

# STATE BOARD OF EMBALMERS & FUNERAL DIRECTORS

## Enabling Laws

Act 72 of 2014  
A.C.A. §17-29-201, et seq.

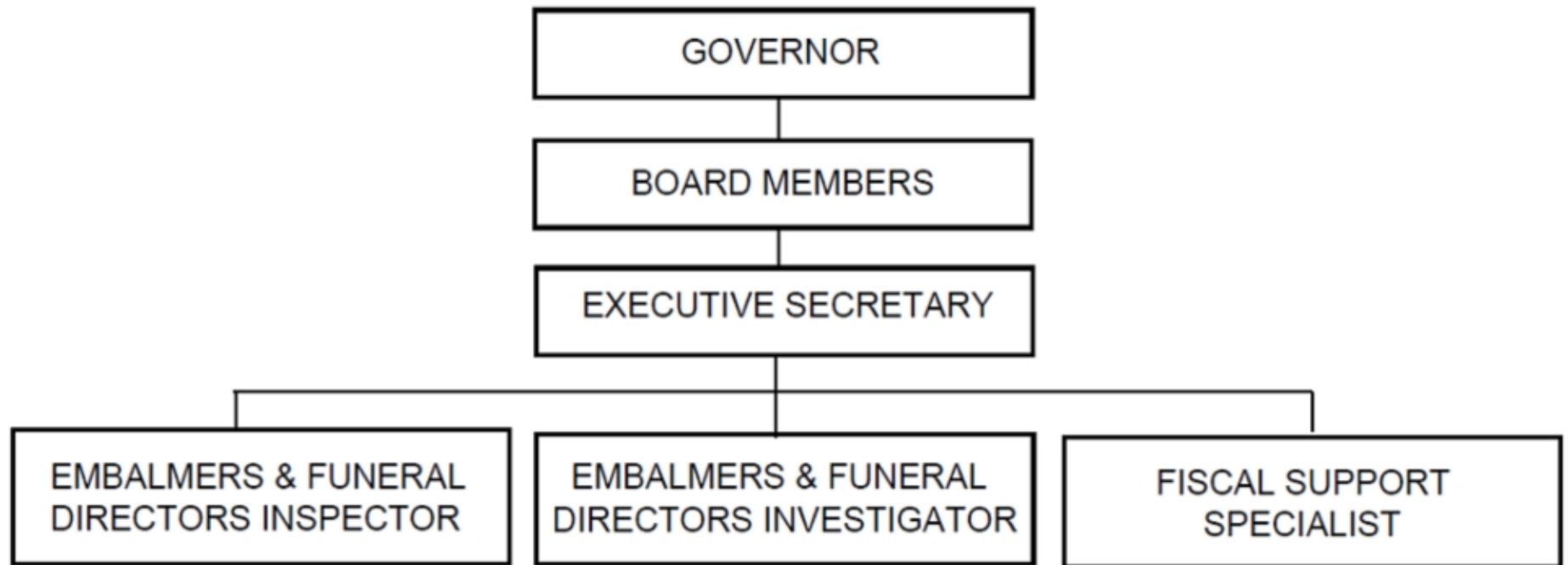
## History and Organization

The Embalmers Board was established in 1909 for the purpose of regulating and licensing embalmers. In 1983, Act 325 established the State Board of Embalmers and Funeral Directors ("Board") to include the licensing of funeral directors as well as funeral establishments. The mission of the Board is to protect the health, safety and welfare of the public by ensuring that those individuals and establishments charged with the care and custody of human remains are properly trained and licensed.

The Board is comprised of 7 members, 5 funeral professionals, 1 consumer member and 1 senior citizen member. The Board staff consists of an Investigator, Inspector and Fiscal Support Specialist. The Burial Association Board Executive Secretary and Burial Association Board Administrative Specialist III are responsible for the administrative activities of the Board.

The Board is responsible for the licensing of funeral directors and embalmers, funeral establishments, crematories and transport services. Individuals are licensed following the completion of apprenticeship programs and passing exams which demonstrate their knowledge of the laws, rules and regulations governing funeral services. Before establishments are licensed, they are inspected for compliance and are routinely inspected on an annual basis. In addition, the Board conducts continuing education seminars, investigates complaints and responds to public inquiries.

The Board is a cash fund agency. In July 2010 the Board moved all of its cash funds from various banks to the State Treasury.



### **Agency Commentary**

The State Board of Embalmers and Funeral Directors ("Board") is charged with the responsibility of training and licensing funeral directors and embalmers. In addition, the Board inspects funeral establishments, crematories and transport services before licensure is granted and routinely monitors these establishments for compliance. The Board is a cash fund agency. In July 2010 the Board moved all of its cash funds from various banks to the State Treasury.

For the 2015-17 Biennium, the Board is requesting the following:

- Reallocation of \$10,540 between commitment items in Regular Salaries, Personal Services Matching, Operating Expenses and Conference and Travel to more accurately reflect anticipated expenses.
- \$20,000 in Capital Outlay for the purchase of a vehicle for the Inspector.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS STATE BOARD OF EMBALMERS AND FUNERAL DIRECTORS  
FOR THE YEAR ENDED JUNE 30, 2013

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Findings

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Ark. Code Ann. § 19-4-1101 requires all expenditures to be reviewed and approved prior to disbursement. In addition, Ark. Code Ann. § 19-4-814(2) requires that the Agency maintain the original invoice and corresponding documentation of actual payment. In a review of 44 expenditures totaling \$59,691, the following issues were noted:

- Approval before payment was not evident for 12 expenditures totaling \$13,899.
- Supporting documentation was inadequate for 17 expenditures totaling \$7,866.

A lack of staff training could allow for the misappropriation of assets.

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Recommendations

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Seek training for staff from the Department of Finance and Administration.

Agency Response:

We are a limited staff, and there were times during the audit period that I (the Executive Secretary) was the only person in the office to process all the expenditures. In addition, during the same period, I had an Administrative Specialist III, but I was out on maternity leave. We have begun improving our controls. All employees and Board members have been informed that we must have original invoices and receipts for meals. We are fully staffed now and had already begun implementing additional controls. We actually had meetings with Department of Finance and Administration Office of Accounting and Procurement on the same day we had our exit conference (March 19, 2014). Moving forward, we hope this will never be a problem. We have asked the President and Vice-President of the Board to be more involved by providing additional approvals before processing payments.

## **State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014**

None

## Employment Summary

	Male	Female	Total	%
White Employees	0	1	1	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			1	100 %

## Publications

### A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Laws, Rules and Regulations Manual	17-29-204	N	N	300	Provides study guide for licensing examinations.	0	0.00

## Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014						FY2014 - 2015					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
3	1	2	3	0	66.67 %	3	2	1	3	0	33.33 %	3	1	2	3	0	66.67 %

## **Analysis of Budget Request**

**Appropriation:** 84Y - Embalmers/Funeral Directors-Cash In Treasury

**Funding Sources:** NEF - Cash In Treasury

The State Board of Embalmers and Funeral Directors ("Board") was created by Act 325 of 1983. The Board is a cash agency funded from examination and licensure fees charged pursuant to A.C.A. §17-29-201, et. seq. . Primarily, this covers such duties as licensure of funeral directors, embalmers, funeral establishments, transport services and crematories.

Base Level Regular Salaries and Personal Services Matching include continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service Payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

For the 2015-17 Biennium, the Board is requesting the following:

- Reallocation of \$10,540 between commitment items to more accurately reflect anticipated expenses and includes increases primarily in board member stipends, advertising and clipping service, mileage, parking fees, board member travel and miscellaneous technical services.
- \$20,000 in Capital Outlay in each year for the purchase of a vehicle for the Inspector.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 84Y - Embalmers/Funeral Directors-Cash In Treasury

**Funding Sources:** NEF - Cash In Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	59,915	97,447	97,447	97,965	99,665	99,665	98,065	99,765	99,765
<b>#Positions</b>		<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Personal Services Matching	5010003	22,736	36,037	35,606	36,569	36,699	36,699	36,592	36,722	36,722
Operating Expenses	5020002	45,113	68,840	68,840	68,840	66,310	66,310	68,840	66,310	66,310
Conference & Travel Expenses	5050009	1,055	4,764	4,764	4,764	5,464	5,464	4,764	5,464	5,464
Professional Fees	5060010	0	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	20,000	20,000	0	20,000	20,000
<b>Total</b>		<b>128,819</b>	<b>210,038</b>	<b>209,607</b>	<b>211,088</b>	<b>231,088</b>	<b>231,088</b>	<b>211,211</b>	<b>231,211</b>	<b>231,211</b>
<b>Funding Sources</b>										
Fund Balance	4000005	251,692	226,390		112,152	112,152	112,152	2,064	0	0
Cash Fund	4000045	154,017	146,300		151,500	151,500	151,500	151,500	151,500	151,500
Transfer to Burial Board	4000605	(50,500)	(50,500)		(50,500)	(50,500)	(50,500)	(50,500)	(50,500)	(50,500)
<b>Total Funding</b>		<b>355,209</b>	<b>322,190</b>		<b>213,152</b>	<b>213,152</b>	<b>213,152</b>	<b>103,064</b>	<b>101,000</b>	<b>101,000</b>
Excess Appropriation/(Funding)		(226,390)	(112,152)		(2,064)	17,936	17,936	108,147	130,211	130,211
<b>Grand Total</b>		<b>128,819</b>	<b>210,038</b>		<b>211,088</b>	<b>231,088</b>	<b>231,088</b>	<b>211,211</b>	<b>231,211</b>	<b>231,211</b>

FY15 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2013-2015 Biennium. Expenditure of appropriation is contingent upon available funding.

## Change Level by Appropriation

**Appropriation:** 84Y - Embalmers/Funeral Directors-Cash In Treasury  
**Funding Sources:** NEF - Cash In Treasury

### Agency Request

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>211,088</b>	<b>3</b>	<b>211,088</b>	<b>100.0</b>	<b>211,211</b>	<b>3</b>	<b>211,211</b>	<b>100.0</b>
C01	Existing Program	20,000	0	231,088	109.5	20,000	0	231,211	109.5
C04	Reallocation	0	0	231,088	109.5	0	0	231,211	109.5

### Executive Recommendation

Change Level		2015-2016	Pos	Cumulative	% of BL	2016-2017	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>211,088</b>	<b>3</b>	<b>211,088</b>	<b>100.0</b>	<b>211,211</b>	<b>3</b>	<b>211,211</b>	<b>100.0</b>
C01	Existing Program	20,000	0	231,088	109.5	20,000	0	231,211	109.5
C04	Reallocation	0	0	231,088	109.5	0	0	231,211	109.5

### Justification

C01	Agency requests appropriation of \$20,000 in Capital Outlay for the purchase of a vehicle for the Inspector. This purchase will reduce the need to reimburse mileage or use the rental car agreement considering the Inspector travels three (3) or four (4) days a week. This request is for one (1) vehicle purchase, but the Agency is requesting the appropriation for both years of the biennium.
C04	Agency requests the reallocation of \$10,540 between Regular Salaries, Personal Services Matching, Operating Expenses and Conference and Travel commitment items to better reflect current agency spending. No additional appropriation requested.