use of city Homelessness Prevention funding. It provides a much needed service to homeless families. There are no disqualifying financial concerns for future City funding.

HCD staff appreciates the assistance provided during the monitoring visit by GIHN staff.



Michael Blair
Specialist Grants Compliance



Dan Curry
Acting Director HCD

9/18/09



Guilford Interfaith Hospitality Network

707 N. Greene St.
Greensboro, NC 27401
Phone: 336-574-0333
Fax: 336-574-0575

www.GIHN.org

1307 Guyer St.
High Point, NC 27265
Phone: 336-886-1121
Fax: 336-886-1125

September 16, 2009

Mickey Kerans
Internal Audit Department
City of Greensboro
300 W. Washington St
Greensboro, NC 27401

Re: late filing fee for 2006 IRS-990

Dear Mickey,

As noted in a previous email, GIHN never paid any late filing fee to the IRS for 2006 or any other year. Attached are copies of:

- an IRS notice of late filing fee dated 9/3/2007
- a response to the IRS from GIHN's CPA Paul Stutts, and
- a copy of the Application for Extension filed by Mr. Stutts for GIHN.

I trust this documentation satisfies the City's need to close this issue. If not, please let me know.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Clarke Martin'.

Clarke Martin
Executive Director
Clarke@GIHN.org



PAUL M. STUTTS, CPA, PLLC
CERTIFIED PUBLIC ACCOUNTANT

September 18, 2007

Internal Revenue Service
Ogden, UT 84201-0074

Re: Guilford Interfaith Hospitality Network, Inc.
EIN #: 56-2052077

To Whom It May Concern:

The above mentioned client has asked us to respond to your notice dated September 3, 2007 (copy enclosed). Guilford Interfaith Hospitality Network, Inc. mailed in an Application for Extension of Time to File an Exempt Organization Return on, Form 8868, before the May 15, 2007 deadline (copy enclosed), extending the time to file until August 15, 2007. The Form 990 was mailed in on August 7, 2007. We would like to request the removal of penalties due to the fact that the return was filed in a timely manner.

Should you have any further questions, or need additional information, please call me at (336) 691-8880.

Very truly yours,

Paul M. Stutts, CPA, PLLC

A handwritten signature in cursive script, appearing to read "Paul M. Stutts".

Paul M. Stutts, CPA

enclosure

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
 - If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

Section 501(c) corporations required to file Form 990-T and requesting an automatic 6-month extension-check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization Guilford Interfaith Hospitality Network, Inc.	Employer identification number 56-2052077
	Number, street, and room or suite no. If a P.O. box, see instructions. PO Box 20227	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Greensboro NC 27420-0227	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **Eric Cassetty**
- Telephone No. ▶ **336-668-5645** FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) **N/A**. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a section 501(c) corporation required to file Form 990-T) extension of time until **8/15/07** to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year **2006** or
- ▶ tax year beginning _____ and ending _____

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.



Department of the Treasury
Internal Revenue Service
OGDEN, UT 84201-0074

For assistance, call:
1-877-829-5500

Notice Number: CP141L
Date: September 3, 2007

Taxpayer Identification Number:
56-2052077
Tax Form: 990
Tax Period: December 31, 2006



GUILFORD INTERFAITH HOSPITALITY
NETWORK INC
% MICHELL MAYNARD
PO BOX 20227
GREENSBORO NC 27420-0227275

004345

We Charged a Penalty on Your Exempt Organization Tax Return

Why Are You Getting This Notice?

We charged a penalty under Internal Revenue Code (IRC) section 6652(c) because your Form 990 was filed late. For more account detail, see the Tax Statement section shown below.

How We Calculated the Amount You Owe

Tax Statement

Tax on Return	\$.00
Total Credits	\$.00
Amount Previously Refunded to You	\$.00
Overpayment	\$.00
Penalty	\$1,240.00
Interest	\$.00
Amount You Owe	\$1,240.00

To avoid additional penalty and/or interest, please allow enough mailing time so that we receive your payment by **September 24, 2007**.

Payment Instructions

Make your check or money order payable to the United States Treasury. Write your taxpayer identification number on your payment and mail it with the stub portion of this notice to:

Internal Revenue Service
P.O. Box 9941
Ogden, UT 84409

What Steps Should You Take?

1. If you think you have reasonable cause for filing your return late, you need to provide a signed detailed letter of explanation outlining the circumstances which resulted in not filing your return timely. Refer to the "Removal of Penalties - Reasonable Cause" section below.
2. Send your signed letter of explanation, along with the voucher on the last page of this notice to:

Internal Revenue Service
P.O. Box 9941
Ogden, UT 84409

3. If you prefer to fax your reasonable cause statement to us, our fax number is 801-620-5555. However, due to the high volume of faxes we receive, we can not acknowledge receipt of your fax. Also, do not send an additional copy by mail. Doing so could delay resolving your account issue. If you fax the information, please include a cover sheet with the following information:

- Your Name
- Your Taxpayer Identification Number
- Tax Period
- Number of Faxed Pages, including cover sheet
- Date
- Attention: EO Accounts, Mail Stop: 6710

For tax forms, instructions and information visit www.irs.gov. (Access to this site will not provide you with your specific taxpayer account information.)

Penalty and Interest

About Your Notice - The penalty and/or interest charges on your account are explained on the following pages. If you want a more detailed explanation of your penalties and interest, please call the telephone number listed on the top of this notice. You may call your local IRS telephone number if the number shown on your notice is a long-distance call for you. All days mentioned in the paragraphs below are calendar days, unless specifically stated otherwise.

Penalties: \$1,240.00

10 Filing Late - Exempt Organizations and Certain Trusts \$1,240.00

We charged a penalty because you filed your return late.

For Forms 990, 990EZ, and 990PF, the penalty is:

(1) \$20 a day for each day your return is late or incomplete, if your gross annual receipts are equal to or less than \$1 million. The penalty may not be more than \$10,000 or 5% of your gross annual receipts, whichever is less.

(2) \$100 a day for each day your return is late or incomplete, if your gross receipts exceed \$1 million. The penalty may not be more than \$50,000.

For all other forms, the penalty is \$10 a day for each day your return is late. The penalty may not be more than \$5,000.

If you disagree with this penalty, see "Removal of Penalties" in this notice. To avoid this penalty in the future you should file your returns by the return due date.



(Internal Revenue Code section 6652)

Removal of Penalties

94345

The law lets us remove or reduce penalties if you have reasonable cause or receive erroneous written advice from IRS.

Reasonable Cause

If you believe you have an acceptable reason why IRS should remove or reduce your penalties, send us a signed explanation. After we review your explanation, we will notify you of our decision. In some cases, we may ask you to pay the tax in full before we reduce or remove the penalty for paying late.

Erroneous Advice from IRS

We will remove your penalty if all the following apply:

1. You asked IRS for advice on a specific issue,
2. You gave IRS complete and accurate information,
3. You received advice from IRS,
4. You relied on the advice IRS gave you, and
5. You were penalized based on the advice IRS gave you.

To request removal of the penalty because of erroneous advice from IRS, you should do the following: (1) complete Form 843, *Claim for Refund and Request for Abatement*; and (2) send it to the IRS Service Center where you filed your return.

 CUT HERE

Return this voucher with your payment or correspondence.

Your Telephone Number: _____ Best Time to Call: _____ AM _____ PM
() _____

Amount you owe: \$1,240.00

• You will avoid additional penalties and/or interest if we receive your full payment by **September 24, 2007**

Amount enclosed: \$ _____

• Make payable to United States Treasury
• Write Taxpayer Identification Number, tax period and tax form number on payment

Correspondence enclosed

TE 200734 10 29490-216-33119-7

141L Internal Revenue Service
OGDEN, UT 84201-0074

GUILFORD INTERFAITH HOSPITALITY
NETWORK INC
% MICHELL MAYNARD
PO BOX 20227
GREENSBORO NC 27420-0227275



562052077 DD GUIL 67 2 200612 670 00000124000

City of Greensboro
North Carolina



September 21, 2009

Mr. Clarke Martin
Executive Director
Guilford Interfaith Hospitality Network
707 N. Greene St.
Greensboro, NC 27401

Re: Guilford Interfaith Hospitality Network Grant Year-2007 to 2008

Dear Clarke:

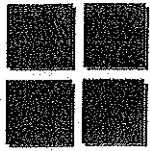
We are in receipt of your letter dated September 16, 2009 reference to the City's Internal Audit Division report of the grant for 2007-2008. Year dated August 19, 2009. Your timely response to our report is appreciated. We have reviewed your letter and are satisfied with the documents you submitted revealing the timely extension of your tax form 990 for 2006 and therefore no tax penalty was due for late filing.

Sincerely,

Mickey Kerans
Internal Auditor

Len Lucas
Internal Audit Director

Cc: Andy Scott, Interim Assistant City Manager for Economic Development
Dan Curry, Acting Director of the Department of Housing & Community
Development



HCD

Department of Housing & Community Development

MEMO

Date: November 10, 2009
To: Len Lucas, Internal Audit Director
From: Michael Blair, Analyst Grants Compliance
RE: HCD Reply to Guilford Interfaith HN Report

HCD concurs with the Internal Audit review.



City of Greensboro

Date: November 16, 2009
To: Dan Curry, Acting Director of Housing & Community Development
From: Internal Audit Division
Subject: HCD Reply to IA Report-Guilford Interfaith Hospitality Network Report 2007-2008

Thank you for your reply of November 10, 2009. Internal Audit concurs with the Department of Housing & Community Development's (H&CD) response to Internal Audit's subject report dated August 19, 2009.

Mickey Kerans
Internal Auditor

Len Lucas
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager
Andy Scott, Interim Assistant City Manager for Economic Development