



## Specialty License Plate Audit

April 18, 2014

### Family First

Audit Report 201314-23

### Executive Summary

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The purpose of this audit was to determine compliance with applicable laws, policies, and regulations related to the annual affidavit prepared by Family First (FF) for the Family First specialty license plate. FF is required to submit a Specialty License Plate Revenue, Expenditure, and Compliance Affidavit to the Department of Highway Safety and Motor Vehicles (Department) within nine months after the end of the FF fiscal year. The most recent affidavit FF submitted, for the 2012 Fiscal Year ended December 31, 2012, was used for this audit.

For every FF specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute, to FF, a non-profit organization established to fund programs that promote principles for building marriages, guiding parents, and raising children. Section 320.08058(46)(b), Florida Statutes (F.S.), specifies that up to 20 percent of the annual use fees may be used for marketing and promotion of the license plate, and up to 5 percent for administrative costs directly associated with FF operations. The remaining funds may be used for funding programs, projects, seminars, events, and family resources that promote principles for building marriages, guiding parents, and raising children.

During our audit, we determined that FF generally complied with applicable laws, policies, and regulations related to the annual affidavit.

## Background and Introduction

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Specialty license plates are license plates available to the general public with unique designs that promote philanthropic and other causes and require payment of an additional annual use fee. Section 320.08056, F.S., authorizes the issuance of all specialty license plates and specifies the annual use fee for the more than 120 specialty license plates Florida offers.

Section 320.08062, F.S., grants the Department authority to examine all records relating to the use of specialty license plate funds. The Office of Inspector General included the examination of specialty license plate recipient organizations in its annual work plan.

The FF specialty license plate was enacted in 2004. For every FF specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute, to FF, a non-profit organization established to fund programs that promote principles for building marriages, guiding parents, and raising children.

Section 320.08058(46)(b), F.S., specifies that up to 20 percent of the annual use fees may be used for marketing and promotion of the license plate, and up to 5 percent for administrative costs directly associated with FF operations. The remaining funds may be used for funding programs, projects, seminars, events, and family resources that promote principles for building marriages, guiding parents, and raising children.

The affidavit FF submitted for the 2012 Fiscal Year, as well as FF financial records for the 2012 Fiscal Year, were used for this audit.

FF received \$177,967.77 in specialty license plate fees for the 2012 Fiscal Year.

## Results of Audit

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During our audit, we determined that FF generally complied with applicable laws, policies, and regulations related to the annual affidavit for the FF specialty license plate.

## **Purpose, Scope, and Methodology**

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The purpose of this audit was to determine FF's compliance with applicable laws, policies, and regulations related to the annual affidavit prepared by FF for the FF specialty license plate.

The scope of this audit included revenues and expenditures reported on the FF affidavit for the 2012 Fiscal Year, and specialty license plate revenue and expenditures reported in FF financial records for the 2012 Fiscal Year.

The methodology included:

- Reviewing Florida Statutes related to specialty license plate fees;
- Reviewing Department policies and procedures related to specialty license plate fees;
- Reviewing FF's policies and procedures related to the use of specialty license plate fees;
- Reconciling the Department distribution of annual use fees to revenues reported on the affidavit filed by FF;
- Reconciling the expenditures reported on the affidavit to FF's financial records;
- Reviewing the use of funds by FF to ensure there is adequate supporting documentation, and that the expenditures are for purposes authorized by statute;
- Reviewing timing, availability, and content of reports such as affidavits, single audits, or sub recipient monitoring; and
- Comparing expenditures related to distributions and annual allocation limits for compliance with Section 320.08058(46)(b), F.S., and reviewing reasonableness of balances.

## **Distribution, Statement of Accordance, and Project Team**

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### **Distribution**

Julie L. Jones, Executive Director  
Mark Merrill, President, Family First

Copies distributed to:

Diana Vaughn, Deputy Executive Director  
Terry Rhodes, Chief of Staff  
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Julie Baker, Bureau Chief of Issuance Oversight  
Barbara Hall, Accounting and Office Manager, Family First  
Brian Deming, Director of School Programs, Family First

Melinda M. Miguel, Chief Inspector General  
David W. Martin, Auditor General

### **Statement of Accordance**

Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This audit engagement was conducted in accordance with applicable *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors and *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General.

### **Project Team**

Engagement conducted by:  
Cindy Fernald, Auditor

Under the supervision of:  
David Ulewicz, Audit Director

Approved by:

  
Julie M. Leftheris, Inspector General