
FINANCE COMMITTEE
Wednesday, October 22, 2014
SC Works Clemson Conference Room
3:00 P.M.

AGENDA

- I. Call to Order** **Stephanie Collins**

- II. Approval of August 20, 2014 Minutes*** **Stephanie Collins**

- III. PY'14 Budget Overview**
 - I. WorkLink Grants** **Brandi Runion**
 - a. Adult, DW, Youth Overview (Mod #2)***
 - 1. Fund Utilization Rate**
 - 2. Notice of Funds Authorization (NFA)**

 - II. Henkels & McCoy** **Kal Kunkel**
 - a. Adult/DW Grant**
 - b. Youth Grant**

- IV. Ongoing Grants** **Brandi Runion**
 - I. 13INC01 – Incentive Grant**
 - a. PY'13 & '14 Incentive Policy**
 - II. 13RROJT01 – Rapid Response On the Job Training Grant**
 - III. Rapid Response Incumbent Worker Training Grants**
 - IV. 13DWT01 – Dislocated Worker National Emergency Grant**
 - V. Make It In America (MiiA) Grant**
 - VI. 14IWT01 - Local Incumbent Worker Training Grant**
 - VII. Possible Technology Grant**

- V. Other Business**
 - I. PY'14 SCDEW Financial Monitoring Draft**
 - II. PY'15 Proposed Meeting Dates –**
January 28, March 25, May 27, August 26, October 28 (all at 3pm at WorkLink)

- VI. Adjournment**

* Requires Vote

UPCOMING MEETINGS:

October 29, 2014– Board Meeting – 1:00 pm – Madren Center
January 28, 2015 – Finance Committee Meeting – 3:00 pm - WorkLink

FINANCE COMMITTEE
Meeting Minutes
August 20, 2014 @ 3:00 pm
SC Works Comprehensive Center, Clemson, SC

Members Present

David Collins	Michael Keith	Mike Wallace
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Members Absent:

Stephanie Collins, Chair	Kristi King-Brock	Ronnie Booth
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Providers:

Karen Craven	Matt Fields	Kal Kunkel
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Staff Present:

Brandi Runion	Patty Manley	Sharon Crite
Windy Graham	Trent Acker	

Guests:

Danny Brothers	Robert Halfacre	
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Call To Order

David Collins, Vice Chair called the meeting to order and announced the meeting was being recorded for the processing of minutes and that a quorum was present to conduct business of the committee. Vice Chair Collins welcomed everyone in attendance and recognized Trent Acker as the new Executive Director for WorkLink.

Approval of Minutes

The minutes from the May 19, 2014 meeting were e-mailed with the meeting notice and included in the meeting packet. Vice Chair Collins called for any corrections or amendments to the minutes.

ACTION TAKEN: Mike Wallace made a motion to approve the minutes as submitted, second by Michael Keith. The motion carried with a unanimous voice vote.

PY'13 Budget Overview

Chair S. Collins deferred to Brandi Runion to report on the finalized PY'13 Budget.

i. WorkLink Grants

a. Adult, DW, Youth Overview

Ms. Runion referred to page 5 of the meeting packet reporting the PY'13 Budget was under spent by \$7,122 for in-house expenditures adding that the Indirect and Salaries line items were slightly over budget due to decisions regarding staff made by Executive Committee.

Ms. Runion referred to page 6 which shows the Indirect Rate of \$157,204 which has been paid to the Appalachian Council of Governments (ACOG) thru June 2014 for PY'13.

1) 70% Expenditure Rate

- Ms. Runion referred to page 7 which is the email from Pat Sherlock with SCDEW regarding the Fund Utilization Rate (FUR) and the response that is due by Friday, August 29, 2014. Ms. Runion reported this is monthly monitoring by the state to ensure 70% of WIA funds are being expended in each of the three fund streams. The state would like to see 70% spent in the first year even though we have two years to spend it. Ms. Runion added this is the first year the state has requested an explanation as to why the 70% rate was not met.
- Ms. Runion referred to pages 8-9 stating this is the instruction letter sent by the state in June 2013 stating all fund streams should meet the 70% expenditure rate in the first year of a two year grant.
- On pages 10-12, Ms. Runion reported the Adult and Dislocated fund streams met the 70% mark; however the Youth fund stream did not meet the 70% mark. Ms. Runion stated she met with Trent Acker and Sharon Crite to discuss response to the state. A response will be drafted and will go to the Executive Committee for approval prior to submitting to the state. Ms. Runion added several items that will be included are:
 - Need for carryover funds from year to year has outweighed the "incentive" to spend 70% of funds in the first year
 - Do not receive our new program year funds by July 1st (i.e. Only received 7% Adult & 15% DW funds in mid-August)
 - 2nd allotment of PY funds not received until October
 - Sequestration
 - Attempt to be fiscally responsible
 - Funds decreasing each year
 - We perform at top state level each year but are allotted less funds each year

2) 80% Obligation Rate

- Ms. Runion reported the state has an instruction letter requesting all areas to obligate 80% of funds by June 30th adding that WorkLink did meet the 80% obligation rate for all three fund streams by June 30th.

II. Henkels & McCoy Closeouts

a. Adult/DW Grant

Ms. Runion referred to page 13 which shows the financial layout for Henkels & McCoy Adult & DW Grant ending June 30, 2014 stating 88.61% was spent out of the 90% goal. Ms. Runion added that the Workforce Skills & Education Committee met Monday, August 18, 2014 and voted to approve to continue the monthly monitoring meetings with Henkels & McCoy regarding expenditure analysis. Ms. Runion also noted the de-obligation that occurred in May 2014 as well as the \$200k which was spent on participants of non-WIA funds.

b. Youth Grant

Ms. Runion referred to page 14 which shows the close out of the Youth Grant ending June 30, 2014 with a final expenditure rate of 88.13% out of the 90% goal. Ms. Runion referred to pages 15-16 and provided

a brief explanation of the underruns due to Health Insurance rate changes and staff cost decreases. Ms. Runion reported they chose not to do a modification since Henkels would be so close to the 90% expenditure rate.

PY'14 Budget Overview

I. WorkLink Grants

a. Adult, DW, Youth Overview (MOD #1*)

On page 17, Ms. Runion provided an overview of the current budget for PY'14 calling attention to the Modification Request included to increase the Facility Costs by \$6,356 due to the new MOA with Tri County Technical College and a new Janitorial contract with Greene Solutions. Ms. Runion reported, for information, when our costs increase DEW's costs increase in the RSA as well and added that these monies will be pulled from the Contingency line item.

ACTION TAKEN: Michael Keith made a motion to approve the budget modification as presented, second by Mike Wallace. Motion passed.

- 1) Status of PY'14 Funds Received – Ms. Runion referred to her notes in pink on page 18 stating on a normal basis, we receive 25% in the first allotment from the state however, due to sequestration we've only been receiving 7% & 15% of our program funds and are uncertain when we will receive the balance of funding.
- 2) Cost Allocation Plan/MOA Update - Ms. Runion referred to page 19 and provided a brief explanation of the cost share of Facility costs.

II. Henkels & McCoy

a. Adult/DW Grant (Mod #1*)

Ms. Runion referred to page 20 which is a summary of the Henkels & McCoy Adult/Dislocated Worker grant which is at 4.02% of a 7.5% goal through July 2014. Ms. Runion reported there are several variables as to why it is better to judge on a quarterly basis:

- o MOA's are paid quarterly
- o Tuition is paid in or around September
- o OJT is paid monthly or quarterly at the business' choice
- o Supportive Services falls in line with class

Page 21 shows the Adult/DW obligations as of 8/18/14; Ms. Runion reported this is one thing that is looked at, the Obligations Report – the amount promised/obligated to participants for training.

Ms. Runion referred to pages 22-25 which is a Modification Request #1 from Henkels & McCoy due to the WIB receiving a new grant from the SCDEW for Rapid Response on the Job Training in the amount of \$74,480. With this new grant, funds will be moved out of the Adult/DW grant into this new RR OJT grant for Staff Salary/Fringe/Indirect and other operating expenses and will free up funds in the current grant to move into the OJT Contract line item which will increase the number of contracts that Henkels & McCoy can write thereby increasing the number of participants from 43-60 therefor, Henkels & McCoy is requesting a modification to transfer \$59,978.29 of Staff and Operating Cost to On-the-Job Training.

ACTION TAKEN: A motion from Michael Keith to approve modification as presented, second by Mike Wallace. Motion passed.

b. Youth Grant

Ms. Runion referred to page 26 which is the Henkels & McCoy Youth grant summary. The Youth grant through July 2014 is at 4.72% out of a 7.5% goal. Again Ms. Runion stated there are the same variables as stated above for the Adult/DW grant as to why it's better to judge on a quarterly basis.

Ongoing Grants

I. 13INC01 – Incentive Grant

Ms. Runion referred to page 27 and reported the WSEC Outreach Committee met Monday, 8/18/14, to discuss outreach items for procurement and reported Matt Fields is continuing to work with CMG Signs and Tri County Technical College on placement of signs on TCTC property.

II. 13RROJT01 – Rapid Response On the Job Training Grant

On page 28, Ms. Runion stated this is the new grant in the amount of \$74,480, as reported above to move RR OJT overhead expenditures into this grant which will free up funds in Formula Grant for additional OJT Contracts adding the purpose is to increase OJT and will be closely monitored.

III. Rapid Response Incumbent Worker Training Grants

Continuing on page 29, Ms. Runion provided the following updates reminding the committee these are pass-thru grants:

- Palmetto Plating was closed out. They chose not to complete one section of training therefor returning \$2,900 to the state.
- Technology Solutions will be closed out. They chose not to complete their trainings thus returning \$28,090 to the state.
- Kroeger Marine and Roylco are ongoing
- AFR is new - received in June – just beginning training.

IV. 13DWT01 – Dislocated Worker National Emergency Grant (Mod#1*)

Ms. Runion referred to pages 30-32 reporting this grant runs through 6/30/15 stating we have spent 32.79% out of a goal of 37.50%.

- Ms. Runion stated page 31 includes a Modification Request from Henkels & McCoy to transfer \$4,500 from Participant Tuition line item into Participant Book line item, noting the transfer of fins has no overall impact on the grant award as it is a line item move only.

ACTION TAKEN: A motion from Mike Wallace to approve modification as presented, second by Michael Keith. Motion passed.

V. Make It In America (MiiA) Grant

Ms. Runion referred to page 33 to provide an update stating she and Ms. Kelly are monitoring this grant which runs thru September 2016 with other community colleges.

VI. 14IWT01 – Local Incumbent Worker Training Grant

On page 34, Ms. Runion reported this is a new grant from SCDEW for Local Incumbent Worker Training in which WorkLink received \$70,189. Notice has been sent out that we are accepting applications and training must be completed by 6/30/15. Ms. Runion informed the Committee that we will issue announcement,

guidelines and applications which will be due back to Ms. Murdock by 9/15/14. We then will meet with Economic Developers to assess applications with the ED's deciding which companies get those funds and WorkLink monitoring the grants. Ms. Runion added this is the first time these monies have been available in several years and is a good outreach item.

WIOA Update

Ms. Runion reported that each Committee is bringing members up to speed on the updates of the Workforce Innovation Opportunity Act regarding their respective area and referred to the highlighted areas on pages 36-39 as well as provided the following information regarding finance & funding:

- Funding levels should increase each year bringing us back to FY'10 levels by FY 2017.
- Allows local boards to transfer 100% between Program Adult and Program DW funding.
- Restores the State set aside at 15%.
- Increases the ability to use OJT (reimbursement rates up to 75% for eligible employers) & IWT (may use up to 20% of local funds).
- Keeps a separate Youth Funding stream.
- Places a priority on Out of School Youth (75% of funding at State and Local Level) *Ms. Runion noted we currently serve 100% Out of School Youth which is the more difficult population to serve.*

Other Business

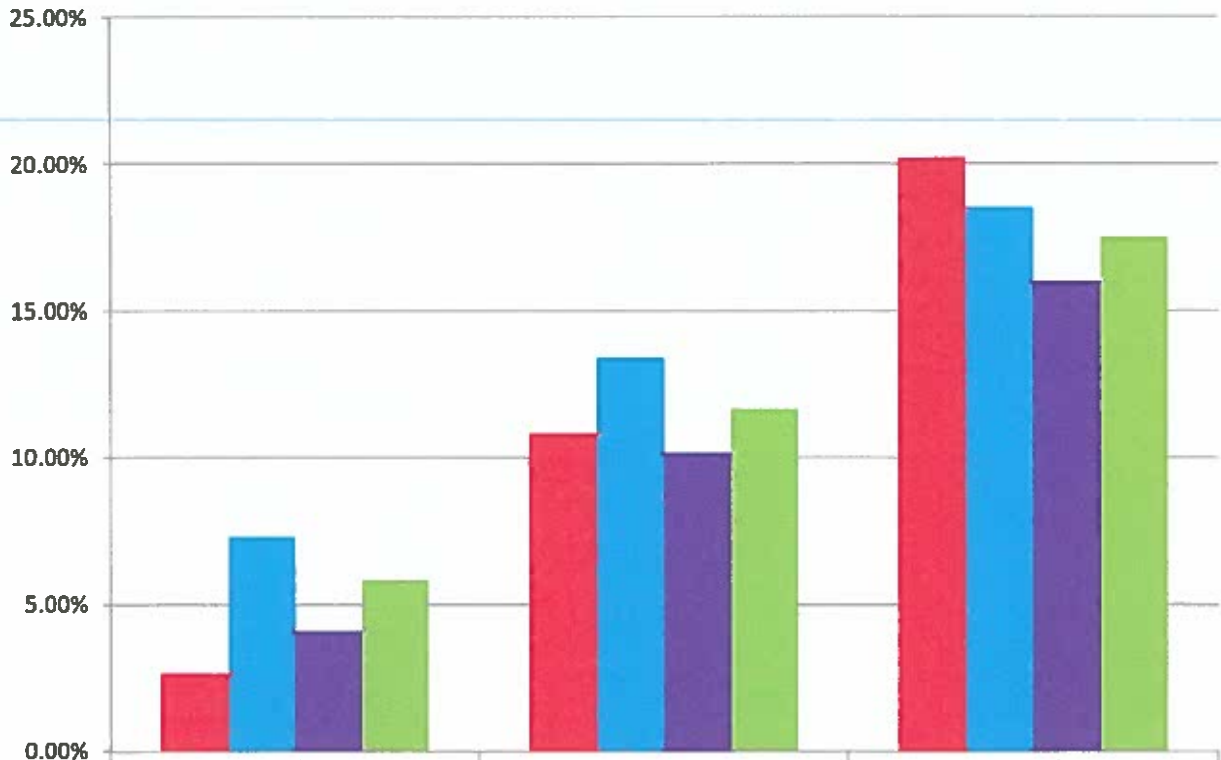
Adjournment

With no further business to discuss, the meeting was adjourned.

Respectfully submitted by: Patty Manley, Office Manager

Program Adlt#	Admin Adult#	Program DW*	Admin DW	Program Youth	Admin Youth	YTD - Sept	Actual %		Goal %		Balance	Net Change
							Expended	Goal Expended	Expended	Goal Expended		
	81,423	650,516	72,880	789,798	87,755	2,414,577						
	26,380	(325,238)	-	457,382	26,631	1,206,102						
	107,803	554,244	112,355	1,247,180	114,386	3,620,679						
	-	-	-	-	-	1,015,000	18%	169,167	17%	832,495	1,015,000	-
	-	435,000	-	-	-	435,000	18%	72,500	17%	356,818	435,000	-
	8,563	7,445	8,414	800,000	16,528	800,000	20%	133,333	17%	638,318	800,000	-
	8,563	442,445	8,414	1,073,475	16,528	517,089	0%	-	0%	517,089	553,405	(36,316)
	99,240	111,799	103,941	173,705	97,858	2,767,089	15%	375,000	14%	2,344,720	2,803,405	(36,316)
	267,047	-	-	-	-	853,590						
	106,050	41,300	45,035	81,935	40,040	356,685	21%	89,171	25%	281,296	333,241	23,444
	31,815	12,390	13,511	24,381	12,012	107,007	22%	26,752	25%	83,312	106,502	505
	138,876	5,964	59,518	10,078	6,131	226,950	23%	56,738	25%	174,728	218,092	8,858
	(79,728)	-	(34,169)	-	-	(113,897)	0%	(28,474)	25%	(113,897)	(108,276)	(5,621)
	4,315	1,030	1,850	4,615	1,095	14,000	7%	3,500	25%	12,993	12,100	1,900
	-	-	-	10,000	-	10,000	0%	2,500	25%	10,000	5,000	5,000
	335	335	750	750	750	2,250	20%	563	25%	1,806	2,250	-
	500	1,500	500	3,500	1,000	10,000	7%	250	25%	935	1,000	-
	70	70	70	70	70	210	0%	53	25%	210	210	-
	1,922	3,841	1,922	1,922	1,922	7,685	25%	1,921	25%	5,768	7,685	-
	96	192	96	96	96	384	24%	96	25%	290	100	284
	55	85	85	55	55	195	22%	49	25%	152	195	-
	195	385	195	195	195	775	25%	194	25%	585	775	-
	170	170	170	160	160	500	39%	125	25%	305	500	-
	1,834	1,833	1,833	1,833	1,833	5,500	8%	1,375	25%	5,051	5,500	-
	2,360	2,360	2,360	2,360	2,360	7,080	18%	1,770	0%	5,810	7,080	-
	1,104	1,173	1,173	1,173	1,173	3,450	1%	863	25%	3,400	3,450	-
	403	428	428	2,945	428	10,000	24%	2,500	25%	7,650	9,500	500
	835	6,500	6,500	6,500	6,500	19,500	0%	-	0%	19,500	-	19,500
	1,600	1,600	1,600	835	835	2,500	35%	625	25%	1,617	2,500	-
	-	-	-	1,500	1,500	4,700	26%	1,175	25%	3,485	4,700	-
	1,655	3,000	1,655	1,760	1,760	15,000	0%	3,750	25%	15,000	15,000	-
	18,172	19,815	18,623	36,051	17,618	51,750	20%	1,294	25%	4,140	5,175	-
	99,240	111,799	103,941	173,705	97,858	853,590	23%	392,335	25%	121,342	139,995	16,946
	267,047	-	-	-	-	198,112	23%	208,523	24%	655,478	817,274	4,444

Fund Utilization Rate



	July	August	September
■ Adult	2.66%	10.84%	20.21%
■ DW	7.32%	13.40%	18.53%
■ Youth	4.12%	10.18%	16.01%
■ Goal	5.83%	11.67%	17.50%



Worklink Workforce Investment Board Grant #14A995H3 & 14D995H3

Budget vs. Actual Expenditures YTD

Mod #1	code	ADULT										DLW			TOTAL				
		Budget	7/1-7/27	7/28-8/24	8/25-9/28	Total Expenses	Balance	% Spent	Med #1	July	Aug	Sept	Sept	Total Expenses	Balance	% Spent	Total Budget	Total Expenses	Total Balance
0.0	Salary Total	313,914	22,871	24,977	30,551	78,399	235,515	24.97%	134,534	9,588	10,930	13,153	33,651	100,883	25.01%	448,448	112,050	336,398	24.99%
0.1-0.5	Fringe Benefit Total	128,808	8,210	9,523	11,468	29,201	99,407	22.71%	55,119	3,452	3,877	4,949	12,277	42,941	22.27%	193,728	41,478	142,248	22.58%
	Subtotal	\$ 442,722	\$ 31,081	\$ 34,500	\$ 42,019	\$ 107,600	\$ 334,922	24.32%	\$ 189,652	\$ 13,028	\$ 14,807	\$ 18,101	\$ 45,928	\$ 143,724	24.22%	\$ 632,174	\$ 153,528	\$ 478,646	24.29%
	Operating Costs																		
1.2	Staff Consumable Supplies	5,040	134	450	485	1,069	3,971	21.21%	2,160	57	183	208	458	1,702	21.20%	7,200	1,527	5,673	21.21%
1.3	Advertising	1,932	-	-	-	-	1,932	0.00%	828	-	-	-	-	828	0.00%	2,760	-	2,760	0.00%
1.4	Printing/Copies	7,560	487	82	1,060	1,629	5,931	21.55%	3,240	206	35	454	695	2,545	21.45%	10,800	2,324	8,478	21.52%
1.5	Communications	6,911	631	589	1,124	2,344	4,567	33.92%	2,981	280	250	347	887	2,074	29.98%	9,872	3,231	6,641	32.73%
1.6	Staff Travel	18,309	915	949	1,557	3,421	12,888	20.98%	6,990	360	399	660	1,419	5,571	20.30%	23,298	4,840	18,458	20.77%
1.7	Staff Training/Technical Servc	2,856	-	-	-	-	2,856	0.00%	1,224	-	-	-	-	1,224	0.00%	4,080	-	4,080	0.00%
1.8	Staff Computer Leases	12,573	-	3,611	-	3,611	8,962	28.72%	5,388	1,547	-	-	1,547	3,841	28.71%	17,961	5,158	12,803	28.72%
1.9	Postage	1,680	73	125	109	307	1,373	18.27%	720	31	54	47	132	588	18.33%	2,400	439	1,961	18.29%
	Subtotal	\$ 54,961	\$ 2,240	\$ 5,806	\$ 4,335	\$ 12,381	\$ 42,480	22.87%	\$ 23,511	\$ 944	\$ 2,478	\$ 1,716	\$ 5,138	\$ 16,373	21.85%	\$ 78,372	\$ 17,519	\$ 60,853	22.35%
	Training cost																		
2.3	Credential Exam Fees	11,165	334	119	-	453	10,712	4.06%	4,785	-	-	-	-	4,785	0.00%	15,950	453	15,497	2.84%
2.5	Tuition/Adult Ed Skill Upgrade&GE Account/Voucher cost	64,098	-	13,524	-	13,524	40,572	25.00%	23,184	5,786	-	-	5,786	17,388	25.00%	77,280	19,320	57,960	25.00%
	On the Job Training	216,290	3,216	6,207	7,984	17,407	198,883	8.05%	92,610	4,995	2,555	2,555	7,550	85,060	8.15%	308,900	24,957	283,943	8.08%
2.8		85,288	-	-	5,890	6,890	79,378	6.91%	36,830	1,289	1,762	1,762	3,081	33,569	8.36%	121,898	8,951	112,947	7.34% (1)
	Subtotal	\$ 368,819	\$ 3,450	\$ 19,850	\$ 13,874	\$ 37,274	\$ 328,545	10.16%	\$ 157,209	\$ -	\$ 12,090	\$ 4,317	\$ 16,407	\$ 140,802	10.44%	\$ 524,028	\$ 53,881	\$ 470,147	10.24%
	Supportive Service Cost																		
3.2	Transportation	12,558	130	1,240	1,100	2,470	10,088	19.67%	5,381	530	-	330	860	4,521	15.98%	17,937	3,330	14,607	18.56%
3.3	Childcare	4,368	-	-	-	-	4,368	0.00%	1,872	220	-	-	220	1,852	11.75%	6,240	220	6,020	3.53%
3.4	Uniforms/Drug Screens etc	5,250	-	349	369	718	4,532	13.88%	2,250	-	78	104	180	2,070	8.00%	7,500	898	6,602	11.97%
	Subtotal	\$ 22,174	\$ 130	\$ 1,589	\$ 1,469	\$ 3,188	\$ 18,986	14.38%	\$ 9,503	\$ 220	\$ 606	\$ 434	\$ 1,280	\$ 8,243	13.26%	\$ 31,677	\$ 4,448	\$ 27,229	14.04%
	Training/Professional Service Fee/Profit																		
4.1	Training Fee (Profit)	44,318	1,850	3,087	3,085	9,022	36,296	18.10%	18,984	709	1,499	1,228	3,436	15,558	18.06%	83,312	11,458	51,854	18.10%
4.2	Audit	6,748	-	-	-	-	6,748	0.00%	2,892	-	-	-	-	2,892	0.00%	9,640	-	9,640	0.00%
4.3	Indirect	77,558	3,238	5,403	5,399	14,040	63,518	18.10%	33,239	1,241	2,823	2,149	6,013	27,226	18.09%	110,797	20,053	90,744	18.10%
	Subtotal	\$ 128,624	\$ 5,088	\$ 8,490	\$ 8,484	\$ 22,062	\$ 106,562	17.15%	\$ 55,125	\$ 1,950	\$ 4,122	\$ 3,377	\$ 9,449	\$ 45,678	17.14%	\$ 183,749	\$ 31,511	\$ 152,238	17.15%
	TOTALS	\$ 1,816,000	\$ 42,089	\$ 79,235	\$ 70,181	\$ 182,595	\$ 932,495	17.98%	\$ 435,000	\$ 16,134	\$ 34,103	\$ 27,845	\$ 78,182	\$ 356,818	17.97%	\$ 1,450,000	\$ 260,887	\$ 1,189,113	17.98%

(1) Employer has choice of being paid monthly, quarterly, or at the end of the contract.

Goal Thru Sept 22.50%

WorkLink Program Year 2014 Financial Status

13INC01 - Incentive Grant

	Program Revenue					
	\$ 5,453					
	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Outreach	\$ 5,453	4,031	74%	4,031	73.92%	\$ 1,422
Grant Period: 3/17/14-6/30/15						

WorkLink Program Year 2014 Financial Status

13RROJT01 - Rapid Response On The Job Training Grant (RROJT)

	Program Revenue					
	\$ 74,480					
	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Henkels & McCoy	74,480	74,480	100%	13,477	18.09%	61,003
Total In-House	\$ 74,480	\$ 74,480	100%	\$ 13,477	18.09%	\$ 61,003
Grant Period: 6/30/14-6/30/15						

13R995H1 - Rapid Response On The Job Training Grant (RROJT)

	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Salary, Fringe, & Indirect	\$ 62,824	11,942	19%	11,942	19.01%	\$ 50,882
Consumable Supplies	1,200	-	0%	-	0.00%	\$ 1,200
Communications	1,269	430	34%	430	33.88%	\$ 839
Staff Travel	2,789	1,105	40%	1,105	39.62%	\$ 1,684
Equipment Rent	998	-	0%	-	0.00%	\$ 998
Outreach	5,400	-	0%	-	0.00%	\$ 5,400
Total In-House	\$ 74,480	\$ 13,477	18%	\$ 13,477	18.09%	\$ 61,003
Grant Period: 6/30/14-6/30/15					Goal Thru Sept	25.00%
						to meet 100% by 6/30/15

WIA PY 2013 INCENTIVE POLICY

July 1, 2013 - June 30, 2014

CRITERION	PERCENTAGE
Performance	25%
	Meet 90% of negotiated level for the performance measure
Adult Entered Employment Rate	3%
Adult Retention Rate	3%
Adult Average Earnings	3%
Dislocated Worker Entered Employment Rate	3%
Dislocated Worker Retention Rate	2%
Dislocated Worker Average Earnings	2%
Youth Placement in Employment or Education	3%
Youth Attainment of Degree or Certificate	3%
Youth Literacy or Numeracy Gains	3%
Program Enhancement	75%
Achieve a 25% increase (over PY'12) in the number of GED credentials received by WIA Adult and Dislocated Worker participants during the program year.	



WIA PY 2014 INCENTIVE POLICY

July 1, 2014 - June 30, 2015

CRITERION	PERCENTAGE
Performance	50%
	Meet 92% of negotiated level for the performance measure
Adult Entered Employment Rate	6%
Adult Retention Rate	6%
Adult Average Earnings	6%
Dislocated Worker Entered Employment Rate	6%
Dislocated Worker Retention Rate	4%
Dislocated Worker Average Earnings	4%
Youth Placement in Employment or Education	6%
Youth Attainment of Degree or Certificate	6%
Youth Literacy or Numeracy Gains	6%
Program Enhancement	50%
35% of Adult, Dislocated Worker, and Rapid Response for Additional Assistance program funds expended in PY'14 must be on direct participant training and related expenses. Direct participant training and related expenses include: tuition, books, supplies, assessments, supportive services, OJT, and work experience.	

*South Carolina Department of Employment and Workforce
1550 Gadsden Street
Columbia, South Carolina 29201
www.dew.sc.gov*

WorkLink Program Year 2014 Financial Status**13RRIWT13 - Rapid Response Grant**

	Program Revenue					
	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance Unspent
	\$ 47,500					
Kroeger Marine Construction	\$ 47,500	47,500	100%	12,250	25.79%	\$ 35,250
Grant Period: 2/27/14-2/27/15						

WorkLink Program Year 2014 Financial Status**13RRIWT15 - Rapid Response Grant**

	Program Revenue					
	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance Unspent
	\$ 56,275					
Roylco, Inc	\$ 56,275	56,275	100%	31,900	56.69%	\$ 24,375
Grant Period: 3/12/14-4/30/15						

WorkLink Program Year 2014 Financial Status**13RRIWT19 - Rapid Response Grant**

	Program Revenue					
	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance Unspent
	\$ 60,640					
Alfmeier, Fredrichs, & Rath	\$ 60,640	60,640	100%	-	0.00%	\$ 60,640
Grant Period: 6/23/14-7/31/15						

WorkLink Program Year 2014 Financial Status

13DWT01 - Dislocated Worker Training National Emergency Grant (DWT NEG)

	Program Revenue					
	\$ 55,357					
	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Salaries, Fringe & Indirect (WIB)	\$ 2,624	1,869	71%	1,869	71.23%	\$ 755
Henkels & McCoy	52,733	52,733	100%	17,073	32.38%	35,660
Total In-House	\$ 55,357	\$ 54,602	99%	\$ 18,942	34.22%	\$ 36,415
Grant Period: 8/8/13-6/30/15						

WorkLink Program Year 2014 Financial Status

13D395H1 - Dislocated Worker Training National Emergency Grant (DWT NEG)

	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Indirect Cost	\$ 4,029	1,313	33%	1,313	32.59%	\$ 2,716
Audit Fee	351	-	0%	-	0.00%	351
Profit	2,303	751	33%	751	32.61%	1,552
Tuition	22,500	11,919	53%	11,919	52.97%	10,581
Books	6,000	2,904	48%	2,904	48.40%	3,096
Supplies	750	186	25%	186	24.80%	564
OJT	16,800	-	0%	-	0.00%	16,800
Total In-House	\$ 52,733	\$ 17,073	32%	\$ 17,073	32.38%	\$ 35,660
Grant Period: 8/8/13-6/30/15						
					Goal Thru September	43.75%
						to meet 100% by 6/30/15

WorkLink Program Year 2014 Financial Status							
JA-24960-13-60-A-45 : Make It In America Grant (MiiA Grant)							
	Program Revenue						
	\$ 1,299,610						
	Program Expenditures		Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Salaries, Fringe (WIB)	\$ 60,673		-	0%	-	0.00%	\$ 60,673
Indirect (WIB)	25,483		-	0%	-	0.00%	25,483
Tri-County Technical College	434,481	*	434,481	100%	83,448	19.21%	351,033
Greenville Technical College	434,481	*	434,481	100%	89,031	20.49%	345,450
Northeastern Technical College	344,492	*	344,492	100%	3,268	0.95%	341,224
Total In-House	\$ 1,299,610		\$ 1,213,454	93%	\$ 175,747	13.52%	\$ 1,123,863
Grant Period: 10/1/13-9/30/16		*See budgets below for yearly breakdown					
WorkLink Program Year 2014 Financial Status							
13M295T1 - Tri-County Technical College							
	Program Expenditures		Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Marketing	\$ 5,000		3,235	65%	3,235	64.70%	\$ 1,765
Recruitment & Assessment	5,000		373	7%	373	7.46%	\$ 4,627
Training	146,790		79,840	54%	79,840	54.39%	\$ 66,950
Job Placement	35,000		-	0%	-	0.00%	\$ 35,000
Total In-House	\$ 191,790	**	\$ 83,448	44%	\$ 83,448	43.51%	\$ 108,342
Grant Period: 10/1/13-9/30/16		**Year 1 Budget					
WorkLink Program Year 2014 Financial Status							
13M295G1 - Greenville Technical College							
	Program Expenditures		Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Marketing	\$ 15,000		5,761	38%	5,761	38.41%	\$ 9,239
Recruitment & Assessment	15,000		-	0%	-	0.00%	\$ 15,000
Training	126,790		83,270	66%	83,270	65.68%	\$ 43,520
Job Placement	35,000		-	0%	-	0.00%	\$ 35,000
Total In-House	\$ 191,790	**	\$ 89,031	46%	\$ 89,031	46.42%	\$ 102,759
Grant Period: 10/1/13-9/30/16		**Year 1 Budget					
WorkLink Program Year 2014 Financial Status							
13M295N1 - Northeastern Technical College							
	Program Expenditures		Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Marketing	\$ 5,000		-	0%	-	0.00%	\$ 5,000
Recruitment & Assessment	7,200		-	0%	-	0.00%	\$ 7,200
Training	75,200		-	0%	1,918	2.55%	\$ 73,282
Job Placement	14,400		-	0%	1,350	9.38%	\$ 13,050
Total In-House	\$ 101,800	**	\$ -	0%	\$ 3,268	3.21%	\$ 98,532
Grant Period: 10/1/13-9/30/16		**Year 1 Budget					

WorkLink Program Year 2014 Financial Status

14IWT01 - Local Incumbent Worker Training Grant (IWT)

	Program Revenue					
	\$ 70,189					
	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Allegro	\$ 6,793.20	\$ 6,793.20	100.00%	-	0.00%	\$ 6,793.20
Bosch	9,810.00	9,810.00	100.00%	-	0.00%	9,810.00
Danfoss	3,686.25	3,686.25	100.00%	-	0.00%	3,686.25
Greenfield	4,875.00	-	0.00%	-	0.00%	4,875.00
Inergy	14,362.50	14,362.50	100.00%	-	0.00%	14,362.50
KP	4,734.00	4,734.00	100.00%	-	0.00%	4,734.00
Michelin	4,200.00	4,200.00	100.00%	-	0.00%	4,200.00
RBC	5,928.75	5,928.75	100.00%	-	0.00%	5,928.75
Reliable	11,939.10	11,939.10	100.00%	-	0.00%	11,939.10
USEV	3,860.20	3,860.20	100.00%	-	0.00%	3,860.20
	\$ 70,189.00	\$ 65,314.00	93.05%	\$ -	0.00%	\$ 70,189.00
		as of 10/20				
Grant Period: 8/15/14-6/30/15						
Local IWT Awards						
Midlands	\$ 125,387	12.54%				
Trident	115,037	11.50%				
Pee Dee	99,849	9.98%				
Lower Savannah	95,410	9.54%				
Waccamaw	92,109	9.21%				
Upstate	83,050	8.30%				
Catawba	82,835	8.28%				
Greenville	78,401	7.84%				
WorkLink	70,189	7.02%				
Upper Savannah	62,087	6.21%				
Santee-Lynches	50,826	5.08%				
Lowcountry	44,821	4.48%				
	\$ 1,000,001					

Funds must be obligated by 11/15/14
 Training must be completed by 6/30/15

Request for Technology Grant – WorkLink

Item	Price	Quantity	Total
Dell Laptops	\$289.99	40	\$11,599.60
Laptop Lock	\$54.95	20	\$1,099.00
Keyboard & Mouse	\$19.95	40	\$798.00
Total			\$13,496.60

The laptops would be used to upgrade the current resource room computers. The hardware is getting old, as well as the operating system they all run is Windows XP. With faster computers clients will be able to do job search services quicker. The upgraded operating system will allow for less internet issues, and provide a safer online experience for clients. The laptops would be dispersed as follows:

Clemson SC Works: 15

Seneca SC Works: 10

Anderson SC Works: 10

Easley SC Works: 5



Providing Quality Services To Local Governments Since 1965.

Mr. Jake Sherbert
Audit Manager
South Carolina Department of
Employment and Workforce
PO Box 995
Columbia, SC 29202

October 20, 2014

Dear Mr. Sherbert:

WorkLink/ACOG is in receipt of your report regarding the September financial monitoring of our WIA program. Thank you for the time you spent with us. We appreciate the opportunity to openly discuss items concerning the program, both during the monitoring visit, as well as throughout the year. Please find attached to this correspondence, the Corrective Action Plan for the one issue you identified, as well as responses to the two observations included in your report.

The current year issue concerns the segregation of duties as it relates to the posting of journal entries in the ACOG General Ledger. Between Brandi Runion (the WorkLink Finance Director) and Don Zimmer (the ACOG Finance Director), we already have two employees looking at all WIA related entries, as Ms. Runion reviews all entries posted by Mr. Zimmer. Moving forward, Ms. Runion will continue to review journal entries. In addition, I will also review and approve entries. This additional step will begin immediately.

Your report also identifies two observations and recommendations. For procurement, you recommend that we align our cost threshold for requiring three vendor sources with the state cost range of \$ 2,500 to \$10,000. In addition, you note that our contract with our service provider includes a profit line item and recommend that we identify specific metrics or deliverables to be met in order for the profit to be earned.

As noted in your report, as a council of governments, we are required to adopt and follow a procurement policy, though we are not required to adopt the state code. It appears that the only difference between the ACOG policy and the State Procurement Code is that for a product or service costing between \$ 2,500 and \$ 5,000, ACOG requires two quotes and the State Code requires three quotes. We are in the process of reviewing the agency Policies and Procedures Manual and will consider aligning our cost thresholds with ranges from the South Carolina Procurement Code. In considering this, I will need to talk with our Finance and Purchasing staff to ensure there would be no unintended consequences. In addition, we operate a broad range of programs and need to have a consistent policy that applies agency-wide. Therefore, I also need to make sure that a change would not cause us to be out of compliance with some other program. I am not aware of any specific issues that a change would generate but need to do some more research.

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864.242.9733 . Fax 864.242.6957 . www.scacog.org

WorkLink will conduct an RFP process for Adult, Dislocated Worker, and Youth services for PY 2014. As a component of that process, the Procurement Committee will consider options for developing effective incentives, as well as the Profit clause in general.

I believe the attached information adequately addresses the items in the monitoring report. Should you have any questions, or if I can provide additional information, please let me know.

With regards,



Steven R. Pelissier
Executive Director

CC: Mr. Danny Brothers
Mr. Trent Acker
Ms. Brandi Runion
Mr. Don Zimmer

P.O. Box 995
1550 Gadsden Street
Columbia, SC 29202
dew.sc.gov



Nikki R. Haley
Governor

Cheryl M. Stanton
Executive Director

EXECUTIVE SUMMARY

Purpose & Scope

The purpose of Workforce Investment Act (WIA) financial monitoring is to determine if ACOG is using WIA funds in compliance with applicable laws and regulations, and if ACOG has a sound financial system in place to carry out the WIA activities. The scope of the monitoring included reviewing and analyzing ACOG's financial records for the period of June 1, 2013 through June 30, 2014.

SCDEW Staff Conducting the Review

Jake Sherbert, WIA Audit Manager
Shirley B. Jones, WIA Auditor

ACOG Staff Representing the Recipient

Steve Pelissier, ACOG Executive Director
Trent Acker, WIA Administrator
Don Zimmer, ACOG Finance Director
Brandi Runion, Worklink Finance Management Specialist

Review Areas

SCDEW performed its financial monitoring through reviews and analyses before, during, and after the on-site visit for the following areas:

- Governance and oversight management
- Financial system with fiscal controls and accounting procedures
- Supporting documentation for selected expenditures
- Contracts and records
- Payroll and payroll records
- Property control records
- Subrecipients financial monitoring
- Resource Sharing Agreement
- Indirect cost rate and indirect cost allocation
- Credit card transactions
- ETA Salary Cap Review

Current Year Issue:

- Segregation of Duties should be established for the journal entry process.

Current Year Observations:

- Procurement policy should require additional procurement documentation;
- Contract management should be enhanced.

WIA FINANCIAL MONITORING REPORT

South Carolina Department of Employment and Workforce (SCDEW) staff performed a financial monitoring engagement for ACOG on September 15, 2014 through September 17, 2014 in accordance with 29 CFR 97.20 and the Workforce Investment Act (WIA) of 1998, Section 183, Monitoring.

CURRENT YEAR ISSUE

1. Segregation of Duties should be established for the journal entry process

The ACOG Finance Director prepares, approves, and posts journal entries to ACOG's General Ledger. Best practices encourage organizations to segregate key processes, such as the authorization, custody, reconciliation and record keeping of assets, in order to mitigate unnecessary risk. The principle of Segregation of Duties is based on shared responsibilities of an important procedure that disperses the critical functions of that procedure to more than one person or department.

29 CFR 97.20 (a)(3) states that "effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes."

Recommendation: Adequate segregation of duties will strengthen internal controls within ACOG. We recommend that ACOG develop a documented journal entry process to ensure the preparation, approval, and posting of journal entries is properly segregated. The corrective action should be implemented as soon as possible and a corrective action plan submitted to describe the new process that will be used.

Corrective Action Plan: ACOG Executive Director will review and approve all journal entries prior to posting, effective immediately.

OPPORTUNITIES FOR IMPROVEMENT

During the monitoring process, opportunities for strengthening financial internal controls and/or operating efficiencies were identified. The following observations are not issues, but rather opportunities for improvement. Therefore, we recommend ACOG review these comments for future enhancements.

1. Procurement policy should require additional procurement documentation

ACOG's procurement policy requires two (2) quotes for procurements from \$300 to \$5,000. However, the SCDEW WIA Financial Management Manual, as communicated to local areas, encourages local areas to solicit quotes from a minimum of three (3) qualified sources of supply for procurements between \$2,500 and \$10,000 based on the SC Consolidated Procurement Code methodology.

Recommendation: We recommend ACOG implement procurement policies requiring the solicitation of three (3) qualified sources of supply for procurements between \$2,500 and \$10,000 which will more closely align with the SC Consolidated Procurement Code methodology. As a best practice, the additional quote will provide a greater level of competition during the procurement process and promote consistency among local areas across the state when procuring goods or services with WIA funds.

Response: Councils of Governments do not come under State Procurement, but are to adopt their own reasonable procurement policies. Our Program Year 2014 Resource Sharing Agreement that was signed in September 2014 between ACOG and SCDEW does state however, that for any shared costs we will obtain 3 quotes for items within the \$2,500 - \$5,000 price range. ACOG is currently reviewing its Policies and Procedures Manual and will consider aligning expenditure thresholds with the South Carolina State Procurement Code.

2. Contract management should be enhanced

Henkels and McCoy's contract budgets included a "profit" budget line item that did not require specific performance metrics and/or deliverables be met in order to earn the additional funds. The profit was paid regardless of contract performance.

Federal Acquisition Regulations (FAR) 15.404-4 (a), (1) states, "Profit or fee prenegotiation objectives do not necessarily represent net income to contractors. Rather, they represent that element of the potential total remuneration that contractors may receive for contract performance over and above allowable costs. (2) It is in the Government's interest to offer contractors opportunities for financial rewards sufficient to stimulate efficient contract performance, attract the best capabilities of qualified large and small business concerns to Government contracts, and maintain a viable industrial base."

Recommendation: We recommend that ACOG consider correlating the profit budget line item with meeting/exceeding specific performance metrics and/or deliverables as a motivator of efficient and effective contract performance as encouraged by FAR 15.404-4.

Response: WorkLink/ACOG considers correlating profit with meeting/exceeding specific performance metrics and/or deliverables every RFP year for the Adult/DW and Youth programs, with the ultimate decision up to the WorkLink Board's RFP Committee.

Program Year 2014 is an RFP year for both programs. As with every RFP year, profit for performance is on the agenda to be considered.

FOLLOW-UP OF PRIOR YEAR RECOMMENDATION

During the current year on-site monitoring visit to ACOG, monitors verified and re-evaluated the recommendations that were addressed in the prior year WIA financial monitoring report dated August 19, 2013. The current status and follow up of the prior year monitoring recommendations is summarized below.

2013 Follow Up To CAP		2014 Monitoring	
Number	Prior Year Recommendation	Implementation Status	Recommendation Noted in Current Testing
1	Procurement policy should require additional procurement documentation.	On-Going	See Observation #1.
2	Contract management should be enhanced.	On-Going	See Observation #2.