

# COMMUNITY ACTION JOURNAL

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## Northern Kentucky Community Action Commission is 2008 Torch Award Honoree

Northern Kentucky Community Action Commission was recently selected as an honoree in the Cincinnati Better Business Bureau's 2008 Torch Awards for Marketplace Ethics. The Better Business Bureau's Torch Awards is the premier trust-focused event, illuminating and celebrating the long-term value of trustworthy and honorable business practices. NKCAC was recognized as an honoree in the 'large



NKCAC Board members and staff attending the 2008 BBB Torch Awards: back: Kris Knochelmann, Board Member; Catherine Bidleman, Finance Director; Dennis Chapman, Board Member; front: Karen Bishop, Public Information Director; Florence Tandy, Executive Director; Laurie Wolsing, Head Start Director

nonprofit category' in an awards ceremony held in October at the spectacular Cincinnati Music Hall. During the application process, organizations engage in an intense self-assessment of their business practices and provide evidence of

ethical business practices in their decision making, policies and procedures, marketing and solicitation, supplemental services and volunteer training.

"This award has helped us focus on what it takes to be an ethical, effective organization and then

communicate that vision into every part of the agency", said Florence Tandy, Executive Director.

Large and small, public and private, organizations who are nominated demonstrate what is good about

## Big Sandy Area Community Action Program: The Edith Blevins Story

Lives can be changed in an instant. For 64-year old Edith Blevins, that instant happened the day before her forty-second wedding anniversary, when her husband Paul died.

“He had been in good health,” recalls Edith. “His stomach started bothering him and it turned out to be stomach cancer. He only lived a few months.”

Paul’s death left Edith facing an enormous financial burden due to tons of medical bills, one bill alone totaling \$398,000. It didn’t take long to use up their life savings.

“I never considered myself in need before,” says Edith, who had enjoyed a comfortable life. Paul had worked for a regional bakery, while she was a homemaker and full-time mother. Edith later worked for 17 years for Kentucky Power as a cashier, and for 15 years as an administrative assistant for a local coal company. After she and Paul retired, they had travelled frequently, visiting places like Branson, Missouri and Myrtle Beach, South Carolina.

With Paul’s passing, his pension and retirement benefits ended, and the household income was cut by more than half.

“That’s when disaster hit,” said Edith. “All I had left was my

social security. It was as if the whole bottom had just dropped out from under me. Paul had always taken care of things around the house, so I was left to learn all that too. Things I thought I’d never had to worry about, all of that on top of losing my husband.”

Edith was about to experience what some might call fate, others divine intervention. Either Way, Edith’s life was set to change again.

Edith went with her son-in-law while he visited the Big Sandy Area Community Action Program (BSACAP), whose offices are located in the Johnson County Courthouse. While looking for a particular office, Edith mistakenly opened the wrong door, or one could say the right door.

Edith was in BSACAP’s Senior Community Service Employment Program (SCSEP) office. The SCSEP offers senior citizens aged 55 and over opportunities for free skills training and extra money through part-time work, while at the same time providing a valuable service to the community. Participants also receive a variety of services,



**Edith Blevins working at the SCSEP office. She is now helping administer the program in Floyd County and enrolling other seniors in the program.**

such as job development and job placement, designed to help them find work.

Staff arranged for Edith to make an application. After finding that she was eligible, it was determined that Edith’s training site should help her to brush up on her office skills and learn the latest computer programs. It just so happened that the SCSEP office needed some help, so what better place for Edith to learn? Now she could ready herself to re-enter the workforce, and earn some badly needed extra money.

“The money came in handy,” recalls Edith. “But more than anything, having the work kept my mind off things.”

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## Fountain Run Receives its First Computers through Chance Conversations

Sitting in a waiting room making small talk. You learn that the gentlemen sitting next to you works within the same industry as you. You begin talking of common issues, problems, needs, etc. As it turns out, he's a general manager of a water district and you're an office manager of one. Small world. You are given a business contact name and phone number. You're told that "RCAP" can be of assistance. You think it's worth your time to make a simple phone call. Thank goodness for chance conversations!

That's how RCAP was introduced to the Fountain Run Water District (FRWD). A comprehensive needs assessment of the water/sewer district was performed as Community Action Kentucky's Rural Community Assistance Program (RCAP) staff's initial site visit. Then a wish list was discussed. Computers topped a short list to the surprise of the RCAP technical assistance provider (TAP). All customer billing is outsourced. Monthly Operating Reports and similar tasks aided by computer use are performed by the General Manager and the assistance of the neighboring water



**Operator Chris Veach examining new computer.**

district. The TAP understood there was neither immediate necessity nor the budget for computers. However, a few phone calls to sister agencies to explore the purchase of computer hardware and software were made. Proposals were received and it looked as though computers were out of reach due to budgetary restraints.

Another chance conversation occurred between the RCAP State Director Kimberly Padgett and David Shehee of Kentucky-American Water Company while serving together on the Division of Water's Compliance Subcommittee. During a discussion regarding electronic reporting and its effects on small water systems, Mr. Shehee envisioned RCAP distributing Kentucky-American's older computers to the systems most

in need. The State Director confirmed that RCAP would facilitate the distribution should this come to fruition. This potential opportunity stirred much excitement among the RCAP staff and to those communities such as Fountain Run.

Kentucky-American Water Company donated two computers for RCAP's distribution. It would be these that would eventually find their way to the Fountain Run Water District.

Community Action Kentucky's own IT staff researched operating systems/software packages and provided the TAP with an estimate. The TAP discussed these packages with the utility staff and selected a software package to meet the needs of Fountain Run. The FRWD Commission approved a budget of \$800 to secure all software and an all-in-one printer/scanner. RCAP delivered and assisted the FRWD with the installation of the software and will be providing some basic training on computer software use to the office manager. The two operators will require no assistance for they have been utilizing their

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A few months later, Edith overheard some people in the office talking about a program that helped people weatherize their homes and repair their heating system. Since Edith had been experiencing problems with her own furnace, the conversation caught her ear. After asking some questions, Edith discovered the services she needed were available through the very agency where she was training!

BSACAP's Weatherization Assistance Program helps eligible households make their homes safer and more energy-efficient by installing insulation, repairing existing heating systems, conducting energy audits to see where energy is being lost in the home, and providing other maintenance services. The result is that the consumer saves money by having a more energy-efficient home, making it a warmer home in winter and a cooler one in summer. "I thought my furnace at home had some minor problems," said Edith. "I really didn't know what to do. My first thought was that Paul would have take care of that."

Edith made an application for the Weatherization program, crossed her fingers and hoped for the best. After determining Edith's eligibility, Weatherization staff

conducted an assessment of her home. What Edith had thought was a minor problem with her furnace turned out to be a major concern. In fact, staff determined that it was beyond repair. "I was shocked," said Edith. "I didn't expect that, and I didn't have the money to deal with that."

Fortunately for Edith, Weatherization was able to calm her fears. Staff immediately set about removing the old, dying unit, replacing it with a brand new heat pump. Missing insulation under the floor was replaced and maintenance performed on all the duct work. Staff also sealed cracks and weatherproofed windows, eliminating a major source of heat loss.

An old fireplace chimney was plugged after Edith learned she wouldn't have to use it this winter. "I thought I might have to cut wood to use if the furnace gave out," she said, relieved. "What the Weatherization program had done means so much to my peace of mind, especially after everything. Plus, I've seen my electric bill drop a lot!"

But that is not the end of Edith's story. Impressed with the quality of her work in the SCSEP office, the program manager offered Edith additional responsibilities that

gave her a greater opportunity to develop more skills. Edith became a full-time 40 hour per week trainee, meaning she also earns a 40 hour training wage. She agreed and is now helping to administer the program in Floyd County, enrolling other seniors in the program and working to help them find work.

Her goal is to see that every participant utilizes the services available to them through the Big Sandy Area Community Action Program. She knows too well how life can change in an instant, but she now also knows that there are people ready to help.

For more information on the Senior Community Service Employment Program, the Weatherization Assistance Program, or any other services available through Big Sandy Area Community Action Program, call 606/789-3641.

*Submitted by Dwayne Davis, Big Sandy Area Community Action Program Communication and Information Representative*

## 7 Ways to Block Employee Fraud

In this post Sarbanes-Oxley world, transparency is the buzzword for nonprofits. Donors, funders and watchdog groups are taking a closer look at your organization's finances. As with any other investment, they want to be able to evaluate how well you are using resources. Implementing sound internal controls enables nonprofits to increase transparency and minimize the risk of employee fraud, an increasingly common pitfall. There are many strategies you can employ to not only deter fraud, but also to detect a fraud more quickly and easily.

According to David A. Gruber and Sheldon H. Eveloff, both CPAs with Amper, Politziner & Mattia's Nonprofit Services Group in Philadelphia, fraud occurs most frequently in nonprofits where financial controls are inadequate or non-existent and can take on many forms. The accounts payable operation, because of the sheer volume of transactions, poses an especially big risk. Without tight controls, someone intent on committing fraud can easily slip an improper vendor invoice or other fraudulent document through the cracks. Even an otherwise honest staff member may be tempted to float him/herself a "short-term loan" if they should fall on hard times.

To minimize this risk, you might need to beef up the security of your accounts payable system. Establishing well-thought-out internal control policies and practices with adequate checks and balances is the first step.

According to Gruber and Eveloff, you should start by giving each staff member a written job description, with a well-defined set of duties and a clear sense of how those duties fit into the overall system. Avoid having one person handle

the entire accounts payable operation; dividing up the duties makes it more difficult for any single individual to circumvent controls.

Sound policies and procedures will help to safeguard assets, limit liability, and make your organization's financial information system more reliable and accurate - provided you follow them closely.

Gruber and Eveloff have seven key prevention measures you can implement immediately:

1. Watch for unusual entries. Have an executive approve all adjustments and write-offs. The essence of double-entry accounting is that every transaction is two-sided, one action causing an equal and opposite reaction. For example, when you are paid, your cash increases while your accounts receivable decreases. But what if a payment's offsetting entry is an employee loan account, exchange account, or fund balance account? In such cases, a warning bell should go off, signaling that the accounts payable entry may have been improperly diverted.
2. Validate purchases and expenses. Dual signatures should be required on all checks over a predetermined amount, and authorized check signers should not have access to accounting records. Designated staff should always check that products and services have been received by comparing original vendor invoices, purchase orders, and receiving reports. All should be marked "paid" along with a record of the check numbers. Investigate any transactions in which the same person who authorized the purchase approves the vendor invoice and makes the payment.
3. Be wary of "impatient" vendors.

Legitimate vendors typically won't ask you to rush a payment, since they understand your need to maintain internal procedures and controls. A vendor who pressures you to circumvent those controls may be in collusion with an employee set on misappropriating funds. Warning signs include vendors who insist on dealing with the same staff member, or whose bills are always paid by the same person. If you suspect something, verify that the vendor is legitimate.

4. Verify that your bills alone are being paid. If your accounts payable staff uses one checking account to pay a group of bills, it's not difficult for someone to slip in their personal telephone, utility, or credit card bill. Be alert to this possibility and lookout for bills which include products or services delivered elsewhere.

5. Scrutinize canceled checks. Legitimate vendors deposit checks into their business accounts, so make it a habit to review both sides of canceled checks. A check that appears to have been cashed rather than deposited should raise alarms. So, too, should checks that have been deposited into personal rather than business accounts, as well as checks bearing unfamiliar endorsements. A check payable to a vendor but endorsed by one of your employees is a sure sign of trouble.

6. Track vendor billing patterns. If you're used to receiving 12 vendor invoices per year and you now have 14 or 15 payment entries, find out why. An unexplained jump in the number of payments could signal not only employee fraud, but also related vendor kickbacks. If your billing records suggest that you

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## New Office Manager Hired

Emily Benton joined CAK as the new Office Manager in November 2008. She has been a Special Education teacher in Owen and Franklin County Schools for the past three years and holds a Bachelor of Science from the University of the Cumberlands. Her previous work experience is a good fit with CAK. Not only does she enjoy helping others, but she has a solid background in office and administrative skills. Emily has always been passionate about helping others, as she

volunteered for a mentoring program, Habitat for Humanity, Appalachian Ministries, and Mountain Outreach while in college. She now directs a children’s program and coordinates the van ministry at her church. Emily lives in Frankfort with her husband, Josh,



and their chocolate lab, Jake.

Having grown up in Michigan, Emily quickly fell in love with Kentucky while attending Cumberland and is thrilled to work for an organization committed to helping

Kentuckians. Strongly committed to Community Action’s promise and vision, Emily is excited to be part of the Community Action team.

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businesses and our business leaders in our community.

The Torch Awards are a continuation of the Better Business Bureau’s 82-year tradition and commitment to furthering its mission of promoting ethical conduct in the marketplace.

For more than 40 years, Northern Kentucky Community Action Commission has provided help to low income families by offering emergency assistance and support with housing, early childhood education, energy assistance and healthy relationship education. This support helps families gain skills to become self-sufficient

and economically independent.

The Northern Kentucky Community Action Commission operates in eight counties in Kentucky.

*Submitted by Karen Bishop, Northern Kentucky Community Action Commission Public Information Director*

### Fountain Run Receives Its First Computers through Chance Conversations .....Continued from page 3

own computers at home to work to create such things as a meter history log and report. The TAP is pleased that these computers will be put to good use by these operators. The Fountain Run

Water District is appreciative of the generous donation of Kentucky-American Water Company and the assistance of Community Action Kentucky’s RCAP and IT staff. To borrow the words of Margaret Mead,

“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.”

## Stay Fit Through the Holidays

The busy holiday season will soon be here. These are some tips on how to stay fit and avoid the typical weight gain and stress from the holidays.

- **Take time for yourself:**

Although spending time with friends and family is essential, it's also important to carve out some relaxation time (at least five minutes) for yourself.

- **Set realistic exercise**

**goals:** Aim to exercise 30 minutes a day instead of an hour. If more convenient, divide your exercise into 8-10 minute intervals throughout the day.

- **Enlist the support of a friend or a family member:** Walking and talking with a friend can be a great way to socialize, burn extra calories, and reduce your stress level.

- **Create new, more active traditions:** Instead of throwing a dessert or cocktail party, try ice skating, snow football,



or building snowmen as alternate holiday events.

- **Avoid an overly restrictive diet this holiday season:** If

you enjoy your favorite foods in small portions, you'll feel more satisfied. Trying

to stay away from foods you enjoy may leave you feeling deprived, which may cause you to eat more than you intended.

- **Drink plenty of water:** Water helps counter the dehydrating effects of travel or drinking alcoholic beverages. It may also help satisfy your appetite since thirst is often mistaken for hunger.

- **Spread out meals:** Don't feel like you have to eat everything at once. Try eating dinner early and then taking a walk before

sitting down for dessert.

- **Avoid or limit liquid calories:**

Many popular holiday beverages contain stimulants that may add to your feelings of stress and increase your blood sugar levels causing you to eat more. Try having a glass of sparkling water after a glass of wine or cup of eggnog.

- **Set realistic expectations for your holiday celebrations and enjoy the imperfections:**

Setting unrealistic demands on yourself for the perfect party, perfect decorations, or the perfect way to spend the holidays will add to your holiday stress and may set you up for disappointment.

- **Make exercise a priority:** Try to exercise first thing in the morning before other demands sidetrack you. Individuals with an early-morning exercise routine tend to be more consistent when pressed for time.

Source: National Wellness Institute (<http://www.nationalwellness.org/PubPrint.phy?id-2164>) on 5/31/2007

### 7 Ways to Block Employee Fraud .....Continued from page 5

are paying two companies for the same service, investigate immediately.

7. Be alert to tax fraud. Carefully review tax returns before submission. Fraudulent activity that gets the attention of the IRS can have devastating consequences for you and your organization. The attempt to cover up foul play by filing bogus payroll tax

returns, for example, can heap additional liabilities on the organization. For this reason, extra vigilance is in order.

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Kentucky's Poverty Fighting Network

