



1. Wesley House had not kept adequate books and records of all of its financial transactions. Several checks failed to indicate the purpose for which they were written. The general ledger also failed to indicate the purposes of these transactions. As a result, Wesley House violated Section 79-11-518 of the Act and Rule 2.13 of the Mississippi Charities Act Rules. The Division acknowledges that Wesley House indicated that it would begin to complete the memo section for each check starting September 2013.

2. Wesley House filed incorrect financial records with the Division. Documents filed with the Division reported 90% of the executive director's salary as program services and only 10% of the executive director's salary was reported as administrative expenses. This false filing is a violation of Section 79-11-509(1)(c). The Division acknowledges that Wesley House indicated that it will begin immediately to document timesheets with the time spent on each category worked on.

3. The Division determined that Wesley House engaged in financial transactions which were not related to the accomplishment of its charitable purpose in violation of Section 79-11-519(4)(a) when it allowed Ginger Stevens, the executive director, to purchase clothing and other personal items in the amount of approximately \$56,000.00 on the charity's credit card. The Division acknowledges that Ms. Stevens has reimbursed Wesley House for all purchases made on the credit card; however, a review of the Board's minutes indicated that these purchases was never discussed or approved in advance by the Board.

4. As noted above, it was determined that Ms. Stevens used Wesley House's credit card to make personal purchases. In addition, she also drives a vehicle furnished

and paid with charity funds. This vehicle is used for both business and personal use. However, Wesley House pays all costs associated with this vehicle, including but not limited to gas, maintenance, insurance, and taxes. In addition, Wesley House has failed to issue 1099s to all of the required persons. Based on these actions, Wesley House, its officers, and directors have failed their fiduciary duty, and is therefore in violation of Section 79-11-525.

### **III. STIPULATIONS**

NOW, THEREFORE, it is hereby agreed as follows:

- C. Respondent admits to the jurisdiction of the Division as to all matters herein.
- D. Respondent neither admits nor denies that its conduct was in violation of the Act.
- E. Respondent has been cooperative throughout the examination process and has developed, voted on, and adopted policies and procedures to address the violations listed in this Agreement.
- F. Respondent consents to the payment of Five Thousand and Six Hundred Dollars (\$5,600.00) to be paid upon the execution of this Consent Agreement. Payment shall be remitted to the "Mississippi Secretary of State" upon execution of this Agreement.
- G. Respondent agrees that the vehicle purchased and used by Ms. Stevens is to be used to conduct charity business. Any use of the vehicle by Ms. Stevens must be documented and Ms. Stevens must pay the charity for personal use of the vehicle.
- H. Respondent agrees to terminate the use of the charity's credit card or implement strong procedures to ensure proper use of the card. Respondent further agrees that no personal expenses will be made with the credit card.

I. Respondent agrees that it will no longer allow an officer, director, and/or employee to sign checks made payable to themselves. The payee of the check shall not be the signer of the check under any circumstances.

J. Respondent agrees that it will increase its oversight over the day-to-day operations of the charity and the Board will discuss, approve, vote, and document in advance all expenses paid by Wesley House.

K. Respondent agrees to keep a list of ALL inventory, including in-kind inventory, including but limited to receipts and the value of the inventory.

L. Respondent agrees to document the minutes in more detail of its board meetings to reflect sufficiently actions taken by the Board.

M. A willful failure to comply with any of the terms, conditions or obligations of this Agreement will result in Respondent being deemed to be in violation of a lawful order made pursuant to the Act and, therefore, subject to the penalties available under the Act.

N. Respondent is aware of its right to a hearing on the matters set forth in the Agreement, at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent hereby irrevocably waives its right to such a hearing.

O. Respondent acknowledges that it has read this Consent Agreement in its entirety and fully understands the rights, terms, and obligations contained therein.

#### **IV. OTHER MATTERS**

P. In the event that Respondent fails to comply with the provisions of this Agreement, the Division may, without notice to the Respondent, unilaterally rescind this Agreement and institute any legal or administrative proceedings it deems appropriate including, but not limited to, proceedings to address the matters set forth herein.

WHEREFORE, the undersigned hereby acknowledges and agrees to the terms and conditions of the foregoing Agreement by written consent.

C. DELBERT HOSEMANN, JR.  
Secretary of State

By:



TANYA G. WEBBER  
Assistant Secretary of State  
Charities Division

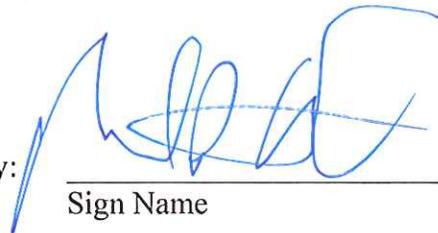
Date:

2/3/2014

The undersigned agent for Wesley House acknowledges that he/she has been lawfully vested with the authority to enter into this Consent Agreement on behalf of the Respondent.

WESLEY HOUSE COMMUNITY  
CENTER

By:



Sign Name

Michael D. Vick

Print Name

President of the Board

Title

Date:

January 30, 2014