



## **Participant Status and Projected Expenditures: 3-22-19**

### **Previous outreach/enrollments:**

#### **Adult Program**

**3124282248 Enrolled and participating, anticipated obligation of \$893**

ResCare will not receive the final billing from training site for the participant until 2<sup>nd</sup> round of Pell grant is paid. Training site will bill once 2<sup>nd</sup> round of Pell grant is paid.

**3124478673 Enrolled and participating, anticipated obligation of \$737**

ResCare will not receive the final billing from the training site for the participant until 2<sup>nd</sup> round of Pell grant

**10856442 Enrolled in truck driver training 3/11/19, obligation of \$4072**

Participant began training on 3/11/2019

**3122985073 Not enrolled, has not rescheduled, projected \$4072**

Participant has not re-scheduled

**3122897527 Not enrolled, training delayed, projected \$15,900**

Participant had to wait to attend training due to situation that has arose

**Dislocated Worker**

**11030478** Not enrolled, pending eligibility for Adult program, projected \$15900

Participant not eligible for UI Benefits and has applied for Food Stamps

**3124267399** Enrolled in training, removed projection.

**3124217358** Enrolled, anticipated obligation of \$3100

Enrolled and starts classes on 3/28/2019

**13334482** Enrolled, obligation of \$5622.59

**13250549** Projection removed, projected \$3200

**New outreach/enrollments**

**3124584724** Enrolled, began training, obligation of \$4072.50

Adult Program. Began training on 3/4/2019. Training cost may increase by \$87.00 if allowed to get Hazmat—waiting on comprehensive background check

**10082548-** Enrolled, began training, obligation of \$4072.50

Dislocated Worker program. Started truck driving training

**3124339309-** Pending enrollment, Work Keys scheduled 3/26

Possible Skill Up enrollment

**10821994--** Pending enrollment, Work Keys scheduled 3/26

Dislocated Worker—Welding training

**11987249-** Pending enrollment, Scheduled for Work Keys 4/2

Dislocated Worker—Lineman training

**ResCare**through: **Feb-19**

	<b>Budget</b>	<b>Actual Expended</b>	<b>%</b>	<b>Obligations</b>	<b>Projections</b>
<b>Adult</b>					
Carry Over Funds					
Operational Expenditures	69,073.78	69,073.78	100.00%		
Direct Client Expenditures	9,926.22	9,926.22	100.00%		
Carry Over Totals	79,000.00	79,000.00	100.00%		
PY 2018/2019 Funds					
Operational Expenditures	133,926.22	55,192.56	41.21%	66,575.22	90.92%
Direct Client Expenditures	147,073.78	39,705.74	27.00%	25,840.51	41,445.74 72.75%
PY 2018/2019 Totals	281,000.00	94,898.30	33.77%	92,415.73	41,445.74 81.41%
<b>Dislocated Worker</b>					
Carry Over Funds					
Operational Expenditures	61,365.00	61,365.00	100.00%		
Direct Client Expenditures	9,635.00	9,635.00	100.00%		
Carry Over Totals	71,000.00	71,000.00	100.00%		
PY 2018/2019 Funds					
Operational Expenditures	108,135.00	41,924.69	38.77%	48,834.19	83.93%
Direct Client Expenditures	61,865.00	9,558.07	15.45%	47,729.32	28,117.50 138.05%
PY 2018/2019 Totals	170,000.00	51,482.76	30.28%	96,563.51	28,117.50 103.63%

**South Central Missouri**

**Client Name or ID #**

**ITA / Support Services**

**Prgm Mar-19 Apr-19 May-19 Jun-19**

**Mileage Reimbursement**

**Rate**

Enter the anticipated number of miles to be reimbursed e

\$0.25	Adult	512	512	320
\$0.25	Adult	1472	1472	920
\$0.25	Adult	752	752	470

**Individual Training Accounts (ITA)**

**Current Obligations With Enrollment**

3124584724-- started 3-4	Adult	4,072.50		
10856442 started 3-11	Adult	4,072.50		
11030478--need SNAP eligibility	Adult		15,900.00	
3124217358-- start 3/28	DW		3,100.00	
13334482 enrolled	DW	1,732.00		
10082548--start 3/25	DW	4,072.50		
3124127132 enrolled	DW		4,924.82	
3124339309, Work Keys scheduled	SU		1,700.00	
10821994--Work Keys scheduled 3/26	DW		15,900.00	
11987249 Work Keys scheduled 4/2	DW		18,000.00	

**Projected Expenditures With No Current Enrollment**

Pending enrollment	Adult		4,072.50	
pending enrollment	Adult			4,072.50
10821994 Work keys scheduled 3/26	Adult		15,900.00	
Pending enrollment	DW			4,072.50
pending enrollment	DW			4,072.50
Pending enrollment	DW		4,072.50	
11987249 Work Keys scheduled 3-26	DW		15,900.00	

**Total Adult ITA**

8,145.00 35,872.50 4,072.50 0.00

**Total DW ITA**

5,804.50 61,897.32 8,145.00 0.00

**Total Adult Support Services**

684.00 684.00 427.50 0.00

**Total DW Support Services**

0.00 0.00 0.00 0.00

**3124127132- Enrolled, began training, obligation of \$4924.82**

Dislocated Worker.

# FINANCIAL MONITORING REPORT

(FY 2019)



**FINANCIAL MONITORING CONDUCTED BY:**  
**THE MISSOURI DIVISION OF WORKFORCE DEVELOPMENT**  
**FOR**  
**THE SOUTH CENTRAL REGION WORKFORCE INVESTMENT BOARD**

Date of On-site Visit: November 27 - 30, 2018

Date of Report: April 4, 2019

April 4, 2019

The Honorable Zach Williams  
Presiding Commissioner  
Wright County Courthouse  
P.O. Box 98  
Hartville, Missouri 65667

Mr. Garland Barton  
Director of Human Resources  
DRS Sustainment Systems, Inc.  
P.O. Box 196  
West Plains, Missouri 65775

Dear Commissioner Williams and Mr. Barton:

The Missouri Division of Workforce Development (DWD) has conducted a review of the South Central Region Workforce Investment Board's (SCR) financial operations from November 27-30, 2018. In fulfillment of the requirements set out in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (The Uniform Guidance), the Workforce Innovation and Opportunity Act (WIOA or Public Law 113-128), and other applicable Federal and State regulations.

The aforementioned regulations, among other requirements, mandate the monitoring of activities under Federal awards. The scope of the financial monitoring review was designed to ascertain the degree of compliance with the referenced regulations to ensure accountability and integrity of DWD administered Federal programs; and to provide reasonable assurance that grant funds are spent in a manner that is reflective of its appropriate intent.

This Report serves as the official notification of the conclusions of the review. For the areas reviewed, three (3) Concerns were identified. Please submit a written corrective action plan within 30 days of the date of this Report for the Concerns identified.

Should you have any questions, please feel free to contact Julie Coon at (573) 522-3767 or my office at (573) 751-3349.

Sincerely,



Mardy L. Leathers  
Director

## **Results of Financial Monitoring Review**

DWD rates issues discovered during financial monitoring reviews at three levels of severity:

**FINDINGS** – Findings are DWD notations that disclose significant deficiencies, material weaknesses in internal controls, material non-compliance, or other significant actions that compromise program integrity. Findings require written corrective action plans by either accepting DWD’s recommendation or proposing and receiving approval for an alternate course of action. Sanctions may be imposed for failure to take timely corrective action. In certain circumstances, Findings may require more serious or immediate action.

**The DWD monitors identified no Findings during the review.**

**CONCERNS** – Concerns are DWD notations that disclose violation or non-compliance with applicable Federal and State laws, rules, regulations, and the Generally Accepted Accounting Principles (GAAP). Concerns require written corrective action plans by either accepting DWD’s recommendation or proposing and receiving approval for an alternate course of action.

**The DWD monitors identified three (3) Concerns during the review.**

**Concern #1:** Indirect Costs are not reported regularly as an expenditure on the Contract Progress Report (CPR). Through an interview with the Financial Manager, they revealed uncertainty about how to calculate indirect costs but with a willingness to learn. In addition, DWD monitors reviewed the information from SCR’s accounting records (MIP) and compared it to the monthly CPR. DWD monitors found the following were incorrectly reported in MIP:

- Cumulative expenditure amounts were not correct on many of the projects when comparing MIP to FRS. Monitors found that admin expenditures were incorrectly reported by line item, however amounts in total were in agreement.
- SCR did not enter the Cash Disbursed for the Summer Jobs Extension funding.

**Recommendation:** DWD recommends researching the indirect cost methodology. SCR must make every effort to correctly report expenditures to DWD on the monthly CPR. Before entering the current period’s accrued expenditures, SCR should compare the cumulative amounts to its books to confirm no adjustments are needed in the current period. It is also imperative that SCR report on all required fields on the monthly CPR. To resolve this concern, SCR must describe the process it will follow to ensure the monthly CPR information is accurate and must submit its plan to report indirect costs on a more consistent basis.

**Concern #2:** DWD did not find the language requirement for the performance-based standards in SCR’s Youth contracts.



**Recommendation:** To resolve this concern, SCR must submit revised youth contracts that contain the required performance based standards and ensure these requirements are in all future contracts.

**Concern #3:** DWD monitors were not able to verify the Unliquidated Obligations, due to SCR's confusion in reporting Admin on the quarterly obligation entry report in FRS. After answering SCR's questions, the Unliquidated Obligations will be reported correctly in the future.

**Recommendation:** To resolve this concern, SCR must submit their plan to report unliquidated obligations for both program and admin including how they will ensure future reporting will be entered correctly.

**COMMENTS** – Comments are DWD notations that suggest a set of actions aimed at improving subrecipients' accounting system or other processes. Comments are suggestions to management and do not require a response unless specifically requested by DWD.

**The DWD monitors identified no Comments during the review.**

### **Executive Summary**

Section 200.328 of the Uniform Guidance requires the monitoring of activities under Federal awards to assure compliance with applicable Federal requirements. WIOA Section 184 (a) (4), also mandates the monitoring of each local area within the State to ensure compliance with the Uniform Administrative Requirements.

The staff of the Financial Management Section of DWD conducted a financial monitoring of the South Central Region Workforce Investment Board's (SCR) FY 2019 financial operations from November 27-30, 2018 in fulfillment of the requirements of the Uniform Guidance, WIOA, and other applicable Federal and State regulations. The DWD monitors arrived on-site November 27, 2018 to commence the monitoring process with an entrance conference to discuss the scope of the review with SCR personnel. The DWD monitors concluded the monitoring on November 30, 2018 with an exit conference to relay the preliminary results of the review.

Financial monitoring is not an audit and due to the limited scope of the review, may not disclose all systems' weaknesses. The opinions expressed in this Report are based on the areas reviewed by DWD. The United States Department of Labor, the Missouri State Auditor's Office or any other applicable Federal or State body may conduct reviews, and have different conclusions or opinions.

In summary, this Report contains no Findings, three (3) Concerns and no Comments.

### **Subrecipient Information**

Subrecipient	South Central Region Workforce Investment Board
Subrecipient Mailing Address	416 Washington West Plains, Missouri 65775
Subrecipient Location Address (If Different From Mailing Address)	Same as Mailing Address
Subrecipient Primary Fiscal Contact Person	Ms. Donna Smith
Telephone	(417) 257-2630
Fax	(417) 257-2633
E-Mail	<a href="mailto:dsmith@scwib.org">dsmith@scwib.org</a>

### **Financial Monitoring Staff Members**

Name	Job Title
Ms. Dawn Schaperclaus	Accounting Specialist
Ms. Jan Miller	Accounting Specialist
Ms. Brittney Fowler	Accounting Generalist

### **Scope of the Financial Monitoring**

The DWD monitors utilized the guidelines established in the Uniform Guidance to review the following items during the on-site monitoring visit:

- The Contract Progress Report (CPR)
- Accounting Records
- Internal Control
- Source Documentation
- Cost Classification/Allowable Cost
- Bank Reconciliation
- Salary and Bonus Limitation
- Excluded Party Verification
- Cost Share
- Interest Earned on Advances
- Program Income/Stand-In Costs
- Quarterly Obligation Report
- Audit Tracking Forms
- Subawards
- Subrecipient Monitoring
- Equipment Listing
- Procurement
- Request for Proposals
- Audit Resolution
- Follow-up on Prior DWD Financial Monitoring Report

**Contract Progress Report:** The Contract Progress Report (CPR) is the financial reporting document utilized by the DWD to control the programs it administers. During the review, DWD monitors reconciled the CPR for the month ending October 31, 2018, by line item to the South Central Missouri Workforce Development Board's (SCR) Statement of Revenues and Expenditures.

***See Concern #1***

**Accounting Records:** The accounting software utilized by the SCR is Micro Information Products (MIP) windows version. The accounting software has information pertaining to the source of funds, obligations, assets, liabilities, expenditures and income. DWD monitors determined the accounting system adequately identifies the source and application of funds provided for financially assisted activities.

**Internal Control:** DWD monitors requested a copy of the following SCR policies:

- Personnel policy
- Fiscal policy manual
- Conflict of interest policy
- Confidentiality policy
- Record retention/destruction policy
- Travel policy
- Credit card policy
- Procurement policy
- Sole source policy
- Supportive services policy
- On the Job Training policy
- Procedures to report waste, fraud, and abuse to the State
- Procedures for safeguarding personally identifiable information (PII)

The above policies are incorporated in SCR's Financial and Procedures Manual. DWD monitors verified the existence and/or reviewed the adequacy of the above-mentioned policies.

DWD monitors also reviewed the following:

- Evidence of new employee verification through the E-Verify system
- Related party transactions
- Insurance policy
- Bonding coverage
- Vacation/annual leave balances

SCR hired one (1) new employee since last year's financial monitoring. The new employee was properly verified through the Federal E-Verify system. SCR accrues annual leave for its employees. SCR draws funds from DWD to maintain the dollar value of the accrued annual leave. Vacation accruals appear to be accurate and accounted for appropriately. During the review, no related party transactions were identified. SCR's insurance policies appear to have sufficient coverage. SCR has bonding coverage.

SCR utilized the indirect cost rate (ICR) of 367.52% for the period of July 01, 2017 to June 30, 2018. As a reminder, a South Central Region Indirect Cost proposal, for fiscal year ending June 30, 2019, accompanied by the 2018 fiscal year end (FYE) audited financial statements, the appropriate support documentation and an original signed and dated Indirect Cost Proposal Certificate will be due in DWD Financial Management by December 31, 2018. The 2019 proposed rate change is due by December 31, 2018.

The last segment of the Internal Control review process evaluated by DWD monitors was the segregation of duties. This includes the review of SCR's Organizational Chart, Personnel Responsible for Fiscal Functions document, and Internal Control Questionnaire document to ensure the information provided during last year's financial monitoring was still accurate or to identify changes.

DWD monitors reviewed the Fiscal and Human Resources Specialist Roles and Scope of work. The Fiscal Agent was identified as Donna Smith, this was verified in both an in person interview and a review of SCR Organization Chart.

**Source Documentation:** DWD monitors reviewed SCR's General Ledger for the period of May 1, 2018 through October 31, 2018. DWD monitors requested three (3) different types of source documentation: Other Expenditures, DWG Expenditures Disaster Relief Job Training Program expenditures, and ApprenticeshipUSA – SC expenditures

- a) **Other Expenditures (non-DWG):** DWD monitors reviewed a selected a sample of forty seven (47) expenditures for further review. The accounting records were supported by purchase orders and coding sheets, where applicable. SCR's Chart of Accounts were used to ensure expenditures were properly coded and allocated to the benefiting cost categories. Supporting documentation was reviewed to ensure the costs were allocated appropriately according to the SCR's financial procedures.
- b) **DWG Expenditures:** DWD monitors reviewed a selected a sample of thirty (30) expenditures for further review. All payments were appropriately allocated. When applicable, DRJP forms were signed by the participant, team member and SCR staff.
- c) **ApprenticeshipUSA – SC:** DWD monitors reviewed a selected a sample of two (2) expenditures for further review. All payments were appropriately allocated.

**Allowable Cost:** After reviewing all the expenditures, DWD monitors determined the expenditures appeared to be allowable, reasonable, necessary, and classified properly.

SCR reports indirect costs based on its Indirect Cost Rate and will reconcile at the end of the fiscal year. It acknowledges its subrecipient's Indirect Cost Rate or De Minimis rate.

***See Concern #1***

**Bank Reconciliation Statement:** DWD monitors reviewed SCR's Bank Reconciliation for the month of October 2018. SCR's reconciliation was completed and reviewed in a timely manner by both the preparer and reviewer, notated by signature and date. The outstanding checks were handled in a timely manner.

**Salary and Bonus Limitations:** DWD monitors reviewed the salaries and benefits paid to the SCR employees. All employees' are compensated below the Executive Level II rate of pay.

**Verification of Excluded Parties:** During the monitoring, DWD monitors reviewed documentation supporting SCR's subrecipient verification. SCR's subrecipients had no exclusions.

**Cost Share:** DWD monitors reviewed the methodology of cost share of expenditures from SCR entered as the Job Center Cost Share or Infrastructure in FRS. The net amount (owed or due) is to be adjusted on the expenditures when it is paid.

**Interest Earned on Advances:** The SCR utilizes a non-interest-bearing account with Southern Bank; therefore, there was no interest earned on advances. This was confirmed through an interview with the SCR's Fiscal Manager and a review of SCR's accounting records and bank statement. According to the Fiscal Manager, SCR does not utilize an interest bearing checking account, because it would not expect to earn interest in excess of \$500 per year on Federal cash balances. The SCR would be required to report interest earned on WIOA funds as Program Income if it earns interest in the future. SCR does not have a Pledged Securities Agreement with Southern Bank because it does not exceed the amount of funds covered by the FDIC threshold.

**Program Income/Stand-In Costs:** SCR and its subrecipients did not earn nor reported Program Income for the quarter ending September 2018. SCR also did not report Stand-In Costs for the same quarter. This was confirmed through review of SCR's financial records and an interview with SCR's Fiscal Manager.

**Quarterly Obligation Report:** DWD monitors reviewed SCR's Quarterly Obligation Report for the quarter ending September 2018. For PY18/FY19 WIOA Funding, SCR appears to be on track to meet the 80% obligation requirement by June 30, 2019. DWD monitors and SCR worked together to reconcile the Unliquidated Obligations to SCR's supporting documentation.

*See Concern #3*

**Audit Tracking Forms:** For PY17/FY18, SCR had the following subrecipients:

- Ozark Action Inc.
- South Central Missouri Community Action Agency
- ResCare Workforce Services
- The Board of Governors of Missouri State University

The Audit Tracking Forms were reconciled back to SCR's contract agreements. DWD monitors verified the following items: Contract Number, Contract Period, Program Name, and Contract Amount(s).

**Subawards:** DWD monitors reviewed SCR's subawards to ensure the contracts contained the following:

- a. **Nondiscrimination and Equal Opportunity Language:** DWD monitors reviewed SCR's subawards to ensure nondiscrimination and equal opportunity provisions codified at 29 CFR Part 37 and procedures for grievances and complaints according to the requirements of 20 CFR 667.600 were referenced. Such references are included as part of the language utilized by SCR in its contracts.
- b. **E-Verify Language:** DWD monitors reviewed SCR's subawards to ensure the E-Verify language was included. The contracts contained the required E-Verify language. SCR maintains the E-Verify certificates.
- c. **Assurances:** DWD monitors reviewed SCR's subawards to ensure the contracts included Assurances specified by DWD. The contracts contained the most up-to-date required Assurances.
- d. **Performance in Youth Contracts:** DWD monitors reviewed the Youth subawards to ensure the contracts included language regarding performance-based standards. The Youth contract did not contained the required performance language.

***See Concern #2***

- e. The contracts also contained the following required elements:
  - Subrecipient name
  - Subrecipient DUNS number
  - Federal Award Identification Number (FAIN)
  - Federal award date (start & end date)
  - Period of performance
  - Amount of Federal funds obligated by this action
  - Total amount of Federal funds obligated to the subrecipient
  - Total amount of the Federal award committed to the subrecipient
  - Award description
  - Name of Federal awarding agency, pass-through entity, and contact information for awarding official
  - CFDA number and name
  - Identify whether the award is Research & Development (R&D)
  - Indirect cost rate for the Federal award (including if de minimis rate is charged)

**Subrecipient Monitoring:** DWD monitors reviewed the following PY17/FY18 Subrecipient financial monitoring files:

- Ozark Action, Inc. (OAI)
- South Central Missouri Community Action Agency (SCMCAA)
- ResCare Workforce Services (ResCare)

The financial monitoring file contained the following information:

- Monitoring Confirmation Letter;
- Monitoring Tool;
- Monitoring File (workpapers)
- Written Financial Monitoring Report; and
- Evidence the Monitoring File and Report were reviewed

Note: DWD monitors reviewed the subrecipient monitoring files of OAI (Youth, TANF FY17, TANF FY18) and ResCare (AD/DW), and concluded SCR is awaiting the arrival of the Corrective Action Plans, which were not due until after this DWD monitoring visit, to issue SCRs Acceptance Letters.

**Equipment:** DWD monitors received a copy of the SCR's Inventory Control Record. The inventory listing was reviewed against the equipment guidelines delineated in 2 CFR Part 200.313, which requires a physical inventory of equipment every 2 years. SCR takes a physical inventory once a year and this was last completed in June 2018. DWD monitors selected fifteen (15) items from the listing and were able to verify the item's location on site. At the time of DWD's FY19 monitoring, SCR was in the process of revising and updating the inventory listing even further, printing fresh labels, etc.

**Procurement:** Incorporated in SCR's Fiscal Policy 13-01 Cash Disbursements provides, among other requirements, for the following:

- A numbered purchase order is submitted to the Executive Director for signature approval. The Executive Director determines if funding is available and if the purchase is reasonable, necessary and allocable.
  - Three written bids must be obtained for any single item exceeding \$2,500.
  - Any single item exceeding \$5,000 must also have funding source approval.
  - Any single item or contract exceeding \$25,000 must also use a competitive bid process.
- Approved purchase orders are given to the Fiscal Assistant who will make purchasing arrangements.
- When goods or services are received they are to be checked against the purchase order to ensure the item are received was the item ordered. This process must be done by someone other than the Executive Director or Fiscal Specialist. The purchase order and invoice are then marked received and given to the Fiscal Specialist for payment.
  - Any single item with a unit cost of \$1,000 or more is considered equipment.



- When equipment is received it is assigned a number by the Fiscal Specialist and is tracked in the inventory log. The inventory number and “Property of the SCWIB” is also affixed to the equipment.
- A physical inventory is performed annually by at least two employees.
- The Fiscal Specialist will assign the account code or allocation code, enter the invoice into the Accounting system and generate a check. Checks are pre-numbered and used in sequential order. All blank checks are kept in a locked file cabinet. Checks will not be made out to Cash or Petty Cash.
- The Executive Director will sign the check and payment will be mailed to the vendor. Any payments over \$1,000 must have a second signature from an Executive Committee member.
- The check stub, invoice and purchase order will then be filed alphabetically by program year and vendor.
- Items not requiring a purchase order (payroll, rent, client payments and routine business travel) will need signature approval from the Executive Director and then will follow the steps listed above.

Incorporated in SCR’s Local Procurement Policy provides, among other requirements, for the following:

**Procurement Process**

A. Purchase Less than \$3,500.00

This type of purchase may be made from any local vendor without solicitation of bids. The agency is required to utilize the best known price. The purchase order, needs assessment, cost estimate, and invoice are the only documentation required.

B. Purchase of \$3,501.00 up to \$24,999.99

This type of purchase requires three written bids from separate vendors. The agency shall prepare a written description of the item(s) or services(s) and give it to all prospective bidders. Request for Bids shall be sent to an adequate number of offerors exceeding three to ensure receipt of at least three bids. Each written response shall be analyzed to ensure that it meets the description. Those that meet the descriptions are considered bids. “Lowest and Best” may be utilized for awarding services contracts. However, prior to award, all bidders must be aware of the analysis that will be used to establish this award. The person making the analysis shall prepare a written price analysis of each bidder to determine cost reasonableness and the methodology for selection. The written description and all responses shall be retained. Each shall be noted as bids or not bids and the person making that determination shall sign or initial each response. The written analysis of each bidder and the methodology for selection shall be signed and retained.

C. Purchase of \$25,000.00 or More

This type of purchase requires a formal advertised Competitive Bid Process unless exempted. The following items must be included in that process:

1. **Advertisements** – The need for an item or service must be presented to the public in at least two newspapers of general circulation, which should be selected to provide the best coverage of an area. Additionally, written notification of request for bids shall be made to an adequate number of offerors exceeding three to ensure receipt of three bids. Advertisements are to be documented by a tearsheet (a copy of the actual ad) and certification of publication (a notarized statement confirming publication). All bids of this nature will be listed on the SCWIB website.
  
2. **Preparation of RFP** – Either a Request for Proposal (RFP) or an Invitation for Bid (IFB) must be prepared to tell prospective bidders what they must know to submit their bids. An RFP is a solicitation procedure and a document that indicates what is to be accomplished and requests the bidder to indicate how it will be accomplished and the cost. A copy of the original RFP or IFB and any amendment thereto shall be retained. A list shall be maintained of who received RFP(s) or IFB(s). The RFP is not used when there is a “standard” associated with the requirement. In using an RFP, the contracting agency may elect to award the contract by using one of several proposal evaluation methods.

Evaluation on a point system (40 points cost, 20 points experience, 20 points expertise, and 20 points plan) or on a priority system (proposals that meet the minimum requirements are ranked “best to worst” and funded until all funds are obligated). This permits consideration of other factors in addition to price.

An IFB is a type of procurement and a document used in a formal competitive bidding process. The documentation contains a precise statement and complete specification of what will be purchased. Because it allows no choice in how the work will be performed, it essentially requests only a cost from the bidder. The IFB is appropriate for use in purchasing services for which there is a known industry/professional or other mandated standard governing the quality and test for acceptability for the work to be performed. The IFB states contractor qualifications, terms, conditions, and task/requirements, allowing only one interpretation. Therefore, each bidder is bidding on exactly the same thing. It is this characteristic that permits bid comparison and contractor selection solely on the basis of price.

Incorporated in SCR’s Fiscal Policy 13-02 Competitive Bid Process Policy and provides, among other requirements, for the following:

### **Competitive Bid Process**

Substance:

- A Request for Proposal (RFP) is prepared.
- The RFP is advertised on the South Central Workforce Investment Board website (scwib.org). It may also be advertised by placing ads in local newspapers or by sending written notifications to prospective bidders. Every reasonable effort must be made to solicit more than one bid response.

- A pre-bid conference must be held for any single contract exceeding \$50,000. The time and place of the pre-bid conference will be included in the RFP.
- The Proposal Evaluation Committee of the Board will evaluate all proposals.
  - Proposals are opened by two people not on the Evaluation committee and are recorded.
  - Proposals are distributed to all committee members.
  - Committee members evaluate the proposals using criteria included in the RFP.
  - The committee must recommend to the Board a contract award or that no award be made.
  - The Board will consider recommendations and notify the bidders in writing of the decision.
- Non-competitive (sole-source) procurement is defined as procurement when competition is determined inadequate after solicitation. All sole source procurements will be justified in writing.
- The following items may be exempted from competitive procurement: training sessions, conferences, seminars, copyrighted material, updates to existing software, and repairs by the original manufacturer if other repairs would void any applicable warranty, and recurring expenses such as rent.
- In the event that following the competitive bid process would cause an interruption in service delivery, the Executive Committee has the authority to award short term contracts (6 months or less) without going through the competitive bid process.

**Request for Proposals (RFPs):** SCR issued no RFP's since last year's monitoring.

**Audit Resolution:** DWD monitors reviewed the following audit resolution files:

- Ozark Action Inc.
- South Central Missouri Community Action Agency
- ResCare/Arbor E&T Inc.

The audit resolution file contained:

- Subrecipient's Uniform Guidance audit
- Data Collection Form
- Audit Review Form
- Reconciliation workpapers
- Audit Acceptance Letter

The audit resolution was completed within the required timeframe.

**Follow-up on Prior DWD Financial Monitoring Report:** SCR's last financial monitoring was conducted on June 25, 2018 through June 27, 2018. The financial monitoring report dated September 13, 2018, included five (5) Concerns and two (2) Comments, which have been implemented with no further action required.

## **CONCERNS**

**Concern #1:** Federal regulation requires Subrecipients to obligate 80 percent (80%) of the funds made available to them in each program year's funding or bear the risk of losing the funds through the reallocation process. The calculation of the 80%, however, excludes administrative costs. As of March 31, 2018, SCWDB had obligated 38.18% of PY17 Youth, 53.64% of PY17/FY18 Adult, and 68.59% of PY17/FY18 Dislocated Worker. SCWDB is not on course to meet the 80% threshold by June 30, 2018.

**Recommendation:** To resolve this concern, SCWDB must describe how they intend to meet the 80% program obligation requirement on WIOA Formula Funds in future years.

**Implemented - NOTE:** Per an agreement between DWD and SCR, an extension was granted until December 31, 2018 to meet the 80% obligation. As of June 2018, SCR had obligated 82.24% of PY17 Youth, 74.25% of PY17/FY18 Adult, and 44.55% of PY17/FY18 Dislocated Worker. As of September 2018, SCR had obligated 100% of PY17 Youth, 100.56% of PY17/FY18 Adult, and 99.23% of PY17/FY18 Dislocated Worker. Although SCR did not meet the 80% obligation in June, it was obligated in September.

**Concern #2:** Uniform Guidance requires annual financial monitoring of subrecipients. SCWDB could not provide financial monitoring reports or files for the required financial monitoring of their subrecipients.

**Recommendation:** SCWDB must immediately conduct financial monitoring for PY17/FY18 and submit a copy of the report to DWD. The financial monitoring files must contain the following information.

- Monitoring Tool
- Monitoring File (workpapers)
- Written Financial Monitoring Report
- Evidence the Monitoring File and Report were reviewed

This concern will remain open until the reports are received. **Implemented**

**Concern #3:** DWD requires its subrecipients to submit Audit Tracking Forms to DWD within 30 days of the effective date of the last required signature on contracts or contract modifications. DWD monitors noted SCWDB did not submit two (2) of the thirteen (13) Audit Tracking Forms during PY16/FY17 within the allowed 30 days.

**Recommendation:** To resolve this concern, SCWDB must describe how they intend to meet the Audit Tracking Form deadline in the future. **Implemented**

**Concern #4:** At the time of monitoring, SCWDB could not locate the subrecipient contracts at their location therefore DWD Monitors could not verify all of the required information was included in their contracts. Efforts were made to submit all contracts to the DWD Monitors. Of those reviewed, SCWDB Annual Agreements are missing the following required language:

- E-Verify

- Equal Opportunity and Assurances
- Required signatures  
SCWDB Notice of Obligations (NOO) is missing the following required fields:
- Subrecipient DUNS number
- Federal Award Identification Number (FAIN)
- Federal Award Start and End date
- Indirect cost rate for the Federal award (including if de minimis rate is charged)
- Total Award Amount

These Notice of Obligations have been revised to include missing information.

**Recommendation:** To resolve this concern, SCWDB must retain copies of their subrecipient contracts on-site and must describe how they will ensure all future contracts will include all required elements pursuant to 2 CFR 200.331 (a)(1). **Implemented**

**Concern #5:** DWD reviewed the provided audits for PY14/FY15. The ResCare audit for fiscal year 2016 was completed in June 2017, however an acceptance letter is not on file.

**Recommendation:** To resolve this concern, SCWDB must complete audit resolutions for their subrecipients for PY15/FY16, issue audit acceptance letters to their subrecipients and submit copies of the letters to DWD. This concern will remain open until the letters are received.  
**Implemented**