

FINANCE COMMITTEE
Wednesday, February 20, 2013
3:00 P.M.

AGENDA

- | | |
|---|-----------------------------|
| ☑ Call to Order | David Collins, Chair |
| ☑ Approval of October 2, 2012 Minutes | * David Collins |
| ☑ PY'12 Budget Overview | |
| a. Henkels & McCoy | Kal Kunkel, Henkels & McCoy |
| i. Adult/DW Grant - MOD REQUEST | * |
| ii. Youth Grant – MOD REQUEST | * |
| b. WorkLink Grants | Brandi Runion, WorkLink |
| i. Adult/DW/Youth Budgets – MOD REQUEST | * |
| ii. 12RRIWT – Rapid Response Incumbent Worker Training | |
| iii. 12RRO01 – Rapid Response On-The-Job Training | |
| iv. 11HPW01 – High Performing Workforce Board Grant -
MOD REQUEST | * |
| v. 1INC01 – 2011 Incentive Grant – MOD REQUEST | * |
| ☑ PY'12 Fund Utilization Rate | Brandi Runion |
| ☑ PY'13 Funding | Brandi Runion |
| ☑ PY'12 SCDEW Monitoring Report | Brandi Runion |
| ☑ Other Business | |
| ☑ Adjournment | |

* Requires Vote

UPCOMING MEETINGS:

February 27, 2013 – Board Meeting – 1:00 pm – Madren Center
April 17, 2013– Finance Meeting – 3:00 pm – WorkLink

**WORKFORCE INVESTMENT BOARD
FINANCE COMMITTEE MEETING
October 2, 2012 @ 3:00 pm
WorkLink Conference Room- Pendleton, SC**

Members Present:

Danny Brothers, Chair	Kristi King-Brock	Ronnie Booth
Stan Brooks		

Members Absent:

Stephanie Collins	Russ Karpick	Michael Keith
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Staff Present:

Brandi Runion	Sharon Crite	Windy Graham
Jennifer Kelly	Patty Manley	Shae Rozakos

Guest Present:

Kal Kunkel

I. Call to Order

Finance Chair, Danny Brothers, called the meeting to order and announced the meeting was being recorded for processing of minutes. A quorum was present to conduct the business of the committee.

II. Approval of Minutes

Minutes from the August 1, 2012 meeting, were e-mailed with the meeting notice and included in the meeting packet. Chair Brothers called for any corrections or amendments to the minutes.

COMMITTEE ACTION TAKEN: Stan Brooks made a motion to approve the minutes as submitted, motion second by Kristi King-Brock. The motion carried with a unanimous voice vote.

III. Limited Funds Definition

Jennifer Kelly, Program Director for WorkLink, began by stating she had been reviewing the Priority of Service Policy and is seeking guidance in

defining what the Limited Fund would be for our adult funding stream. Ms. Kelly explained that the law states that Priority of Services can be implemented if we have limited funds in our region that would affect our Intensive Training and Services. We would limit those funds on low income, priority individuals in our service area which include the following: Low Income Veterans; Low Income Individuals; Veterans & eligible spouses; all other applicants. Ms. Kelly clarified that all considered for participation in the WIA program must either live or last worked in Anderson, Oconee, or Pickens Counties. Ms. Kelly referred to page 6 of the meeting packet as a consideration in drafting the Limited Funds Definition for Adults.

Shae Rozakos, Executive Director for WorkLink, stated from the staff's perspective, there is a need to ensure there is a reasonable policy in place to guide if the key position (finance person) is not here to be the flag.

After much discussion was held on the point/time in the budget year Priority of Services kicks in; what would the percentage be measured against in the budget; how and where do we implement a "flag" system; this item was tabled until the December Committee meeting in order for scenarios based on prior years can be put together and presented.

IV. PY'11 Budget Overview

A. ResCare Workforce Services – WIA Title I Adult & DW

Ms. Runion reviewed and summarized the 2011 Adult & DW Grant on page 6 of the meeting packet. There was \$225,143 that was brought forward to our carry over budget.

B. Henkels & McCoy – WIA Title I Youth

Ms. Runion summarized the Henkels & McCoy 2011 Youth Grant on page 7 of the meeting stating that they did expend over 90% of their budget as we requested they spend and had \$54,237 that was carried over to the current overall budget.

C. WorkLink In-House Budget

i. Update on Executive Committee Discussion about Indirect

Ms. Runion called attention to page 8 of the meeting packet which is the overall WorkLink budget stating she would address the Indirect Costs line item later in this meeting.

V. PY'12 Budget Overview

A. Henkels & McCoy – WIA Title I Adult & DW – Mod Request

Kal Kunkel referred to pages 10 - 16 of the meeting packet and provided a brief explanation for the increases to the line items in the Modification

Request as well as the number of participants Henkels & McCoy have served and the types of services that have been provided.

Henkels requested the following:

Category	Original	Mod	Adjusted
Indirect Cost	140,308.54	22,455.06	162,763.60
WI Customer Supplies & Materials Cost	12,000.00	8,000.00	20,000.00
Instructional Supply Costs (books)	26,250.00	(10,000.00)	16,250.00
Tuition Cost (Adult Education & GED)	46,696.00	57,664.00	103,360.00
Individualized Training Account/Voucher Costs	87,690.00	127,910.00	215,600.00
Uniforms, Drug Screens, etc.	0.00	5,000.00	5,000.00
Emergency Assistance	0.00	5,000.00	5,000.00
OJT	112,320.00	24,480.00	136,800.00
WorkKeys®	0.00	8,240.00	8,240.00
Training Fee (Profit)	71,367.52	11,421.70	82,789.22
Audit Fee	10,973.61	1,756.23	12,729.84
Awards/Events	360.00	2,140.00	2,500.00
Total Mod Request		264,066.99	

COMMITTEE ACTION TAKEN: Dr. Booth made a motion to approve the modification as submitted, motion second by Kristi King-Brock. Motion carried with a unanimous voice vote.

B. Henkels & McCoy – WIA Title I Youth

Brandi Runion referred to page 17 of the meeting packet and gave an overview of the PY'12 WIA Title I Youth Grant. There are no changes needed at this time.

C. WorkLink Grants

i. Adult/DW/Youth Budgets – Mod Request

Ms. Runion called attention to the WorkLink Modification Request on page 18 of the meeting packet and offered a brief explanation of the requested modifications.

Category	Original	Mod	Adjusted
Salaries	336,409	(6,409)	330,000
Fringe	106,658	(1,658)	105,000
Supplies – Non-Consumable	1,500	1,000	2,500
Data (<i>EMSI Analyst</i>)	0	12,500	12,500
WorkKeys®	22,000	(21,775)	225
Telephone Voice & LD & Cellphones	10,000	500	10,500
Website Hosting & Renewal Fees	15,000	(4,920)	10,080
Board & Committee Meeting	4,800	200	5,000

Indirect	100,924	37,676	138,600
Total Mod Request		17,114	

Ms. Runion stated that the Finance Committee had a motion from the Workforce Skills & Education Committee to purchase a subscription to EMSI Analyst and deferred to Ms. Rozakos to speak to the benefits a subscription to Analyst Tool and the Business component would provide for our staff as well as the Economic Developers in our three counties.

Ms. Runion also gave an explanation of Direct and Indirect Costs and the proposal Steve Pelissier made to the Executive Committee in August. The proposal was to have the COG Finance Director stop charging directly to WorkLink fund codes. Once the numbers were plugged into the spreadsheet, it did not yield the expected results. Mr. Pelissier is looking at an alternative.

COMMITTEE ACTION TAKEN: Kristi King-Brock made a motion to accept and approve the modifications as submitted, motion second by Stan Brooks. Motion carried with a unanimous voice vote.

- ii. 10ANO01 – On The Job Training National Emergency Grant
Ms. Runion provided an overview of the OJT National Emergency Grant as found on page 20 of the meeting packet stating this grant ended 09/30/2012. The Actual Expended figure of \$72,850 listed is through 08/31/2012. All requests for reimbursements are expected to be received by 10/08/2012 and the final expenditures will be available thereafter. We placed 22 participants in to OJT NEG contracts.
- iii. Rapid Response Grant
Per SCDEW, all contracts written past 9/30/12 would be funded through a Rapid Response Grant. We should be receiving the Rapid Response Grant in the coming weeks once all signatures have been obtained.
- iv. 11HPW01 – High Performing Workforce Board
Ms. Runion called attention to page 21 of the packet for the committee to review the expenditures through 9/30/12. No changes are needed at this time.
- v. 11INC01 – 2011 Incentive Grant
Ms. Runion called attention to page 21 of the packet for the committee to review the expenditures through 9/30/12. No changes are needed at this time.

VI. Anticipated Funds for 2013 Anderson, Oconee, Pickens Business & Industry Showcase

Ms. Runion referred to page 23 of the meeting packet stating we have obligated \$10,000 from Incentive funds to the 2012 AOP BIS and are beginning to receive invoices from the schools. Ms. Runion deferred to Kristi King-Brock to provide details from the discussion at the Youth Council meeting 10/01/2012 regarding proposed anticipated transportation funding for 2013. Ms. King-Brock stated that in the past, funding for the showcase was paid for out of Incentive funds that the WIB received from SCDEW. We have been told by SCDEW that Incentive Funds will no longer be available in the future; therefore, funding for this event will need to come from the Youth Formula funds that have been cut 10-12% each year. The Youth Council makes a recommendation to Finance to anticipate \$5,000 from the PY'13 budget to go toward the 2013 AOP BIS.

Ms. Rozakos responded there needs to be documentation provided in some way that speaks to our commitment to future events. Ms. Rozakos will draft a letter from WorkLink addressing the decrease in funding as well as our continued support of the event.

COMMITTEE ACTION TAKEN: Motion from Youth Council to allot an anticipated amount of \$5,000 toward the 2013 AOP BIS from the PY'13 budget, motion second by Stan Brooks. Motion carried with a unanimous voice vote.

VII. Other Business

Ms. Runion stated the Committee and Board meeting dates would be voted on at the Board meeting on Wednesday, 10/03/2012.

VIII. Adjournment

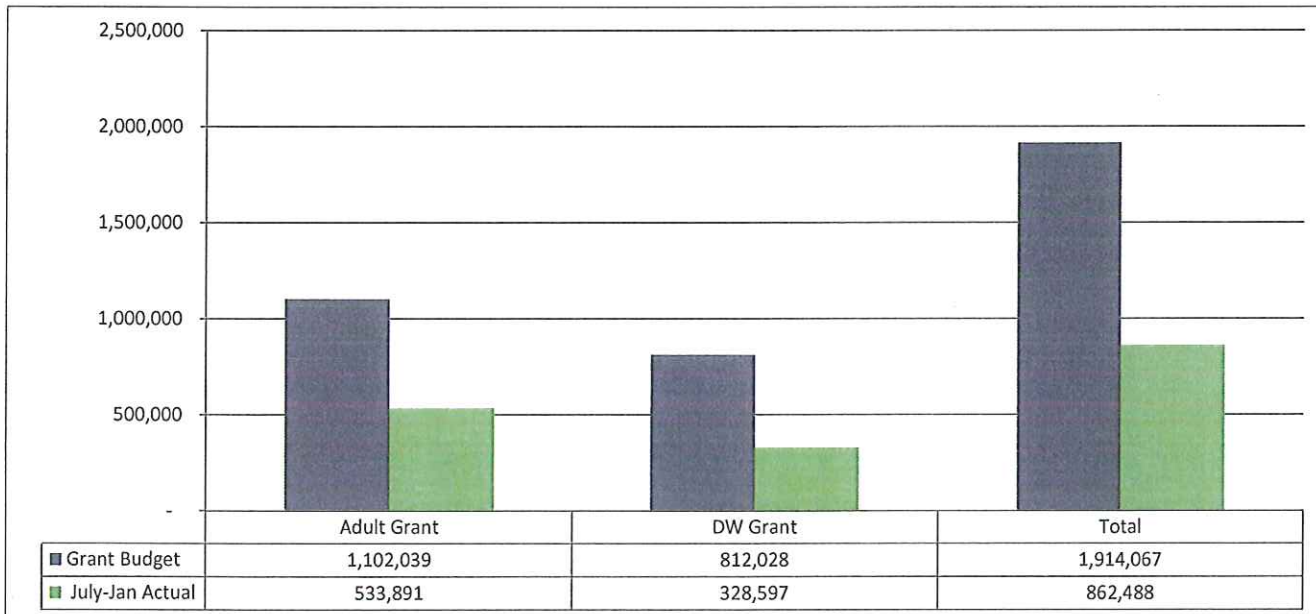
With no other business to discuss, the meeting was adjourned.

Respectfully submitted by: Patty Manley, Office Manager

Henkels & McCoy
WIA Title I Adult & DW
Program Year 2012

Category	Original			July-Jan		% Spent
	Budget	Adult	DW	Actual	Balance	
Salaries & Fringe	\$ 767,996	\$ 236,378	\$ 165,986	\$ 402,364	\$ 365,632	52.39%
Facilities/Rent Costs	84,345	13,244	9,591	22,835	61,510	27.07%
Non-Expendable Equipment Costs	32,329	6,909	5,163	12,072	20,257	37.34%
Operating Expenses	100,361	27,111	19,072	46,183	54,178	46.02%
Individualized Training Costs	385,211	132,723	72,631	205,354	179,857	53.31%
Supportive Services Costs	73,135	16,255	6,551	22,806	50,329	31.18%
Payments to Employers	136,800	25,590	3,893	29,483	107,317	21.55%
Staff Training/Tech Services Costs	5,999	914	662	1,576	4,423	26.27%
Other Direct Costs	69,609	5,817	2,610	8,427	61,182	12.11%
Training Fee/Audit	95,518	23,247	14,308	37,555	57,963	39.32%
Indirect Costs	162,764	45,703	28,130	73,833	88,931	45.36%
	\$ 1,914,067	\$ 533,891	\$ 328,597	\$ 862,488	\$ 1,051,579	45.06%

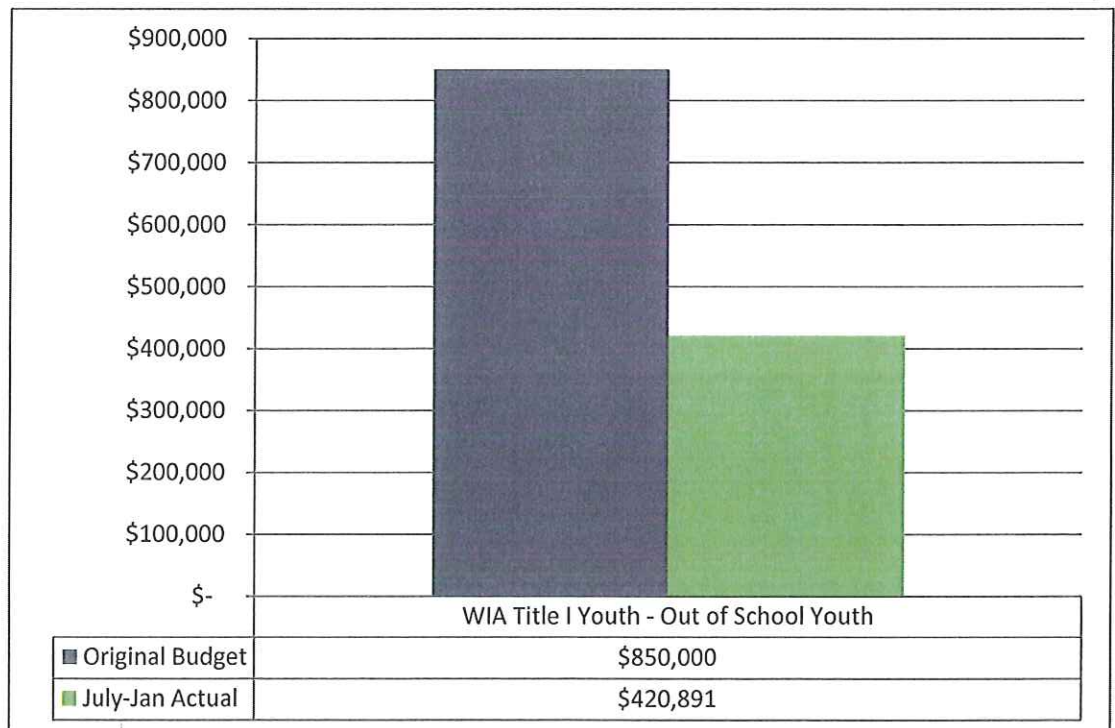
Grant Name	Grant Budget	July-Jan		% Spent	% Goal Spent thru Jan	% Goal by 6/30/13
		Actual	Balance			
Adult Grant	1,102,039	533,891	568,148	48.45%	52.50%	90.00%
DW Grant	812,028	328,597	483,431	40.47%	52.50%	90.00%
Total	1,914,067	862,488	1,051,579	45.06%		



Henkels & McCoy
WIA Title I Youth - Out of School Youth
Program Year 2012

Category	Original Budget	July-Jan Actual	Balance	% Spent
Salaries & Fringe	\$ 455,541	\$ 248,164	\$ 207,377	54.48%
Facilities/Rent Costs	12,000	9,000	3,000	75.00%
Non-Expendable Equipment Costs	11,243	8,034	3,209	71.46%
Operating Expenses	57,537	17,375	40,162	30.20%
Customer Wages & Fringe Benefits	27,840	14,107	13,733	50.67%
Individualized Training Costs	87,958	40,966	46,992	46.57%
Supportive Services Costs	30,400	11,024	19,376	36.26%
Needs-Based/Related Payment Costs	40,683	16,595	24,088	40.79%
Staff Training/Tech Services Costs	4,500	1,050	3,450	23.33%
Other Direct Costs	13,253	220	13,033	1.66%
Profit	36,765	18,327	18,438	49.85%
Indirect Costs	72,280	36,029	36,251	49.85%
	\$ 850,000	\$ 420,891	\$ 429,109	49.52%

% Spent	49.52%
January Goal	52.50%
6/30/13 Goal	90.00%



	Program Adult	Admin Adult	Program DW	Admin DW	Program Youth	Admin Youth	Total	YTD Jan	Actual % Expended	Goal Expended	Goal % Expended	Balance
PY'12 Allocations (NFA-12-01)	\$ 763,248	\$ 84,805	\$ 850,452	\$ 94,495	\$ 851,486	\$ 94,610	\$ 2,739,096					
Carryover from PY'11	903,990	87,296	190,614	102,223	435,079	80,909	1,800,111					
	\$ 1,667,238	\$ 172,101	\$ 1,041,066	\$ 196,718	\$ 1,286,565	\$ 175,519	\$ 4,539,207					
Obligations												
Henkels & McCoy - Adult	\$ 1,102,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,102,039	\$ 533,891	48.45%	\$ 642,856	58.33%	\$ 568,148
Henkels & McCoy - DW	-	-	812,028	-	-	-	812,028	328,597	40.47%	473,683	58.33%	483,431
Undesignated Funds	282,089	85,241	144,163	103,718	366,555	59,394	1,041,160	-	0.00%	-	0.00%	1,041,160
Henkels & McCoy - Youth	-	-	-	-	850,000	-	850,000	420,891	49.52%	495,833	58.33%	429,109
Total Pass-Through Contracts	\$ 1,384,128	\$ 85,241	\$ 956,191	\$ 103,718	\$ 1,216,555	\$ 59,394	\$ 3,805,227	\$ 1,283,379	33.73%	\$ 1,612,372	42.37%	2,521,848
Total Revenue after Obligations	\$ 283,110	\$ 86,860	\$ 84,875	\$ 93,000	\$ 70,010	\$ 116,125	\$ 733,980					
In-House Expenses												
Salaries	142,000	27,000	41,500	35,000	32,500	52,000	330,000	171,007	51.82%	192,500	58.33%	158,993
Fringe	45,000	8,775	13,250	11,175	10,300	16,500	105,000	54,430	51.84%	61,250	58.33%	50,570
Travel - Training/Conferences/Meetings	6,500	1,200	2,500	1,800	3,500	500	16,000	-	0.00%	9,333	58.33%	16,000
Travel - Committee/Board	1,980	-	660	-	3,360	-	6,000	144	2.40%	3,500	58.33%	5,856
Supplies - Consumable	-	800	-	900	-	800	2,500	1,305	52.19%	1,458	58.33%	1,195
Supplies - Non-Consumable	-	1,000	-	1,000	-	500	2,500	1,005	40.21%	1,458	58.33%	1,495
Data	-	7,500	-	5,000	-	-	12,500	563	4.50%	7,292	58.33%	11,938
WorkKeys	190	-	35	-	-	-	225	224	99.33%	225	100.00%	2
Consulting	-	150	-	100	-	100	350	-	0.00%	204	58.33%	350
Insurance - Tort	-	2,500	-	2,500	-	2,000	7,000	3,920	56.01%	4,083	58.33%	3,080
Insurance - Auto C&C	-	75	-	75	-	75	225	111	49.53%	131	58.33%	114
Insurance - Auto Liab	-	350	-	250	-	200	800	443	55.41%	467	58.33%	357
Postage	-	850	-	800	-	850	2,500	584	23.34%	1,458	58.33%	1,916
Printing	-	1,400	-	1,300	-	1,300	4,000	4,768	119.19%	2,333	58.33%	(768)
Telephone Voice & LD & Cellphones	-	3,500	-	3,500	-	3,500	10,500	6,376	62.63%	6,125	58.33%	3,924
Web Site Hosting & Renewal Fees	-	5,040	-	2,520	-	2,520	10,080	4,265	42.31%	5,880	58.33%	5,815
Newspapers, Magazines, & Books	-	700	-	650	-	350	1,700	-	0.00%	992	58.33%	1,700
Memberships, Duets, & Prof Fees	-	2,000	-	1,300	-	1,000	4,300	2,702	62.84%	2,508	58.33%	1,598
Training	9,800	-	3,500	-	6,700	-	20,000	-	0.00%	11,667	58.33%	20,000
Conf & Mtg Fees	-	700	-	300	-	-	1,000	-	0.00%	583	58.33%	1,000
Job Fair Expenses	-	-	-	-	-	-	24,000	1,681	7.00%	14,000	58.33%	22,319
Rent - WorkLink Storage	-	480	-	380	-	340	1,200	890	74.17%	700	58.33%	310
Rent - WorkLink Office	-	7,000	-	6,000	-	6,000	19,000	9,343	49.17%	11,083	58.33%	9,657
R&M - Equipment	-	500	-	250	-	250	1,000	290	29.00%	583	58.33%	710
R&M & Gas - WIA Car	-	1,000	-	1,000	-	1,000	3,000	1,362	45.39%	1,750	58.33%	1,658
IT Main/Support	-	1,000	-	1,000	-	1,000	3,000	2,603	86.76%	1,750	58.33%	397
Outreach	-	1,000	-	500	-	500	2,000	1,235	61.74%	1,167	58.33%	765
COG Meeting Expense (Board & Committees)	-	1,000	-	1,000	-	3,000	5,000	1,207	24.15%	2,917	58.33%	3,793
Indirect Cost Pool	59,640	11,340	17,430	14,700	13,650	21,840	138,600	80,454	58.05%	80,850	58.33%	58,146
Total In-House	\$ 283,110	\$ 86,860	\$ 84,875	\$ 93,000	\$ 70,010	\$ 116,125	\$ 733,980	\$ 351,111	47.84%	428,249	58.35%	382,869

	Program Adult	Admin Adult	Program DW	Admin DW	Program Youth	Admin Youth	Total	MOD REQ	AMENDED BUDGET
PY'12 Allocations (NFA-12-01)	\$ 763,248	\$ 84,805	\$ 850,452	\$ 94,495	\$ 851,486	\$ 94,610	\$ 2,739,096		
Carryover from PY'11	903,990	87,296	190,614	102,223	435,079	80,909	1,800,111		
	\$ 1,667,238	\$ 172,101	\$ 1,041,066	\$ 196,718	\$ 1,286,565	\$ 175,519	\$ 4,539,207		
Obligations									
Henkels & McCoy - Adult	\$ 1,102,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,102,039	-	1,102,039
Henkels & McCoy - DW	-	-	812,028	-	-	-	812,028	-	812,028
Undesignated Funds	282,089	85,241	144,163	103,718	366,555	59,394	1,041,160	11,500.00	1,052,660
Henkels & McCoy - Youth	-	-	-	-	850,000	-	850,000	-	850,000
Total Pass-Through Contracts	\$ 1,384,128	\$ 85,241	\$ 956,191	\$ 103,718	\$ 1,216,555	\$ 59,394	\$ 3,805,227	11,500.00	3,816,727
Total Revenue after Obligations	\$ 283,110	\$ 86,860	\$ 84,875	\$ 93,000	\$ 70,010	\$ 116,125	\$ 733,980		
In-House Expenses									
Salaries	142,000	27,000	41,500	35,000	32,500	52,000	330,000	-	330,000
Fringe	45,000	8,775	13,250	11,175	10,300	16,500	105,000	-	105,000
Travel - Training/Conferences/Meetings	6,500	1,200	2,500	1,800	3,500	500	16,000	-	16,000
Travel - Committee/Board	1,980	-	660	-	3,360	-	6,000	-	6,000
Supplies - Consumable	-	800	-	900	-	800	2,500	-	2,500
Supplies - Non-Consumable	-	1,000	-	1,000	-	500	2,500	-	2,500
Data	-	7,500	-	5,000	-	-	12,500	(12,500)	-
WorkKeys	190	-	35	-	-	-	225	-	225
Consulting	-	150	-	100	-	100	350	-	350
Insurance - Tort	-	2,500	-	2,500	-	2,000	7,000	-	7,000
Insurance - Auto C&C	-	75	-	75	-	75	225	-	225
Insurance - Auto Liab	-	350	-	250	-	200	800	-	800
Postage	-	850	-	800	-	850	2,500	-	2,500
Printing	-	1,400	-	1,300	-	1,300	4,000	-	4,000
Telephone Voice & LD & Cellphones	-	3,500	-	3,500	-	3,500	10,500	-	10,500
Web Site Hosting & Renewal Fees	-	5,040	-	2,520	-	2,520	10,080	-	10,080
Newspapers, Magazines, & Books	-	700	-	650	-	350	1,700	-	1,700
Memberships, Dues, & Prof Fees	-	2,000	-	1,300	-	1,000	4,300	-	4,300
Training	9,800	-	3,500	-	6,700	-	20,000	-	20,000
Conf & Mtg Fees	-	700	-	300	-	-	1,000	-	1,000
Job Fair Expenses	18,000	-	6,000	-	-	-	24,000	-	24,000
Rent - WorkLink Storage	-	480	-	380	-	340	1,200	-	1,200
Rent - WorkLink Office	-	7,000	-	6,000	-	6,000	19,000	-	19,000
R&M - Equipment	-	500	-	250	-	250	1,000	-	1,000
R&M & Gas - WIA Car	-	1,000	-	1,000	-	1,000	3,000	-	3,000
IT Maint/Support	-	1,000	-	1,000	-	1,000	3,000	1,000	4,000
Outreach	-	1,000	-	500	-	500	2,000	-	2,000
COG Meeting Expense (Board & Committees)	-	1,000	-	1,000	-	3,000	5,000	-	5,000
Indirect Cost Pool	59,640	11,340	17,430	14,700	13,650	21,840	138,600	-	138,600
Total In-House	\$ 283,110	\$ 86,860	\$ 84,875	\$ 93,000	\$ 70,010	\$ 116,125	\$ 733,980	(11,500)	\$ 722,480
									Increased due to new IT contract, email switchover, & more secure back-up procedures

WorkLink Program Year 2012 Financial Status

12RRIWT11 - Rapid Response Grant

	Program Revenue						
	\$ 34,599						
	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance	
Bowers EMS/Signature Services	\$ 34,599	34,599	100%	-	0.00%	\$ 34,599	
Grant Period: 1/2/13-5/31/13							

WorkLink Program Year 2012 Financial Status

12RRO01 - Rapid Response Grant

	Program Revenue					
	\$ 12,582					
	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Payments to Employers	\$ 12,582	12,582	100%	9,158	72.78%	\$ 3,424
				*Expenditures through 12/31/13		
Grant Period: 10/1/12-2/15/13						
<i>This grant is completed. I am waiting on the last reimbursement request for time worked from January 1-February 15.</i>						

WorkLink Program Year 2012 Financial Status

11HPW01 - Incentive Grant

	Program Revenue					
	\$ 25,000					
	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Staff Travel & Training	\$ 6,500	5,601	86%	1,802	27.72%	\$ 4,698
Board/Staff Retreat	5,000	-	0%	-	0.00%	5,000
Youth WorkKeys	11,000	11,000	100%	-	0.00%	11,000
Stategic Planning	2,500	-	0%	-	0.00%	2,500
Total In-House	\$ 25,000	\$ 16,601	66%	\$ 1,802	7.21%	\$ 23,198
Grant Period: 7/16/12-6/30/13						

WorkLink Program Year 2012 Financial Status

11HPW01 - Incentive Grant

	Program Revenue		
	\$ 25,000		
	Original Budget	Budget Request	Amended Budget
Staff Travel & Training	\$ 6,500	\$ -	\$ 6,500
Board/Staff Retreat	5,000	(5,000)	-
EMSI	-	3,375	3,375
Printing	-	4,125	4,125
Youth WorkKeys	11,000	-	11,000
Stategic Planning	2,500	(2,500)	-
Total In-House	\$ 25,000	\$ -	\$ 25,000
Grant Period: 7/16/12-6/30/13			

WorkLink Program Year 2012 Financial Status

11INC01 - Incentive Grant

	Program Revenue					
	\$ 57,999					
	Program Expenditures	Total Obligated	Total % Obligated	Actual Expended	Actual % Expended	Balance
Printing	\$ 600	-	0%	-	0.00%	\$ 600
CDF Training - Adult/DW	3,846	3,846	100%	2,564	66.67%	1,282
WorkKeys Profiles - Employers	13,500	10,500	78%	-	0.00%	13,500
SC Works Orientation Video	1,100	1,100	100%	1,100	100.00%	-
ADA Computer Equipment	3,802	3,802	100%	3,802	100.00%	-
AOP Business Showcase	10,000	10,000	100%	10,000	100.00%	-
Training - WIA Staff	5,151	5,151	100%	3,680	71.43%	1,472
Building Renovations	20,000	-	0%	-	0.00%	20,000
Total In-House	\$ 57,999	\$ 34,399	59%	\$ 21,146	36.46%	\$ 36,854
Grant Period: 4/16/12-6/30/13						

WorkLink Program Year 2012 Financial Status

11INC01 - Incentive Grant

	Program Revenue			
	\$ 57,999			
	Amended Budget	Budget Request	Amended Budget	
Printing	\$ 600	(600)	-	
Supplies - Non Consumable	-	1,100	-	
CDF Training - Adult/DW	3,846	-	3,846	
SC Works Orientation Video	1,100	-	1,100	
ADA Computer Equipment	3,802	-	3,802	
WorkKeys Profiles - Employers	13,500	-	13,500	
AOP Business Showcase	10,000	-	10,000	
Training - WIA Staff	5,151	-	5,151	
Building Renovations	20,000	(500)	19,500	
Total In-House	\$ 57,999	\$ -	\$ 56,899	
Grant Period: 4/16/12-6/30/13				

WorkLink Program Year 2012 Financial Status

Indirect Rate Analysis

	<u>Indirect</u>	<u>Salaries</u>	<u>% Rate</u>
July	7,041.90	10,604.26	66.41%
August	14,351.29	37,888.23	37.88% 3 Pay Periods
September	12,274.59	25,507.71	48.12%
October	13,771.72	26,656.41	51.66%
November	11,814.69	23,212.50	50.90%
December	7,939.32	23,371.28	33.97%
January	13,260.56	23,766.75	55.79%
	<hr/> 80,454.07	<hr/> 171,007.14	<hr/> 47.05%
Budget	138,600.00	330,000.00	
% Spent	58.05%	51.82%	



Response to 12/27/12 Program Monitoring Report - Fund Utilization

Providing Quality Services To Local Governments Since 1965.

January 28, 2013

Mr. Dennis M. King
Assistance Executive Director
SC Department of Employment and Workforce
PO Box 995
Columbia, SC 29202

Re: PY'12 Monitoring Report for WorkLink Workforce Investment Area

Dear Mr. King:

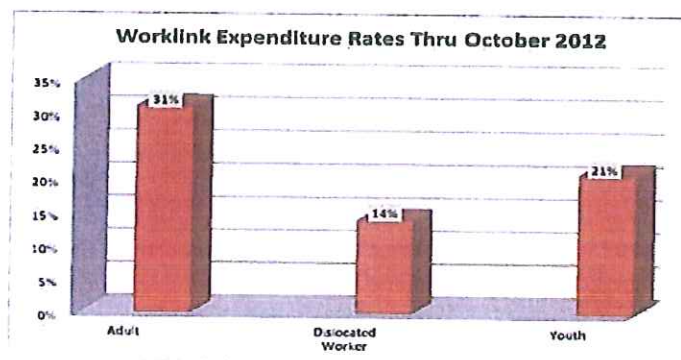
I am in receipt of your letter dated December 27, 2013, regarding the response to the PY2012 WIA monitoring of the WorkLink Workforce Investment Board. Your letter asked for a response to the monitoring report. Please find our response included in this correspondence.

Observation #1: Fund Utilization

USDOL expects 70% expenditure of available funds each program year. This expectation is in place to encourage timely expenditure of funds as well as to provide services to those individuals in need without unnecessary delays. In PY'11 the SWIB had an Incentive Policy that targeted fund utilization at 75% - but there were no funds to award incentives this year. In PY'11, the LWIA did not meet the SWIB goal in any of the three (3) fund categories (Adult 62%, Dislocated Worker 64%, and Youth 70%).

The area is on pace to meet the goal for this program year in the Adult category, but is below target in the Dislocated Worker and Youth categories. According to the October Finance report, the LWIA has not expended any of the \$491,102 of DW funds earmarked for Adult from PY'11 funds.

❖ The chart below shows WIA fund utilization through October 2012.



Recommendation: The LWIA should review current enrollment levels and training needs of participants, as well as conduct an expenditure analysis to ensure funds are being used to serve participants efficiently and effectively. In addition, the LWIA should continue to ensure that providers are submitting invoices for reimbursement in a timely manner and that the accrual method of accounting is being used to track fund expenditures. These actions facilitate timely financial reporting and accurate expenditure rates.

The LWIA should also make efforts to expend the DW funds earmarked for Adults at a more even rate with the Adult funds to show a more accurate picture of fund stream utilization and to meet the USDOL and SWIB expenditure goals.

Response: WorkLink has historically spent 100% of our funds by the expiration date each year and we are on track to spend 100% of the PY'11 funds by 6/30/13. History also shows that each year we continue to receive approximately a 10% decrease across the board and that we are unaware of the next year's allocation until well into the months of May and June. We also do not receive 100% of most of the funds in July but rather a very small percentage that is not enough to get us through until the entire allocation is awarded in October or November. In the past, we have had to have the COG float staff salaries and we were not able to pay our providers. The providers had to float themselves until enough of an allocation was received so that we could draw down the funds.

WorkLink has positioned itself so that we can continue serving participants continually and not enter a position where we are without funds having to decrease or stop participant services not knowing how much or when we will receive our next allocation.

WorkLink started using the \$491,102 of DW funds earmarked for Adult from PY'11 funds in November. We do not use these funds evenly with the Adult fund stream; instead, we use this when we are out of the Program Adult funds. We continuously receive a greater amount in DW funding than Adult funding each year, however, we continue to enroll more Adults than DWs in our area. We move money from the DW funding to Adult so that we have enough to fund services for these participants.

We can assure you that funds are being used to serve participants efficiently and effectively. In addition, our providers are submitting invoices for reimbursement in a timely manner. Our provider's contracts are based on the reimbursement method and not the accrual method of accounting to track fund expenditures. The process that WorkLink has in place ensures timely financial reporting and accurate expenditure rates.

Observation #2: Participation Levels

Adult and Dislocated Worker participation levels declined significantly in PY'11; with a 22% reduction from PY'10. According to the PY'12 Local Plan Modification, submitted by the LWIA, the anticipated number of new participants to be served in PY'12 is less than half that of PY'11. According to WIA Annual Report Data and Ad Hoc reports run on December 14, 2012, PY'12 Adult, DW, and Youth participation levels are on pace with PY'11 levels.

PO Box 995
1550 Gadsden Street
Columbia, SC 29202
www.dew.sc.gov



Nikki R. Haley
GOVERNOR

Abraham J. Turner
Executive Director

TO: Steve Pellister, Executive Director, Appalachian COG
Jennifer Kelly, Interim Workforce Development Director

FROM: Dennis M. Klag, Director
Assistant Secretary, Director, Employment Services

DATE: February 1, 2013

SUBJECT: WIA Fund Utilization

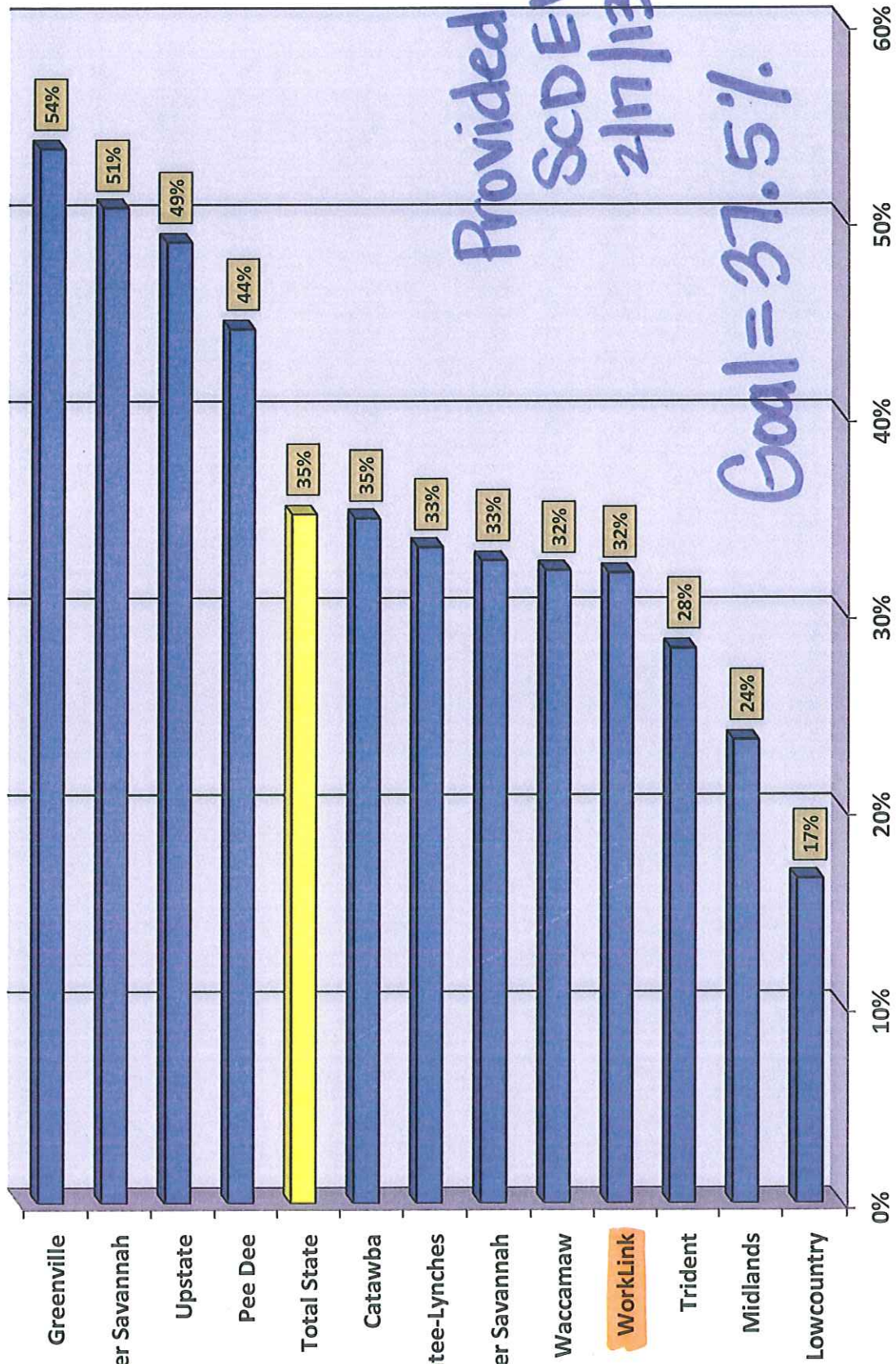
In reviewing November 2012 financial reports, I have observed several areas in which fund utilization rates are below expectations. You are receiving this notice because your LEA has at least one fund stream that is cause for concern.

USDOL expects 70 percent expenditure of all available funds each year. In the past, funding rescissions have been based on a state's ability to meet this target. If you are not spending your WIA funds timely, you are putting the state and your local area at risk of losing money on other expenditures at the 10th hour. In the reviews, we are requiring reasonable and necessary utilization of funds. We will not be giving a lot of leeway. We believe that needs Congress make decisions on. We will not be giving a lot of leeway. We believe that needs to be recognized as making wise, timely use of state and federal funds.

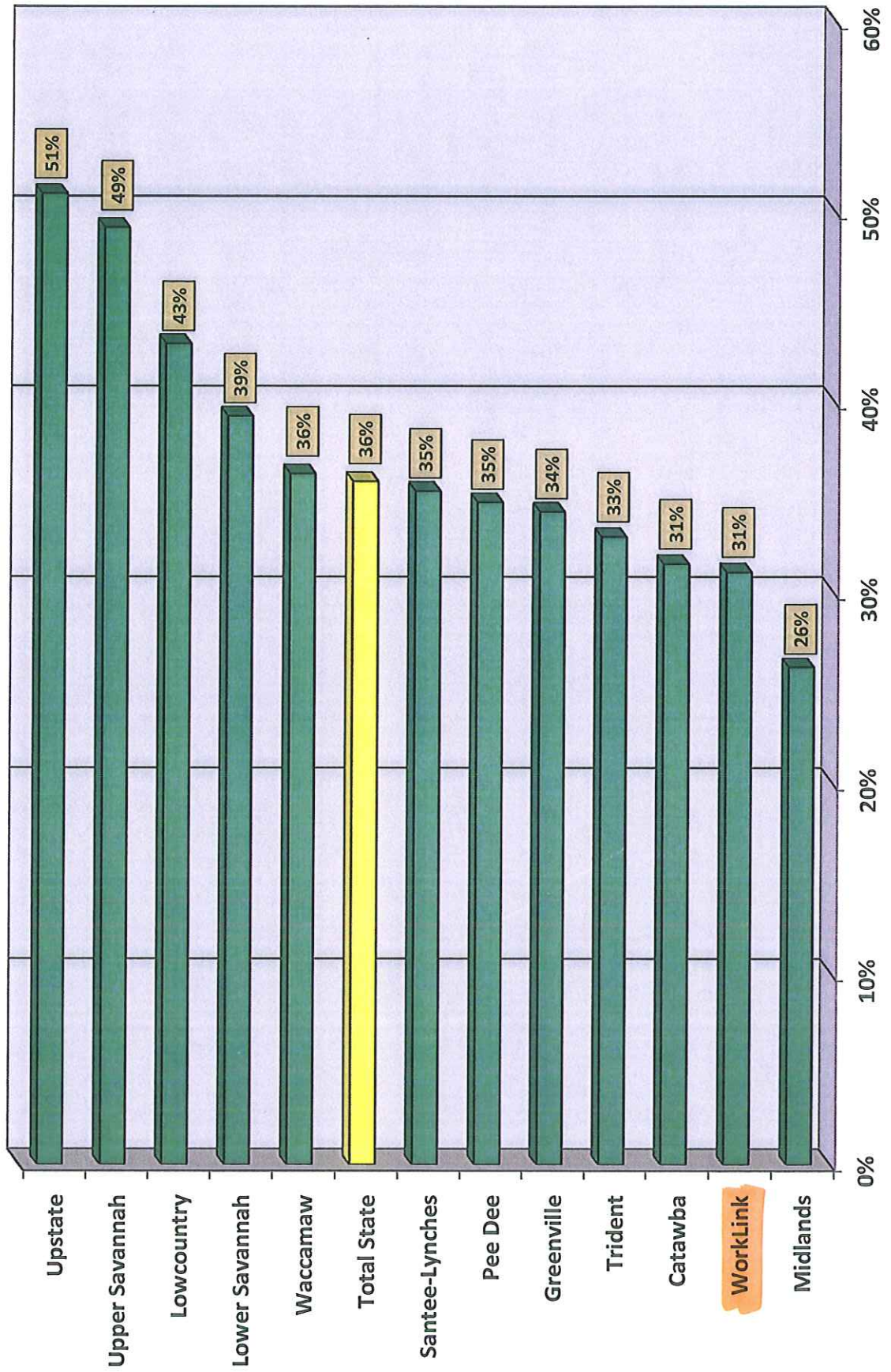
There are many South Carolina citizens who are working hard to get you are expected to analyze the financial status of your Agency, to make WIA a better financial organization and make the necessary adjustments that will ensure the success of the program.

Should you have questions or need assistance, please contact your local Operations Coordinator here at DEW, or Mary Jo Schmeck at 703-2708 or mjschmeck@dew.sc.gov.

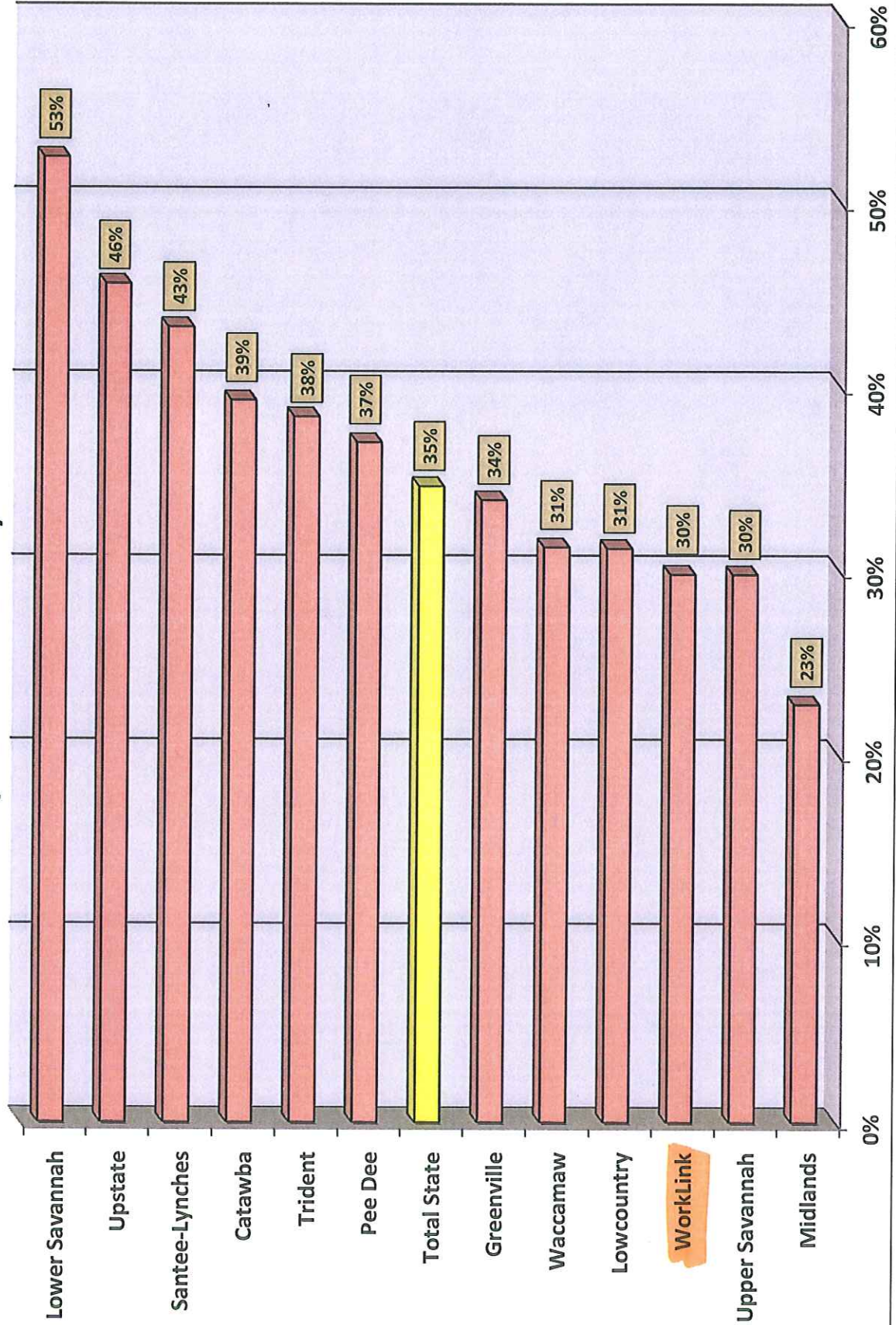
LWIA PY'12 Adult Program Fund Utilization Rate thru 12/31/12
 (Includes Admin.)



LWIA PY'12 Dislocated Worker Program Fund Utilization Rate thru 12/31/12
 (Includes Admin)



LWIA PY'12 Youth Program Fund Utilization Rate thru 12/31/12 (Includes Admin)



PO Box 995
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Nikki R. Haley
Governor

Abraham J. Turner
Executive Director

January 07, 2013

Mr. Steven Pelissier
Executive Director
SC Appalachian Council of Governments
Post Office Box 6668
Greenville, South Carolina 29606

RE: ACOG/WorkLink WIA Financial Monitoring

Dear Mr. Pelissier:

From November 7, 2012 to November 9, 2012, staff from the Office of Internal Audit and Quality Assurance at the South Carolina Department of Employment and Workforce (SCDEW) visited SC Appalachian Council of Governments/WorkLink to conduct the annual on-site monitoring review. The results of the review, as noted in the attached report, indicate that no issues or observations were found based on our review.

We appreciate your cooperation and assistance offered during the visit. Should you have any questions regarding the attached monitoring report, please contact Emmy Zhang, by email: ezhang@dew.sc.gov or by phone: at (803) 737-3825.

Sincerely,

A handwritten signature in cursive script that reads "Glenn S. Holton".

Glenn S. Holton, CIA
Assistant Executive Director for
Internal Audit and Quality Assurance

cc: Jennifer Kelly, WorkLink Workforce Development Interim Administrator
David Collins, WIB Chairperson
Don Zimmer, Appalachian Council of Governments Financial Director
Brandi C. Runion, WorkLink Finance Director
Kerry Paul, Interim Chief of Staff
Dennis M. King, Assistant Executive Director of Employment Services
Michelle Paczynski, Deputy Assistant Executive Director of Employment Services
Pat Sherlock, Director of Workforce Development

EXECUTIVE SUMMARY

Purpose & Scope

The purpose of Workforce Investment Act (WIA) financial monitoring was to determine if Appalachian COG/WorkLink had used WIA funds in compliance with applicable laws and regulations, and to determine if WorkLink had a sound financial system in place to carry out the WIA activities. The scope of the monitoring included reviewing and analyzing Appalachian COG/WorkLink's financial records for the period of October 1, 2011 through September 30, 2012.

SCDEW Staff Conducting the Review

Emmy Zhang, WIA Audit Manager
Shirley B. Jones, WIA Auditor

SCACOG Staff Representing the Recipient

Steven Pelissier, ACOG Executive Director
Don Zimmer, ACOG Finance Director
Shae Rozakos, (former) WIA Administrator
Brandi C. Runion, Finance Director, WorkLink Workforce Investment Corporation

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
- Supportive services and incentives
- Payrolls and payroll records
- Property control records
- Sub-recipients financial monitoring
- Indirect cost rate and indirect cost allocation
- Credit card policy and transactions

Achievement

WorkLink WIB Financial staff performed detailed ongoing review for its subrecipients' monthly request of payments to ensure that WIA funds were paid for reasonable and allowable costs.

Current Year issue or observation:

There was no issue or observation found per our review for the time period monitored.

WIA FINANCIAL MONITORING REPORT

South Carolina Department of Employment and Workforce (SCDEW) staff performed a financial monitoring engagement for Appalachian COG/WorkLink from November 7, 2012 to November 9, 2012 in accordance with 29 CFR 97.20 and the Workforce Investment Act (WIA) of 1998, Section 183, Monitoring.

FOLLOW-UP OF PRIOR YEAR ISSUES

During the current year on-site monitoring visit to Appalachian Council of Governments/WorkLink, monitors verified and re-evaluated the issues that were addressed in prior year WIA monitoring report dated March 14, 2012. Below is the current status of the prior year monitoring issues.

1. **\$14,253.41 in WIA funds was paid through ResCare to a consultant who did not possess a valid working permit**

During prior year contract review, WIA monitors noted that ResCare hired an independent foreign consultant who had been improperly paid with WIA funds for performing services while the consultant was on visitor status rather than a work visa.

Status – Cleared

In a response dated April 16, 2012 to our prior year monitoring report, Appalachian COG indicated that it received a payment of \$14,253.41 from ResCare to recover the disallowed payment to the ResCare subcontractor.

To enhance internal controls to its subcontractors, Appalachian COG/WorkLink requires all subrecipients submit documentation from the e-verify system www.uscis.gov to ensure that subrecipients are in compliance with applicable laws and regulations. During our current year review, no exceptions were noted in this area.

2. **Additional \$456,491 funds were added to ResCare contracts without substantiating the increase**

During our review, we noted that ResCare had been awarded total of \$1,192,222 WIA funds for its PY 11 contracts. However, three months after the original contracts were signed, Appalachian COG awarded an additional \$456,491 (38.3% of the original contracts) to ResCare through a contract modification. Per our review, the additional increase of funds was not substantiated by any increases in measurable corresponding grant activities such as an increase in the performance goals or the number of participants to be served. Per further discussion with Appalachian/WorkLink personnel, it was indicated that ResCare developed original contract budgets in anticipation of receiving carryover funds left over from the prior year. However, there was no documentation to support that the additional carryover funds would be available to ResCare when the original contracts were developed and signed.

Date(s) of visit: November 7, 2012 to November 9, 2012

Status – Cleared

In a response to our prior year monitoring report provided by Appalachian COG/WorkLink on April 16, 2012, it indicated that sufficient information substantiating any increase in funding to contracts will be contained in the contract modifications by Appalachian COG/WorkLink in the future. During the current year on-site monitoring visit, per our review, there were no exceptions identified. Appalachian COG/WorkLink was in compliance with the Federal regulation regarding contract documentation.

CURRENT YEAR ISSUES

There was no issue or observation found per our review for the time period monitored.

We would like to thank Appalachian COG/WorkLink WIB management and staff for the cooperation we received throughout the review, and congratulate them for improvements made since our last review.