



SOUTH FLORIDA WORKFORCE INVESTMENT BOARD

FINANCE COMMITTEE MEETING

Wednesday, March 12, 2008

8:30 A.M.

South Florida Workforce Investment Board Headquarters
7300 Corporate Center Drive
5th Floor - Conference Room 3
Miami, Florida 33126

AGENDA

1. Call to Order and Introductions
2. Approval of Finance Committee Meeting Minutes
 - A. February 14, 2008
3. January 2008 Finance Report
4. Financial Monitoring Reports
5. Fiscal Year 2006-2007 Audit Report



2.

SFWIB - Finance Committee

March 12, 2008

**Minutes of SFWIB Finance Committee Meeting
February 14, 2008**

South Florida Workforce Investment Board
 Finance Committee Meeting
 February 14, 2008 at Noon
 South Florida Workforce Investment Board Headquarters
 7300 Corporate Center Drive, 5th Floor - Conference Room 3

| COMMITTEE MEMBERS IN ATTENDANCE | SFW STAFF | OTHER ATTENDEES |
|---|---|--|
| 1. Jeff Bridges, <i>Chairperson</i> 2. Bernardo Adrover 3. Roberto Datorre 4. Charles Gibson 5. Ramiro Inguanzo 6. Rachel Sapoznik | Beasley, Rick Alonso, Gustavo Kistner, Ken Pierre, Linda | Mitchell, Carlena, <i>Miami-Dade County Public Schools</i> |
| COMMITTEE MEMBERS NOT IN ATTENDANCE | | |
| 7. Jeffrey Blacher 8. Willie Carpenter | | |

Agenda items are displayed in the order they were discussed.

1. Call to Order and Introductions

Mr. Bridges called the meeting to order at 12:17P.M., and noted that a quorum had been achieved.

2. Approval of Finance Committee Meeting Minutes of January 3, 2008

Rachel Sapoznik moved approval of the minutes of the January 3, 2008 Finance Committee meeting. The motion was seconded by Bernardo Adrover and approved.

3. December 2007 Finance Report

Mr. Beasley presented the December 2007 report for the period July 1, 2007 through December 31, 2007, and answered the member's questions.

Mr. Datorre asked if the vacant headquarter space had been leased, and Mr. Beasley responded that the Housing Finance Authority had leased the space.

Gus Alonso continued the report.

Ms. Sapoznik asked if SFW is prepared for a possible budget cut. Mr. Alonso responded that that would be discussed in agenda item number 5.

Mr. Bridges commented that the Executive Director monitors spending on a daily basis.

Mr. Bridges asked for information on the temporary staff, and why that item is over budget.

Mr. Beasley noted that the funds had been included in the administrative category and should be in programs category.

Mr. Beasley continued the report and noted that the AWI/WFI may potentially rescind up to \$2 million dollars in SFW WIA funds. He added that the U.S. Department of Labor has not yet released the final TEGL. He explained that we have resources to adjust so that there would be no impact on current contracts.

Mr. Datorre asked what about next year.

Mr. Beasley stated that in the last seven years this Region has lost nearly 40 million dollars of its funding, and that next year the Region is expecting an estimated \$6 million reduction. He added that SFW must operate like a business and get to a level where cuts do not impact services, and to do that we must have the full support of all partners. We need to look at the long term. The partners will be involved in the process to develop the system.

Mr. Beasley reported on discussions regarding access points that might be staffed by local organizations to assist in job placement.

He added that he expects to present a plan to the full Board in April.

4. 2008/2009 SFW Budget Discussion

Mr. Beasley asked Gus Alonzo to present the item. He noted that the important section is the assumptions which include reductions in funding, and funds that may be carried forward. The rescission reduces the amount that may be carried forward. The projected cuts range from 12% in the WIA Adult program to 16% in the WIA Dislocated program and various cuts in the other programs.

There was a lengthy discussion concerning TANF funds and the certified forward process.

Mr. Alonso noted that the funding short-fall from Fiscal Year 07-08 to Fiscal Year 08-09 is projected to be approximately \$6.4M.

Mr. Beasley added that all options must be explored so that staff and contracts are not impacted.

Mr. Adrover requested that staff prepare three budget scenarios for the Committee's review and that they would like the other Committees to review.

Mr. Beasley offered that a link to the Workforce Systems Committee documents regarding the Career Center design would be sent to the Committee.

Mr. Beasley commented that he intended that the process be a partnership, with the buy-in from the Partners.

5. WIA Rescission Discussion

Mr. Beasley reported on the amended FY 2008 Omnibus spending bill and the projected funding rescission amounts, and the impact it would have on this Region.

There was lengthy discussion concerning the reasons for the rescission, as well as the impact on the Region. Mr. Beasley explained some of the methods that could be used to reduce the impact.

He explained that the worst case scenario would have a potential \$2 million dollar impact to the Region, and the best case scenario would have the potential impact of just less than \$300,000. Mr. Beasley noted that final figures are expected from the State by the end of February 2008.

6. Recommendation as to the Authorizing Staff to Use TANF Funds to Off-set WIA Adult Funds

Mr. Beasley presented the item and explained that staff recommends that staff be authorized to use up to \$426,114 in TANF funds to off-set the over budget in WIA Adult funding. In order to minimize the impact on the Service Partners contracts TANF funds can be used to off-set this reduction.

Mr. Datorre asked what the TANF program does. Mr. Beasley responded that TANF is the Temporary Assistance for Needy Families, and assists low-income people find work, receive training, child care, Food Stamps, etc.

Roberto Datorre moved approval to authorize staff to use up to \$426,114 TANF funds to off-set WIA Adult funds. The motion was seconded by Bernardo Adrover and approved.

The Members agreed to move future meeting dates to the first Wednesday of each month at 8:30A.M., in the same location.

The meeting adjourned at 1:00 P.M.



3.

SFWIB – Finance Committee

March 12, 2008

January 2008 Finance Report

BACKGROUND

The un-audited finance report for the months ending January 31, 2008, will be reviewed.

Attachments



4.

SFWIB – Finance Committee

March 12, 2008

Financial Monitoring Reports

Informational

BACKGROUND

The SFWIB staff conducts financial monitoring of the Region's Service Partners. Attached for the Committee's review are the Executive Summaries of the Service Partners reviewed.

Attachments



**Office of Continuous Improvement
Administrative Monitoring**

**City of Hialeah
March 6, 2008**

| | | | |
|--------------------------|-------------------|-------------------|--------------------|
| Contract Numbers: | WS-CC-PY'06-03-03 | WS-CC-PY'07-03-00 | WS-ISY-PY'06-01-03 |
| Contracts Amount: | \$1,195,863.51 | \$1,111,816 | \$186,096 |
| Contracts Period: | 7/1/06 to 6/30/07 | 7/1/07 to 6/30/08 | 7/1/06 to 6/30/07 |
| Index Code: | 10603 | 10703 | 20601 |

| | | |
|--------------------------|-----------------------|-----------------------|
| Contract Numbers: | WS-YS-ISY-PY'07-01-00 | WS-YS-OSY-PY'06-02-02 |
| Contracts Amount: | \$106,933 | \$335,968 |
| Contracts Period: | 7/1/07 to 6/30/08 | 7/1/06 to 6/30/07 |
| Index Code: | 20701 | 60602 |

| | | |
|--------------------------|-----------------------|--------------------|
| Contract Numbers: | WS-YS-OSY-PY'07-02-00 | RET-DP-PY'06-05-01 |
| Contracts Amount: | \$319,695 | \$399,760 |
| Contracts Period: | 7/1/07 to 6/30/08 | 10/1/06 to 9/30/07 |
| Index Code: | 60702 | 90705 |

Total Funding: \$3,656,131.51

Contract Staff: Madalyn Uptgrow, Contracts Administrator

Monitoring Staff: Frances González-Lago, Contracts Compliance Monitor
Dulce Quiñones, Contracts Compliance Supervisor

Distributions: Frederick Marinelli, Grants Director, City of Hialeah
Delia Milian, Program Director, City of Hialeah
Rick Beasley, Executive Director, SFW
Gustavo Alonso, Assistant Director of Finance, SFW
Madalyn Uptgrow, Contracts Administrator, SFW

Prior Audit Dates: Desk review 2/15/07 and Administrative monitoring 6/19/2006

Type of Agency: Government

City of Hialeah

I. EXECUTIVE SUMMARY

The following deficiencies were identified:

- The Cost Allocation Plan (CAP) was not developed and prepared in accordance with requirements set forth by regulations.
- The City of Hialeah did not prepare personnel activity reports or equivalent documentation for employees, as required by OMB Circular A-87.
- Invoice packages submitted to SFW for reimbursement included wrong amounts related to staff health insurance premiums and copier rental expenditures.
- A total \$8,942.01 reimbursed by SFW has been identified as disallowed costs, from this amount, \$31.12 were unallowable costs. The amount of \$7,526.44 should be returned to SFW with the reply to this report. The amount of \$1,415.57 pertaining to the Refugee program does not need to be returned.
- The City of Hialeah did not record unallowable costs to its established unallowable costs expense account. **This is a repeat finding.**
- Invoices were consistently remitted late, consequently, incurring late fees. **This is a repeat finding.**
- A quality control process was not in place to ensure the completeness, update, and timely follow ups of personnel files documentation.
- The salary amount of various employees differed amongst program budgets (Career Center, Youth and Refugee). In addition, some employees were allocated more than 100% of their time.
- Inventory records were not updated and the condition of the equipment was not indicated in compliance with OMB Circular A-110.
- Interim financial statements were not provided as requested.



**Office of Continuous Improvement
Administrative Monitoring**

**Cuban American National Council, Inc.
March 6, 2008**

| | | |
|---------------------------|---|------------------------|
| Contract Numbers: | WDS-YS-ISY-PY'07-02-00 | WDS-YS-OSY-PY'07-03-00 |
| Contract Amounts: | \$261,922 | \$80,964 |
| Contracts Period: | 7/1/07 to 6/30/08 | 7/1/07 to 6/30/08 |
| Index Codes: | 20702 | 60703 |
| Contract Numbers: | RET-DP-PY'07-03-00 | RET-DP-PY'06-03-04 |
| Contract Amounts: | \$960,490 | \$938,520 |
| Contracts Period: | 10/1/07 to 9/30/08 | 10/1/06 to 9/30/07 |
| Index Codes: | 90803 | 90703 |
| Amount Monitored: | \$2,241,896 | |
| Contract Staff: | Madalyn Uptgrow, Contracts Administrator | |
| Monitoring Staff: | Frances Gonzalez-Lago, Contracts Compliance Monitor Antoaneta Apostolakos, Contracts Compliance Monitor Jocelyn Fulton, Contracts Compliance Monitor Dulce Quiñones, Contracts Compliance Supervisor | |
| Distribution: | Guarioné Díaz, President, CANC George W. Foyo, Chairman of the Board, CANC Andres Pazos, Executive Vice President of Finance, CANC Gabriella Valle, Director of Operations, CANC Rick Beasley, Executive Director, SFW Gustavo Alonso, Assistant Director of Finance, SFW Madalyn Uptgrow, Contracts Administrator, SFW | |
| Prior Audit Dates: | Desk review 10/2/07 and Administrative Monitoring 2/23/2007 | |
| Type of Agency: | Non-Profit | |

Cuban American National Council, Inc.

I. EXECUTIVE SUMMARY

The following deficiencies were identified:

- Although CANC had a system in place to identify and record unallowable costs, late fees identified were not recorded as such in the accounting system. **This is a repeat finding.**
- Invoices and credit card payments were not consistently paid on time; this could be attributable to cash flow problems. Consequently, unallowable costs such as late fees and finance charges were assessed. **This is a repeat finding.**
- Sampled mileage reimbursement forms did not include all required information in compliance with Florida Statute 112.061.
- A discrepancy regarding salary allocation was noted. The personnel activity report indicated the employee worked on two SFW's programs, but the payroll distribution report indicated the employee's salary was allocated to a non-SFW program.
- Sampled employee personnel files did not include all required documentation.
- The existing procurement policies and procedures were not in conformity with procurement requirements as outlined in the executed contracts. The policies were outdated.



**Office of Continuous Improvement
Administrative Monitoring**

**Transition, Inc.
March 6, 2008**

Contract Numbers: WS-CC-PY'06-05-02
Contracts Amount: \$565,152
Contracts Period: July 1, 2006 to June 30, 2007
Index Code: 10605

Contract Number: WS-SP-PY'06-01-02
Contract Amount: \$464,492
Contract Period: July 1, 2006 to June 30, 2007
Index Code: 40601

Contract Number: WS-YS-YCP-PY'06-04-01
Contract Amount: \$100,000
Contract Period: March 1, 2007 to June 30, 2007
Index Code: 40604

Contract Staff: Madalyn Uptgrow, Contracts Administration

Monitoring Staff: Suilin Liu, Contracts Compliance Monitor
Dulce Quiñones, Contracts Compliance Supervisor

Distribution: Virama Oller, Executive Director, Transition
John Sarlat, President, Transition
Rick Beasley, Executive Director, SFW
Gustavo Alonso, Assistant Finance Director, SFW
Madalyn Uptgrow, Contracts Administrator, SFW

Prior Audit Dates: Desk review 3/27/07 and Administrative monitoring 7/27/06

Type of Agency: Non-profit

Transition, Inc.

I. EXECUTIVE SUMMARY

The following deficiencies were identified:

- Budgets categorized and allocated administrative costs as program costs.
- Disallowed costs in the amount of \$6,909.72 have been identified. This amount should be returned to SFW (refer to Exhibit A). Further, \$25,326.67 was also identified as disallowed costs, this amount will be disallowed if adequate supporting documentation is not received with the response to this report (refer to Exhibits A-1 and A-2).
- The Cost Allocation Plan (CAP) was not developed and prepared in accordance with requirements set forth by regulations.
- Some of the deficiencies noted in prior monitoring were not corrected.
- The accounting records were not routinely closed at the end of the month.
- Discrepancies were noted between the general ledger account balances, the trial balance and the interim financial statements as of 1/31/07.
- Background checks were not done prior to hiring staff.
- Internal Revenue Services (IRS) form 990 was not filed within the required timeframe.
- Transition did not follow procurement requirements as well as its own procurement policies and procedures with regards to obtaining competitive quotes for vendors selection.
- Inventory reports were not submitted to SFW as required by the executed contracts.
- There was no documented evidence that a physical inventory of fixed assets was done as required by OMB Circular A-110.



5.

SFWIB – Finance Committee

March 12, 2008

Review of 2006-2007 Audit Report

Informational Item

The Fiscal Year 2006-2007 Audit will be reviewed.