



Specialty License Plate and Voluntary Contributions Audit Family First, Inc. Family First Audit Report 201920-21

March 17, 2020

Introduction and Background

The purpose of this audit was to determine compliance with applicable laws and policies related to the annual reporting by the Family First, Inc. (Organization) for the Family First specialty license plate and voluntary contributions. The Organization is required to submit a Specialty License Plate Revenue, Expenditure, and Compliance Affidavit, or state single audit, to the Department of Highway Safety and Motor Vehicles (Department) within nine months after the end of the Organization's fiscal year. The affidavits submitted by the Organization for the 2018 Fiscal Year ended December 31, 2018, were used for this audit.

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, Florida Statutes (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.

Sections 320.02 and 322.08, F.S., permit applicants to make voluntary contributions of specified minimum amounts to various organizations for philanthropic and other causes during the motor vehicle and driver's license registration and renewal processes, respectively.

Sections 320.08062(3), 320.023(7), and 322.081(7), F.S., grant the Department authority to examine all records relating to the use of specialty license plate funds and voluntary contributions, respectively. The Office of Inspector General included the examination of specialty license plate and voluntary contributions recipient organizations in its annual work plan.

For every Family First specialty license plate sold or renewed, a \$25 annual use fee is charged and distributed, as required by statute, to the Organization, 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 the Organization's 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 the motor vehicle and driver's license registration and renewal processes, voluntary contributions of \$1 to be distributed to the Organization are permitted by Sections 320.02(16)(g) and 322.08(8)(f), F.S., respectively.

The Family First specialty license plate was established in 2004. There were 6,285 active Family First specialty license plates as of December 2018. The Organization reported receipts of \$168,300.00 in specialty license plate fees for the 2018 Fiscal Year.

The Family First voluntary contributions for motor vehicles and driver licenses were established in 2008. The Organization reported receipts of \$13,787.81 in voluntary contributions fees for the 2018 Fiscal Year. There were 6,623 voluntary contribution contributors for the 2018 Fiscal Year.

Results of Audit

The Organization materially complied with applicable laws and policies related to the annual reporting for the Family First specialty license plate and voluntary contributions.

Purpose, Scope, and Methodology

The purpose of this audit was to determine compliance with applicable laws and policies related to the annual reporting submitted by the Organization for the Family First specialty license plate and voluntary contributions.

The scope of this audit included expenditures reported on the affidavits for the 2018 Fiscal Year, and revenue and expenditures for specialty license plate and voluntary contributions reported in the Organization's records for the 2018 Fiscal Year.

The methodology for the audit included:

- Reviewing Florida Statutes, Department policies, and Organization policies;
- Reconciling the Department's distribution of specialty license plate fees and voluntary contributions to revenues reported on the affidavits filed by the Organization;
- Reconciling the expenditures reported on the affidavits to the Organization's financial records;



- Reviewing the use of funds by the Organization to ensure there is adequate supporting documentation, and the expenditures are for purposes authorized by statute;
- Reviewing timing, availability, and content of reports such as affidavits, single audits, or subrecipient monitoring; and
- Comparing expenditures to statutory requirements for annual allocation limits and reviewing reasonableness of balances.



Distribution, Statement of Accordance, and Project Team

Distribution

Terry L. Rhodes, Executive Director
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Mark Merrill, President, Family First, Inc.
Cary Gaylord, Board Chairman, Family First, Inc.

Melinda M. Miguel, Chief Inspector General
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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. Pursuant to Chapter 119, Florida Statutes, public records held by the Department's Inspector General are available upon request for inspection or copying.

Project Team

Engagement conducted by:
Jill Sittig, Auditor

Under the supervision of:
Erin Mook, Acting Audit Director

Approved by:


Mike Stacy, Acting Inspector General