



Corporation
for Public
Broadcasting

June 21, 2021

VIA ELECTRONIC MAIL

Ms. Robin Sparkman
Chief Executive Office
StoryCorps
80 Hanson Place, 2nd Floor
Brooklyn, NY, 11217

Dear Ms. Sparkman,

RE: Audit of CPB production grants awarded to StoryCorps, Inc., from September 1, 2017 through February 29, 2020, Report No. APR2004-2103

The audit referenced above concluded that the financial reports StoryCorps, Inc., (StoryCorp) submitted to the Corporation for Public Broadcasting (CPB) for the following productions grants fairly presented its activities in conformity with the applicable grant terms, with some exceptions.

CPB Funds Awarded to StoryCorps

Grant	CPB Funding	Total Budget
Animated Shorts 2017-2019	\$500,000	\$813,731
Military Voices Initiative 2017	\$292,247	\$326,529
Mobile Booth Tour 2018 to 2019	\$1,000,000	\$1,757,147
Military Voices Initiative 2018-2019	\$300,000	\$355,918
One Small Step Communities	\$481,490	\$486,135
Mobile Booth 2019-2020	\$1,000,000	\$1,797,029
Total	\$3,573,737	\$5,536,489

The specific findings and CPB's determinations for StoryCorps follow.

I. Recommendation 1 – Recordkeeping

These grants required that StoryCorps “keep books, records, and accounts ... to substantiate labor costs with timesheets or other relatively contemporaneous, record-keeping documents, consistent with the representation of those costs within the budget ... and permit an effective audit.” The audit found that, while StoryCorps complied with recordkeeping requirements for CPB grant revenues, it did not keep adequate records to identify by project, CPB's grant and other funded expenditures in StoryCorps's general ledger. Accordingly, there was not an effective audit trail.

As of November 2020, StoryCorps indicated that it had taken corrective action by incorporating a field in its general ledger to track all personnel and non-personnel costs for CPB grants. The audit recommends that CPB assess the adequacy of StoryCorps' corrective actions. We are confident that the new approach

Ms. Robin Sparkman
CEO, StoryCorps Inc.

StoryCorps has adopted will allow it to track costs consistent with the grant terms and we will not require any further action.

Action: No further action is required of StoryCorps.

II. Recommendation 2 – Questioned Costs

As stated above, the grant agreements require that StoryCorps keep books and records sufficient to enable CPB to verify all direct costs, administrative allocations and reconcile to its general ledger. The audit found that StoryCorps did not have supporting documentation for certain direct salary costs allocated to the CPB grants and that it included some direct production costs in its financial reports that were not recorded in its general ledger, totaling \$28,898 in CPB grant funds.

In addition, the audit found that StoryCorps erroneously included costs in its financial reports for grants that were not related to those audited, that it erroneously calculated indirect costs and that it included a disallowed cost related to a traffic fine, totaling \$4,984 in CPB funds.

The audit recommends that CPB recover these questioned costs and ensure that StoryCorps' corrective actions comply with the grant requirements to record and report financial results by project, maintain adequate documentation to support reported costs and ensure costs are incurred for allowable activities. We agree that StoryCorps must return the \$33,882 to CPB. As StoryCorps has updated its timekeeping system and general ledger to enable it to allocate staff time for those working on multiple projects, we are persuaded that appropriate steps have been taken and we will not require any further action.

Action: StoryCorps must provide the \$33,882 to CPB within 45 days of the date of this correspondence.

III. Recommendation 3 – Ancillary Revenues

The grant agreements required that StoryCorps report the amount of ancillary revenues associated with each, annually to CPB, even if there were no revenues due. The audit found that StoryCorps did not comply with this requirement. While StoryCorps indicated that it did not provide the reports because there were no ancillary revenues due CPB, the audit recommends that CPB require Story Corps to identify the corrective actions and controls it will implement to ensure future compliance with the same. Based on StoryCorps' representation that it understands and will comply with this requirement going forward, CPB will not require any further action.

Action: No further action is required of StoryCorps.

Please forward a check in the amount of \$33,882, payable to CPB, within 45 days of the date of this correspondence to:

Nick Stromann, Vice President, Controller
Corporation for Public Broadcasting
401 Ninth Street N.W.
Washington D.C. 20004-2129.

Ms. Robin Sparkman
CEO, StoryCorps Inc.

If you wish CPB to consider additional information relating to this matter, please provide the same in writing within 30 days of the date of this letter. Otherwise, CPB will consider these determinations final and StoryCorps must comply with the actions set forth above. CPB reserves the right to take any other action it deems appropriate until these issues are resolved to CPB's satisfaction.

Kind regards,

Jackie J. Livesay

Jackie J. Livesay
Deputy General Counsel & Vice President, Compliance

CC: VIA ELECTRONIC MAIL

Lisa Stein, Chief Financial and Administrative Officer, StoryCorps Inc.
Michael Levy, Executive Vice President & Chief Operating Officer, CPB
J. Westwood Smithers, Jr., Senior Vice President & General Counsel, CPB
William P. Tayman, Jr., Chief Financial Officer & Treasurer, CPB
Kimberly A. Howell, Inspector General, CPB
William J. Richardson, III, Deputy Inspector General, CPB
Kathy Merritt, Senior Vice President, Journalism & Radio, CPB
Nick Stromann, Vice President, Controller, CPB
Pat Saks, Director, Business & Administration, CPB