



MICHIGAN

OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT



THOMAS H. MCTAVISH, C.P.A.
AUDITOR GENERAL

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

– Article IV, Section 53 of the Michigan Constitution

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Michigan
Office of the Auditor General
REPORT SUMMARY

*Performance Audit
Emergency Grant Program
Michigan Veterans' Trust Fund
Department of Military and Veterans Affairs*

Report Number:
511-0410-11

Released:
October 2011

Act 9, P.A. 1946 (First Extra Session), established the Emergency Grant Program to provide emergency grants to qualified veterans and their eligible dependents and unremarried widow(er)s to assist with unexpected, temporary hardships. The Emergency Grant Program is funded from the Michigan Veterans' Trust Fund (MVTF), which is governed by the MVTF Board of Trustees (MVTF Board).

Audit Objective:

To assess the efficiency of the MVTF Board's administration of the Emergency Grant Program.

Audit Conclusion:

We concluded that the MVTF Board's administration of the Emergency Grant Program was not efficient. We noted one material condition (Finding 1) and one reportable condition (Finding 2).

Material Condition:

The MVTF Board had not identified methods to increase administrative efficiencies and to reduce State, county, and district administrative costs of the Emergency Grant Program. (Finding 1)

Reportable Condition:

The Department of Military and Veterans Affairs (DMVA) did not provide the Legislature and the State Budget Office with statutorily required updates on the MVTF Board's efforts to reduce Emergency Grant Program administrative costs. (Finding 2)

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Agency Response:

Our audit report contains 2 findings and 2 corresponding recommendations. DMVA's preliminary response indicates that it agrees with the recommendations.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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October 20, 2011

Major General Gregory J. Vadnais, Director
Department of Military and Veterans Affairs
3411 North Martin Luther King Jr. Boulevard
Lansing, Michigan
and
Mr. Ronald R. Schrieber, Chair
Michigan Veterans' Trust Fund Board of Trustees
Department of Military and Veterans Affairs
3423 North Martin Luther King Jr. Boulevard
Lansing, Michigan

Dear General Vadnais and Mr. Schrieber:

This is our report on the performance audit of the Emergency Grant Program, Michigan Veterans' Trust Fund, Department of Military and Veterans Affairs.

This report contains our report summary; description of program; audit objective, scope, and methodology and agency responses and prior audit follow-up; comment, findings, recommendations, and agency preliminary responses; two exhibits, presented as supplemental information; and a glossary of acronyms and terms.

The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a plan to address the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

We appreciate the courtesy and cooperation extended to us during this audit.

A handwritten signature in black ink that reads "Michigan Auditor General". The signature is written in a cursive, flowing style.

AUDITOR GENERAL

TABLE OF CONTENTS

EMERGENCY GRANT PROGRAM MICHIGAN VETERANS' TRUST FUND DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

	<u>Page</u>
INTRODUCTION	
Report Summary	1
Report Letter	3
Description of Program	6
Audit Objective, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up	7
COMMENT, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES	
Efficiency of the Administration of the Emergency Grant Program	10
1. Administrative Efficiencies and Costs	12
2. Statutorily Required Reporting	16
SUPPLEMENTAL INFORMATION	
Exhibit 1 - Emergency Grant Program Costs	19
Exhibit 2 - Applications Processed, Grants Issued, and Administrative Costs by County or District	20
GLOSSARY	
Glossary of Acronyms and Terms	23

Description of Program

Act 9, P.A. 1946 (First Extra Session), established the Michigan Veterans' Trust Fund (MVTF) and the Emergency Grant Program for veterans. The Act deposited \$50 million in MVTF to provide investment earnings to fund the emergency grants and related administrative expenditures. The Act also provided for the administration of MVTF and for county and district committees of veterans to administer emergency grants at the local level.

Act 27, P.A. 1995, repealed the section of Act 9, P.A. 1946, that established and provided for the administration of MVTF and instead created a seven-member MVTF Board of Trustees (MVTF Board) to administer MVTF, which was established under Article IX, Section 37 of the Michigan Constitution. The Michigan Constitution prohibits future transfers of MVTF's corpus without the majority consent of the MVTF Board.

The MVTF Board determines the purposes for which available funds are allotted and determines the allocation of available funds to the county and district committees. The Veterans Affairs Directorate administers the Emergency Grant Program for the MVTF Board. The county and district committees administer the emergency grants. The MVTF Board members and county and district committees serve without compensation but are reimbursed by MVTF for necessary expenses.

Program expenditures represent grants to qualified veterans* and their eligible dependents and unremarried widow(er)s to assist with unexpected, temporary hardships. In addition, program expenditures include administrative costs at both the State and local levels. Fiscal year 2009-10 MVTF allocations to county and district committees totaled \$1.2 million (68.8%) and State administrative costs totaled \$0.5 million (31.2%), for a total of \$1.7 million in Program expenditures. Of the \$1.2 million allocated to the county and district committees, administrative costs totaled \$0.3 million (26.0%) and emergency grants totaled \$0.9 million (74.0%). Total State and local administrative costs represented 49.0% of total MVTF expenditures (see Exhibit 1). As of June 30, 2011, MVTF had 4 full-time employees in the central office and 1 part-time employee in Oakland County.

* See glossary at end of report for definition.

Audit Objective, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

Audit Objective

The objective of our performance audit* of the Emergency Grant Program, Michigan Veterans' Trust Fund (MVTF), Department of Military and Veterans Affairs (DMVA), was to assess the efficiency* of the MVTF Board of Trustees' administration of the Emergency Grant Program.

Audit Scope

Our audit scope was to examine the program and other records of the Emergency Grant Program. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusion based on our audit objective. Our preliminary review and audit procedures, conducted May through July 2011, generally covered the period October 1, 2008 through June 30, 2011.

Our audit report includes supplemental information, presented as Exhibits 1 and 2, that we prepared using unaudited data obtained from MVTF central office staff and the Michigan Administrative Information Network* (MAIN). Our audit was not directed toward expressing a conclusion on this information and, accordingly, we did not audit the information and express no conclusion on it.

Audit Methodology

We conducted a preliminary review of MVTF central office operations to formulate a basis for establishing our audit objective and for defining our audit scope and methodology. Our review included meeting with MVTF central office staff; reviewing applicable State laws, MVTF Board of Trustees (MVTF Board) policies, and MVTF Board meeting minutes; and analyzing available data and statistics. We reviewed reports from prior Office of the Auditor General audits and those from other states that have functions similar to MVTF.

* See glossary at end of report for definition.

To assess the efficiency of the MVTF Board's administration of the Emergency Grant Program, we interviewed MVTF central office staff to identify their methods for creating efficiencies, reviewed State laws and MVTF Board policies for issuing grants, and analyzed administrative costs. Also, we reviewed the number of ineligible veterans identified by the MVTF central office and tested applications denied by district and county committees to determine the cost benefit of MVTF central office staff reviews.

When selecting activities or programs for audit, we use an approach based on assessment of risk and opportunity for improvement. Accordingly, we focus our audit efforts on activities or programs having the greatest probability for needing improvement as identified through a preliminary review. Our limited audit resources are used, by design, to identify where and how improvements can be made. Consequently, we prepare our performance audit reports on an exception basis.

Agency Responses and Prior Audit Follow-Up

Our audit report contains 2 findings and 2 corresponding recommendations. DMVA's preliminary response indicates that it agrees with the recommendations.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100) require DMVA to develop a plan to address the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

Within the scope of this audit, we followed up 1 of the 9 prior audit recommendations from our October 1995 performance and financial audit of the Michigan Veterans' Trust Fund, Department of Management and Budget (07-170-95). We also followed up 1 of the 6 prior audit recommendations from our April 2005 performance audit of the Veterans Affairs Directorate, Department of Military and Veterans Affairs (51-105-04). Both prior audit recommendations were rewritten for inclusion in Finding 1 in this audit report.

COMMENT, FINDINGS, RECOMMENDATIONS,
AND AGENCY PRELIMINARY RESPONSES

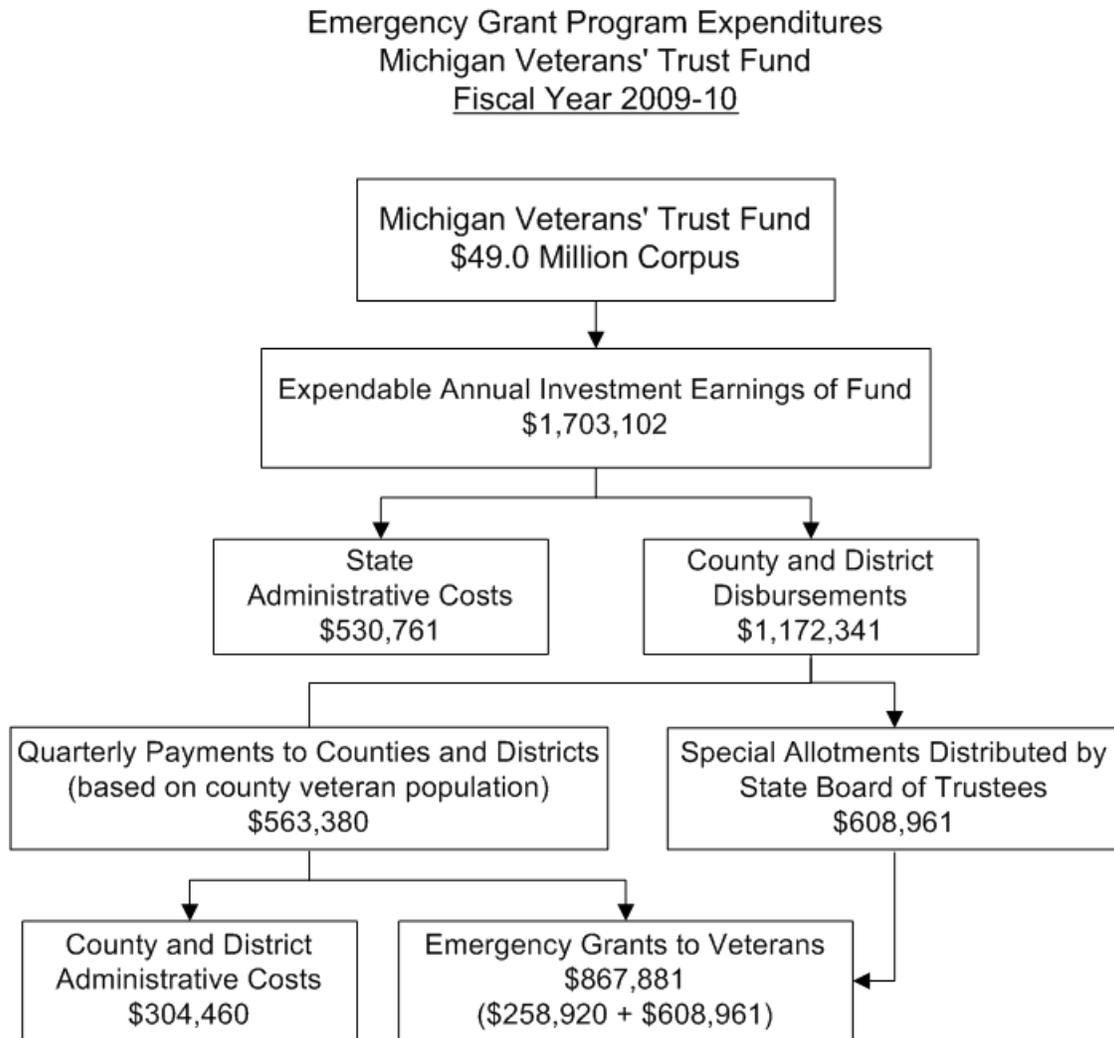
EFFICIENCY OF THE ADMINISTRATION OF THE EMERGENCY GRANT PROGRAM

COMMENT

Background: The Emergency Grant Program, Michigan Veterans' Trust Fund (MVTF), was created to provide emergency grants to qualified veterans and their eligible dependents and unremarried widow(er)s. Each county or district has either an agent or a county or district committee that accepts applications for emergency grants. In counties and districts with an agent, the agent is responsible for reviewing the applications and for recommending approval or denial to the county or district committees. The county or district committees approve or deny the applications and process the approved applications. Subsequently, the county or district treasurers issue checks on behalf of the applicants for the needed assistance. Denied applications can be appealed to the MVTF Board of Trustees (MVTF Board). All applications are forwarded to the MVTF central office and are reviewed by MVTF central office staff. If the application meets certain criteria, the application is forwarded to the MVTF Board for approval.

If a county or district has expended its yearly allotment, the county or district will submit a special allotment request to the MVTF central office. Upon approval, the MVTF central office processes an allotment and issues the emergency grant payment to the county or district which, in turn, issues the emergency grant payment on behalf of the applicant. The amounts presented in the following flow chart depict the flow of funds

expended during fiscal year 2009-10 by MVTF for State administration, county or district administration, and veterans:



MVTF has a \$49.0 million corpus that cannot be spent unless authorized by a majority of the MVTF Board. All investment earnings of MVTF are available for providing emergency grants and for paying the costs associated with administering the Emergency Grant Program.

County and district disbursements are disbursed in two ways. First, 50% of the amount disbursed to the counties and districts is made in quarterly payments to the counties and districts based on the county or district veteran population in relation to the Statewide veteran population. From these funds, county and district administrative costs are paid, which totaled \$304,460 (17.9%) of the \$1.7 million expended. The

remainder is emergency grants paid on behalf of applicants, which totaled \$258,920 (15.2%) of the \$1.7 million expended. Second, the remaining 50% of the amount disbursed to counties and districts is retained by MVTF until the MVTF Board approves special allotment requests received from the counties and districts. The special allotments are disbursed to the counties and districts, which provide the funds on behalf of the applicants. Special allotment requests totaled \$608,961 (35.8%) of the \$1.7 million expended. In total, \$867,881 (51.0%) was provided on behalf of applicants in emergency grant requests and \$835,221 (49.0%) was used to pay for State, county, and district administrative costs.

Audit Objective: To assess the efficiency of the MVTF Board's administration of the Emergency Grant Program.

Audit Conclusion: We concluded that the MVTF Board's administration of the Emergency Grant Program was not efficient. Our assessment disclosed one material condition*. The MVTF Board had not identified methods to increase administrative efficiencies and to reduce State, county, and district administrative costs of the Emergency Grant Program (Finding 1).

Our assessment also disclosed one reportable condition* related to statutorily required reporting (Finding 2).

FINDING

1. Administrative Efficiencies and Costs

The MVTF Board had not identified methods to increase administrative efficiencies and to reduce State, county, and district administrative costs of the Emergency Grant Program. As a result of higher administrative costs, fewer funds were available for distribution as emergency grants to veterans and their dependents and unremarried widow(er)s.

The MVTF Board provides emergency grants to qualified veterans and their eligible dependents and unremarried widow(er)s through MVTF county and district committees. Sections 35.603, 35.605, and 35.606 of the *Michigan Compiled Laws* authorize MVTF Board administrative costs, State administrative costs, and county

* See glossary at end of report for definition.

or district administrative costs, as necessary, to carry out the Program. Section 35.606 of the *Michigan Compiled Laws* also authorizes the MVTF Board to combine two or more counties into a district when the MVTF Board determines that a more efficient local administration might result. The MVTF central office either enters into a service agreement* with or authorizes a stipend* for the county and district committees for their administrative costs.

State administrative costs, which include both MVTF Board administrative costs and MVTF central office costs, were \$0.5 million and \$0.6 million for fiscal years 2009-10 and 2008-09, respectively. In addition, county and district administrative costs were \$0.3 million in both fiscal years 2009-10 and 2008-09. Total State and county and district administrative costs were \$0.8 million (49.0%) of \$1.7 million and \$0.9 million (45.0%) of \$1.9 million of total Program expenditures for fiscal years 2009-10 and 2008-09, respectively (see Exhibit 1 for fiscal year 2009-10 costs). During fiscal year 2009-10, 77 counties charged administrative costs under their service agreements or stipends to the Program ranging from \$46 to \$98,353 (see Exhibit 2 for applications processed, grants issued, and administrative costs by county or district).

County or district agents and county or district committees review Program applications for eligibility. The county or district agents recommend approval or denial and the county or district committees either approve or deny the applications. In addition, MVTF central office staff review each application. Our analysis of MVTF central office staff review of Program applications and the MVTF Board's efforts to reduce county and district administrative costs disclosed:

- a. The MVTF central office's processes resulted in inefficient use of staff time. The MVTF central office's process of reviewing every application submitted by the counties or districts did not identify a material number of applications that were processed incorrectly by the counties or districts. Also, the review of every application did not identify specific counties or districts that were

* See glossary at end of report for definition.

routinely processing applications incorrectly. Our analysis of approved and appealed applications disclosed:

- (1) The MVTF central office identified that, from October 7, 2008 through May 3, 2011, only 26 (0.7%) of 3,475 county- or district-approved applications awarded Program funds on behalf of ineligible individuals. These awards totaled approximately \$11,000 (0.4%) of the \$2.6 million in emergency grants issued during the same period.
- (2) None of the applications denied by the county or district and subsequently appealed by the applicant had been improperly denied by the county or district. We reviewed 15 (3.4%) of 439 appeals filed with the MVTF Board during fiscal years 2008-09 and 2009-10 and determined that all 15 (100.0%) had been properly denied at the county or district level.

MVTF central office staff informed us that they complete the 100% review to ensure compliance with MVTF Board policies and to inform the MVTF Board of ineligible applicants. However, based on the low error rate of county or district approvals and the fact that the counties or districts properly denied applications that we reviewed, the use of a sample methodology would achieve the same outcome of ensuring compliance with MVTF Board policies and informing the MVTF Board of ineligible applicants.

- b. The MVTF Board and the MVTF central office did not perform analyses to determine if administrative efficiencies and reduced administrative costs could be achieved in counties and districts. We analyzed the number of applications processed by counties and districts for fiscal years 2007-08 through 2009-10. We also analyzed office hours and service agreements and stipends at the county level. Our analyses disclosed:
 - (1) Twenty-four counties had processed 10 or fewer applications each year and charged and received administrative costs during the three-year period. The MVTF Board and the MVTF central office should complete an analysis to determine if these and other counties could be merged with another county to form a district to increase efficiency and reduce administrative costs in processing applications.

- (2) County office hours for the 24 counties that processed 10 or fewer applications each year ranged from "by mail or by appointment only" to 45 hours per week. While some counties may have held office hours to assist with multiple programs, including the Emergency Grant Program, the MVTF central office did not assess whether county office hours held solely for the Emergency Grant Program were appropriate when compared to the number of applications processed by the counties and districts. Comparing county and district office hours with applications processed by county and district would assist the MVTF Board in determining the reasonableness of office hours or if "by mail" or "by appointment" would potentially result in a more efficient use of resources and reduced administrative costs.

- (3) The MVTF central office did not routinely review and consider for renegotiation the language within its service agreements or stipends with counties and districts to ensure that the service agreements and stipends were reasonable, resulted in the efficient delivery of services, and were reflective of the counties' and districts' activity levels.

RECOMMENDATION

We recommend that the MVTF Board identify and implement methods to increase administrative efficiencies and to reduce State, county, and district administrative costs of the Emergency Grant Program.

AGENCY PRELIMINARY RESPONSE

The MVTF Board agrees that administrative costs are high in comparison to the grants approved for the period reviewed. The Department of Military and Veterans Affairs (DMVA) informed us that the MVTF Board will continue to identify and implement methods to increase administrative efficiencies and reduce administrative costs of the Emergency Grant Program. DMVA also informed us that the MVTF Board reviewed, identified, and took action to reduce administrative expenses at both the State and county level by not filling a full-time equated position that MVTF had the authority to fill and by renegotiating 9 service agreements during fiscal years 2008-09 and 2009-10.

FINDING

2. Statutorily Required Reporting

DMVA did not provide the Legislature and the State Budget Office with statutorily required updates on the MVTF Board's efforts to reduce Emergency Grant Program administrative costs. As a result, DMVA was not in compliance with Section 703, Act 112, P.A. 2009, and Section 703, Act 162, P.A. 2010. In addition, the Legislature and the State Budget Office were not routinely assured that the MVTF Board was identifying methods to become more efficient at administering the Program.

As part of the appropriations process, the Legislature required DMVA to submit a detailed annual report, including an update on the MVTF Board's efforts to reduce Program administrative costs, to the Senate and House Appropriations Subcommittees on Military Affairs and the State Budget Office. DMVA submitted annual reports for fiscal years 2008-09 and 2009-10 to the Legislature and the State Budget Office. However, DMVA did not include updates on the MVTF Board's efforts to reduce Program administrative costs.

RECOMMENDATION

We recommend that DMVA provide the Legislature and the State Budget Office with statutorily required updates on the MVTF Board's efforts to reduce Emergency Grant Program administrative costs.

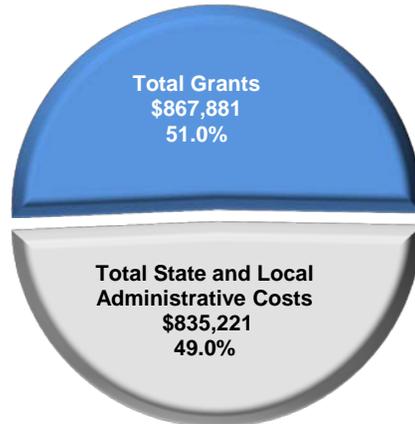
AGENCY PRELIMINARY RESPONSE

DMVA agrees with the recommendation that the MVTF Board must provide an update in the statutorily required annual report specific to DMVA's efforts to reduce program administrative costs. DMVA informed us that the MVTF Board submitted a detailed annual report for all required periods that included statutorily required information on emergency grants provided, the methodology of allocations, an explanation of the selection of authorized agents, and a detailed breakdown of trust fund expenditures. DMVA also informed us that future reports will provide an update on DMVA's specific actions taken, efforts made, or methods used to reduce program administrative costs.

SUPPLEMENTAL INFORMATION

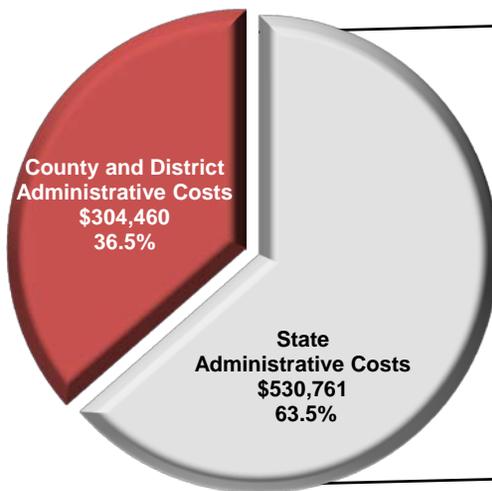
EMERGENCY GRANT PROGRAM
Michigan Veterans' Trust Fund (MVTF)
Department of Military and Veterans Affairs
Emergency Grant Program Costs
Fiscal Year 2009-10

Total Emergency Grant Program Costs
\$1,703,102

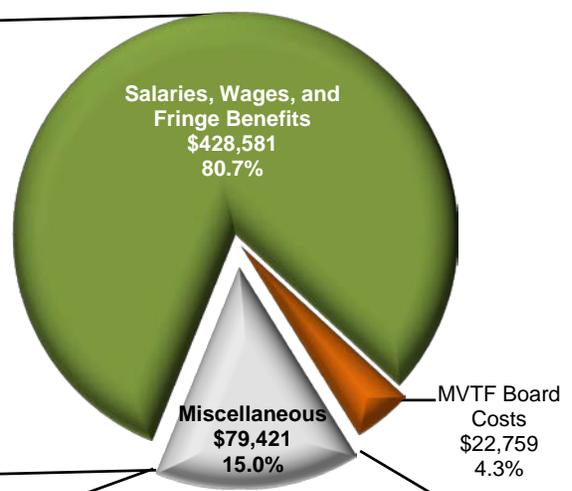


Breakout of Total State and Local Administrative Costs

Total State and Local Administrative Costs for
Emergency Grant Program



State Administrative Costs for
Emergency Grant Program



Description	Amount
Contractual services	\$ 63,216
Transfers to other departments	7,927
Building rentals/Lease payments	4,237
Supplies and materials	2,789
Travel	1,252
Total miscellaneous	\$ 79,421

Source: The Office of the Auditor General prepared this exhibit based on data from the MVTF central office schedule of MVTF applications and expenditures and the Michigan Administrative Information Network (MAIN) accounting records.

EMERGENCY GRANT PROGRAM
Michigan Veterans' Trust Fund (MVTf)
Department of Military and Veterans Affairs
Applications Processed, Grants Issued, and Administrative Costs by County or District
Fiscal Year 2009-10

County or District	Applications Processed	Applications Approved	Grant Amount Issued	Administrative Costs	Total Expended	Administrative Costs as a Percent of Total Expended	Average Administrative Cost Per Application Processed
Alger	6	6	\$ 3,092	\$ 78	\$ 3,170	2.5%	\$ 13
Allegan	14	8	9,720	1,349	11,070	12.2%	96
Alpena/Alcona	5	1	500	1,267	1,767	71.7%	253
Antrim	4	4	1,200	1,040	2,240	46.4%	260
Arenac	1	1	400	80	480	16.7%	80
Baraga	6	6	6,682		6,682		
Barry	7	4	3,857	707	4,564	15.5%	101
Bay	109	35	12,815	15,335	28,150	54.5%	141
Benzie	0	0		69	69	100.0%	*
Berrien	21	17	9,192	2,179	11,371	19.2%	104
Branch	12	10	6,229	1,008	7,238	13.9%	84
Calhoun	57	7	3,792	7,179	10,972	65.4%	126
Cass	12	10	10,609	1,242	11,851	10.5%	104
Charlevoix	3	3	1,709	68	1,776	3.8%	23
Cheboygan	9	7	5,990	671	6,661	10.1%	75
Chippewa	8	6	2,554	1,285	3,839	33.5%	161
Clare	2	2	6,498	163	6,661	2.4%	81
Crawford	4	2	616		616		
Delta	4	2	880	600	1,480	40.5%	150
Dickinson	9	8	5,867	544	6,411	8.5%	60
Eaton	19	11	6,859	3,570	10,429	34.2%	188
Emmet	2	2	1,344	661	2,005	33.0%	331
Genesee	99	52	42,078	16,267	58,346	27.9%	164
Gladwin	8	4	2,162	699	2,861	24.4%	87
Gogebic	0	0					
Grand Traverse/Leelanau	53	41	34,204	3,387	37,590	9.0%	64
Gratiot	17	11	7,893	509	8,402	6.1%	30
Hillsdale	18	12	9,821	648	10,469	6.2%	36
Houghton/Keweenaw	20	13	8,920	1,551	10,471	14.8%	78
Huron	9	5	2,823	974	3,797	25.6%	108
Ingham/Clinton	146	89	59,697	9,549	69,246	13.8%	65
Ionia	10	3	1,776	638	2,413	26.4%	64
Iosco	15	2	555	175	730	24.0%	12
Iron	0	0		291	291	100.0%	*
Isabella	4	4	1,210	1,425	2,636	54.1%	356
Jackson	59	40	18,697	12,103	30,800	39.3%	205
Kalamazoo	29	15	10,872	9,712	20,584	47.2%	335
Kalkaska	1	1	600	700	1,300	53.8%	700
Kent	96	68	52,544	10,759	63,303	17.0%	112
Lake	2	2	868	54	923	5.9%	27
Lapeer	13	8	6,161	133	6,293	2.1%	10
Lenawee	11	8	4,956	3,291	8,248	39.9%	299
Livingston	14	9	10,529	2,296	12,825	17.9%	164
Luce	2	2	290	75	364	20.5%	37
Mackinac	8	5	18,479	506	18,986	2.7%	63
Macomb	226	111	80,705	18,956	99,661	19.0%	84
Manistee	14	12	6,291	479	6,770	7.1%	34
Marquette	23	12	14,478	3,273	17,751	18.4%	142
Mason	2	2	540	1,303	1,843	70.7%	652
Mecosta	4	4	3,629	500	4,129	12.1%	125
Menominee	5	5	4,758	633	5,391	11.7%	127
Midland	38	37	11,381	2,800	14,181	19.7%	74
Missaukee	4	3	587	454	1,041	43.6%	113
Monroe	38	18	8,028	6,488	14,515	44.7%	171

This exhibit continued on next page.

EMERGENCY GRANT PROGRAM
Department of Military and Veterans Affairs
Applications Processed, Grants Issued, and Administrative Costs by County or District
Fiscal Year 2009-10
(continued)

County or District	Applications Processed	Applications Approved	Grant Amount Issued	Administrative Costs	Total Expended	Administrative Costs as a Percent of Total Expended	Average Administrative Cost Per Application Processed
Montcalm	26	19	\$ 12,503	\$ 174	\$ 12,677	1.4%	\$ 7
Montmorency	1	1	950	502	1,452	34.6%	502
Muskegon	36	27	13,305	10,600	23,905	44.3%	294
Newaygo	0	0					
Oakland	261	132	115,030	2,168	117,197	1.8%	8
Oceana	1	1	431	942	1,373	68.6%	942
Ogemaw	2	2	4,400	57	4,457	1.3%	29
Ontonagon	6	3	2,235	1,337	3,571	37.4%	223
Osceola	6	3	2,516	556	3,072	18.1%	93
Oscoda	2	2	724		724		
Otsego	0	0		46	46	100.0%	*
Ottawa	34	28	20,026	3,251	23,277	14.0%	96
Presque isle	2	1	197	300	497	60.4%	150
Roscommon	9	5	5,205	588	5,793	10.1%	65
Saginaw	72	50	42,159	12,050	54,209	22.2%	167
Sanilac	26	12	5,491	1,000	6,491	15.4%	38
Schoolcraft	2	2	1,720	539	2,259	23.9%	270
Shiawassee	6	5	3,599	320	3,919	8.2%	53
St. Clair	36	24	8,312	11,129	19,441	57.2%	309
St. Joseph	22	19	17,126	740	17,866	4.1%	34
Tuscola	4	2	9,053	1,082	10,135	10.7%	271
Vanburen	5	1	700	1,849	2,549	72.5%	370
Washtenaw	8	8	3,587	7,100	10,687	66.4%	888
Wayne	302	72	62,055	98,353	160,408	61.3%	326
Wexford	18	13	10,618	54	10,672	0.5%	3
Totals	2,189	1,182	\$ 867,881	\$ 304,460	\$ 1,172,341	26.0%	\$ 139

* This county did not process any applications but charged administrative costs.

Source: The Office of the Auditor General prepared this exhibit based on data from the MVTF central office schedule of MVTF applications and expenditures.

GLOSSARY

Glossary of Acronyms and Terms

DMVA	Department of Military and Veterans Affairs.
efficiency	Achieving the most outputs and outcomes practical with the minimum amount of resources.
material condition	A reportable condition that could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program.
Michigan Administrative Information Network (MAIN)	The State's automated administrative management system that supports accounting, purchasing, and other financial management activities.
MVTF	Michigan Veterans' Trust Fund.
MVTF Board	MVTF Board of Trustees.
performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve program operations, to facilitate decision making by parties responsible for overseeing or initiating corrective action, and to improve public accountability.
qualified veteran	A person who meets the eligibility requirements as defined by Section 35.602 of the <i>Michigan Compiled Laws</i> .

reportable condition	A matter that, in the auditor's judgment, is less severe than a material condition and falls within any of the following categories: an opportunity for improvement within the context of the audit objectives; a deficiency in internal control that is significant within the context of the objectives of the audit; all instances of fraud; illegal acts unless they are inconsequential within the context of the audit objectives; significant violations of provisions of contracts or grant agreements; and significant abuse that has occurred or is likely to have occurred.
service agreement	An agreement between the MVTF central office and a county or district for the county or district to provide specified services for an agreed upon amount.
stipend	An agreed upon fee, in addition to administrative costs, paid to the county or district for specified services.

