



**ARKANSAS WORKFORCE CENTERS**  
Bringing People and Jobs Together.<sup>SM</sup>

**Southwest Arkansas Workforce Development Board Meeting**  
**February 9, 2015**  
**SWAPDD - 1:30 p.m.**

**AGENDA**

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Call to Order	Becky Ives, Chairman
Agenda Item 1 * Minutes of December 1, 2015	Becky Ives, Chairman
Agenda Item 2 *Report from Staff	Gina Frederick, Staff
Agenda Item 3 *Committee Reports: 1. Executive Committee 2. Performance Committee 3. Youth Committee 4. One-Stop Committee 5. Disability Committee	Becky Ives, Chairman Claudia Griffin, Committee Chair Claudia Griffin, Committee Chair Rory Gulick, Committee Chair Kensel Spivey, Committee Chair
Agenda Item 4 *PY12/13 Monitoring Report	Gina Frederick, Staff
Agenda Item 5 *Financial Report	Shane Bennett, SWAPDD
Agenda Item 6 *Enrollment Report	Patrick Carter, SWAPDD
Agenda Item 7 *Report/Comments of Chairperson	Becky Ives, Chairman
Agenda Item 8 *Open Discussion	
Adjournment	

**SWAWDB**

**February 9, 2016 – 1:30 p.m.**

**Agenda Item 1: PY14 Funds**

**INFORMATION/RATIONALE:**

Minutes are attached.

**Southwest Arkansas Workforce Development Board**  
**December 1, 2015 – 1:30 p.m.**  
**SWAPDD, Inc. – Magnolia, AR**

**Members Present:** Delois Kitchens, Becky Ives, Wes Stockwell, Joshua Taylor, John Mack, Claudia Griffin, Mitchell Ham, Tammy Waters, James Lee Silliman, Barbara Hamilton, James Baine, Julie Roberson, Barbara Jones, Kensel Spivey, George Chitwood, Jessie Foster

Chairman Becky Ives called the Southwest Arkansas Workforce Development Board meeting to order and declared a quorum at approximately 1:30 p.m.

**Minutes of October 20, 2015 Meeting:**

The minutes from the October 20, 2015 meeting were reviewed. James Baine moved to approve the minutes as written. Mitchell Ham seconded the motion and it passed.

**Report from Staff:**

Gina Frederick reported the following:

1. Outstanding Monitoring Reports
  - PY12&13 - The State had declared that Southwest had \$13,269.57 in disallowed costs. SWAPDD paid back \$6,789.57 (Mark Trout Marketing - \$5,728.13 & CM Training in Hot Springs - \$1,061.44) out of local money, but still wants to defend the \$6,480.00 for the depreciation of a vehicle that was used 100% for WIA.
  - PY14 – Have not received monitoring report from State yet. Hope to get the PY12/13 issues resolved this week so we can get the PY14 report from the State.
2. Eligible Training Provider List
  - SWAWDB is responsible for approving the ETP List for Southwest. We have been working under an extension through 12/31/15 with our current Eligible Training Providers. The State has just finished the policy for continued eligibility. There are some issues the State is trying to work through. ETP's will now be required to enter performance data, which will be administratively burdensome for the training providers. DOL is permitting the Governor to extend the period for WIA-eligible training providers (ETPs) to remain eligible under WIOA until June 30, 2016. This one-time extension will provide States and eligible training providers additional time to establish and implement continued eligibility application procedures, and reduce potential disruption to participants due to changes in the State list of Eligible Training Providers and programs in the midst of an academic year.

**Financial Report:**

Shane Bennett reviewed the Finance Report. She stated that there are plenty of funds available to enroll new participants in all funding streams. She also stated that PY 14 funds expire on June 30, 2016. She requested permission to transfer up to 54% from (FY 15 Grant) PY14 DLW funds to PY 14 Adult Funds. Discussion followed. James Baine moved to approve the request to transfer no

more than 54% from DLW funds to Adult funds. Claudia Griffin seconded the motion and it passed. Patrick Carter stated that in order to spend the PY 14 funds by June 30, 2016, they would need to enroll 17 Adults, 15 DLW, and 22 Youth.

### **Committee Reports:**

Dr. Claudia Griffin, Chairman of the Youth Committee (YC), stated that the YC met that morning. The YC noted that SWAPDD has made improvements on OSY enrollments as requested. Discussion followed. The YC also reviewed the 8<sup>th</sup> Youth Barrier Criteria and the Youth Activity Policy and will send to the State for review.

Dr. Claudia Griffin, Chairman of the Performance Committee (PC), stated that the PC met earlier that morning. Performance measures were reviewed. Southwest is currently meeting one out of the nine measures, but feels like Performance will continue to improve with more time and more enrollments. She also stated that the PC reviewed the Supportive Services Policy. Modifications to the policy will be made and sent to the State for review.

Joshua Taylor gave the report for the One-Stop Committee. He stated that the Committee met on November 18, 2015. The vision for the State's Workforce Development Delivery System was reviewed and discussed in detail. The need to identify Sectors and to form a strong Business Service Team partnership was also discussed. A common intake form was developed for the Magnolia Office and is working well. Duplicating the form to use in other areas could be an option if approved by those areas. Rory Gulick had updated the Committee Framework that Chairman Becky Ives presented at the last meeting. The Committee also reviewed and accepted the financial report given by Shane Bennett, and approved a request from SWAPDD to move \$30,000 from Adult Work Experience line item on the budget to the Needs Related Payment line item. On behalf of the One-Stop Committee, Joshua Taylor made the motion to approve transferring \$30,000 from Adult Work Experience line item on the budget to the Needs Related Payment line item. James Lee Silliman seconded the motion. Discussion followed. The motion passed.

Kensel Spivey, Chairman of the Disability Committee (DC), stated that the DC met on October 28, 2015. The responsibilities of the Committee were reviewed. Enrollment of individuals with disabilities was discussed. Currently, there are 6 Participants with disabilities (3 Adults and 3 Youth) enrolled for Title I services under WIOA. There are 2 additional participants enrolled that do not acknowledge a disability, but are receiving some services from ARS. Performance measures were discussed. There are no specific measures that capture serving individuals with disabilities for Title I services under WIOA. However, DOL has stated that if Arkansas does not serve more participants from hard to serve categories, Performance Measures in all funding streams will be raised. Those categories include Adults with disabilities and Youth with disabilities. At this time, there are no specific policies regarding services to individuals with disabilities for Title I services under WIOA. Referrals were discussed in detail.

### **Enrollment Report:**

Patrick Carter, discussed the outreach efforts made by SWAPDD. He stated that the referral process and common intake form at the Workforce Center in Magnolia is working very well. Discussion followed. He also met with Judge Talley regarding the Alternative Sentencing Program. Participants

referred through that program will be offered a Work Experience for half a day and Adult Ed services for the other half of the day. As long as the requirements are met, the participant will be paid for 8 hours a day. Discussion followed. He also stated that they have another year to spend all of PY15 funds and in order to spend those funds, they will have to enroll 99 Adults, 30 DLW, and 34 Youth.

### **Report of Chairperson:**

Chairman Becky Ives reported the following:

- She met with Cindy Varner, Executive Director of the State Board and Charlie Clark, Chairman of the State Board, on November 10<sup>th</sup> to discuss the following concerns they have with Southwest:
  - Monitoring Reports – The PY 14 report cannot be completed until the PY 12/13 Monitoring Report is resolved. Disallowed costs could be more than the \$6,480 if depreciation is not an allowable expense. The State will try to send the PY 12/13 report by December 4<sup>th</sup>. Once the PY14 Monitoring Report is received, the Executive Committee will meet to help develop a plan of action to resolve any issues noted in the report.
- The SWAWDB will be responsible for writing local policies, with input from the One-Stop Operator/Service Provider, once the Final Regs are published and State policies are in place. They will then be sent to the State for guidance/approval. She recommended that SWAPDD continue to operate under the current WIA policies until they can be updated. Discussion followed. James Baine made the motion for Southwest to continue to operate under current policies until updated. Barbara Jones seconded the motion and it passed.
- Training – Chairman Ives recommend that Southwest Arkansas Planning and Development District invite the State to come down and provide Staff Training (ASAP)
- DOL has contracted with Maher and Maher to come in and do Local Board Training. The training will be sometime after the first of the year in Little Rock. DOL is expecting a good turn-out for this training. All board members will be notified when the date is finalized and are encouraged to attend.

### **Open Discussion:**

A Doodle Survey will be sent the SWAWDB members to determine the date/time of the next full board meeting.

### **Adjournment:**

There being no further business to discuss, the SWAWDB meeting was adjourned at approximately 2:40 p.m.

**SWAWDB**  
**February 9, 2016 – 1:30 p.m.**

**Agenda Item 4: PY12/13 Monitoring Report**

**INFORMATION/RATIONALE:**

State's Response and Final Determinations for PY12/13 is attached. Please note that there are issues that remain unresolved in the report.



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Asa Hutchinson  
Governor  
Daryl E. Bassett  
Director

January 12, 2016

Ms. Sasha Grist  
Executive Director  
Western Arkansas Planning and Development District, Inc.  
P. O. Box 2067  
Fort Smith, Arkansas 72902

Dear Ms. Grist:

Your correspondence providing the Southwest Arkansas Local Workforce Development Area's corrective actions, responses and supporting documentation for monitoring findings 1, 3, 5, 6, and 7 noted for Workforce Investment Act Title I-B Program Years 2012 and 2013 has been received. We appreciate the efforts of the staff of the WAPDD and Southwest Arkansas Planning and Development District in responding to the findings.

We have reviewed your responses and provided final determinations as indicated in the attached response and resolution document. Each item is addressed separately. Responses and documentation are accepted as indicated or unaccepted as indicated in the document. Please be advised that there are issues that remain unresolved in the report. You have 15 calendar days from the date of this letter to respond to those issues which remain unresolved.

If you have questions or need additional information regarding the report, please contact Stephanie Blair at (501) 682-3136.

Sincerely,

Daryl Bassett

Enclosures

c: Ms. Becky Ives, Chair  
Southwest Arkansas Workforce Development Board

The Honorable Greg Ray  
Chief Elected Official

Ms. Renee Dycus, Executive Director  
Southwest Arkansas Planning and Development District

**Southwest Arkansas Local Workforce Investment Area  
Workforce Investment Act  
Monitoring Report for Program Years 2012 and 2013  
State's Response and Final Determinations**

This report provides the state's determinations for the PY 2012 and 2013 Workforce Investment Act program and financial monitoring report.

**PART A: PROGRAM OPERATIONS AND ACTIVITIES**

**Program Finding #1:** - *Resolved*

On December 18, 2013, the Arkansas Department of Workforce Services (ADWS) confirmed the date of the annual review with WAPDD and SWAPDD staff and provided a detailed list of documents and information needed to complete the onsite visit. SWAPDD did not provide the requested documents and information nor provide access to financial and administrative records as requested.

**Corrective Action (s) Recommended:**

SWAPDD must immediately take the necessary steps to ensure that requested information is provided within the specified timeframe. ADWS provides ample time for local administrators and service providers to prepare and collect information prior to a monitoring review. Recipients of WIA Title I B funds must adhere and comply with any U.S. DOL and/or ADWS requests for information regarding programs and activities carried out under this Title.

**Southwest's Response to Program Finding #1:**

The One-Stop Operator/Program Provider for the SWAWIA is sincerely apologetic for its failure to provide all documentation and adequate explanations to ADWS Monitoring staff as listed in the Monitoring Report. In the future, staff will be available and accommodating to ADWS monitors and will also demonstrate a thorough knowledge of policies and procedures to effectively answer any and all questions presented by the ADWS monitors in a timely manner.

The One-Stop Operator/Program Provider has developed the following steps to remain "monitor ready" and ensure compliance in providing all requested documents and information listed in the Monitoring Instrument including:

- A completed and up-to-date Monitoring Instrument with all attachments will be maintained to ensure that a monitoring review can be conducted in an efficient manner, while adhering and complying with USDOL and/or ADWS requirements. An internal monitoring process has been developed which will address all aspects of the Monitoring Instrument. All internal monitoring will be documented and will be available for review.

- When ADWS monitoring staff requests documentation for a scheduled visit, the One-Stop Operator/Program Provider designee(s) will provide the monitor(s) with all required documentation and confirm the receipt of said documentation prior to the monitor's arrival. On-Site documentation such as general ledger, timesheets, specific participant files, etc. will be provided to the monitor(s) immediately upon arrival or after the Entrance Interview.

**State's Response:**

The corrective action/responses are accepted and the finding is considered resolved.

**State's Resolution and Final Determination:**

The finding remains resolved. No further action is required at this time.

**Program Finding #2:** - *Resolved*

The local board has not defined the criterion for youth requiring additional assistance to complete an educational program, or to secure and hold employment. The local board has a policy that lists several barriers, but definitions of the barriers are vague. The lack of clear definitions leaves interpretation open to case managers and other staff which could lead to potential questioned costs.

**Corrective Action (s) Recommended:**

The local board must sufficiently establish the definitions and eligibility documentation requirements regarding youth who require additional assistance to complete an educational program, or to secure and hold employment. Additionally, supporting documentation and data validation requirements should be consistent with U.S. Department of Labor and state issued guidance.

**Southwest's Response to Program Finding #2:**

The Southwest Arkansas LWIA will develop a policy that is clearly defined that specifies the definition of youth who "requires additional assistance to complete an educational program or to secure and hold employment". The Youth Council will review/approve the policy at their next meeting and will recommend this policy to the full SWAWIB on June 11, 2014 for final approval.

**State's Response:**

DWS has received an approved updated policy from the local board that provides a definition for youth requiring additional assistance to complete an educational program, or to secure and hold employment. The corrective action is accepted and the finding is considered resolved.

**State's Resolution and Final Determination:**

The finding remains resolved. No further action is required at this time.

## **PART B: FINANCIAL OPERATIONS AND ACTIVITIES**

### **Financial Finding #1:** - *Resolved*

SWAPDD has inadequate written policies and procedures governing the use of the Wex Bank global fleet fuel card.

#### **Corrective Action (s) Recommended:**

The Southwest LWIA must develop a revised written policy to include procedures governing the use of its global fleet card.

#### **Southwest's Response to Financial Finding #1:**

The Wex Bank global fleet fuel card used by the Southwest LWIA belongs to the One-Stop Operator/Program Provider, SWAPDD, Inc. At the time of monitoring, SWAPDD, Inc. did not have a specific written policy governing use of the Wex Bank global fleet fuel card. SWAPDD, Inc. has since written a policy that includes procedures governing use of all credit cards for District board approval.

#### **State's Response:**

The information provided is insufficient to correct the finding. The finding will be resolved when a revised written policy and procedure that governs the use of the global fleet card has been approved by the board and a copy of the policy submitted to ADWS.

#### **State's Resolution and Final Determination:**

ADWS has received a revised Financial Management and Internal Controls policy from the SWAPDD. This finding is considered to be resolved. Follow-up will be conducted during the next monitoring visit. **No further action is required at this time.**

### **Financial Finding #2:** - *Resolved*

SWAPDD could not provide documentation to support that certain travel costs were a necessary grant expenditure incurred in accordance with applicable cost principles. Specifically, during the timeframe of January 2013 and December 2013, several credit card purchases were made for fuel; however no travel log was available to support the expenditures.

#### **Additional Discussion:**

During the on-site preliminary exit meeting, the regional manager for SWAPDD informed ADWS team members that a travel log was being kept, however it was not provided for review.

#### **Corrective Action (s) Recommended:**

SWAPDD must provide a complete travel log inclusive of mileage resulting in the expenditures charged for fuel.

#### **Southwest's Response to Financial Finding # 2:**

Attachment F2-1 is the shared District mileage log and Attachment F2-2 is the shared District check-out form, both for the dates listed in the finding. These two documents work together to support fuel expenditures. Attachment F2-3 is the mileage log for the vehicle assigned to the WIA department for

the dates listed in the finding. The log is scant on information regarding each individual trip purpose because all usage strictly benefits the grant, including training site visits, one-stop center visits, meeting participants and potential applicants, occupational training site visits, etc. In January 2014 we began utilizing a more complete mileage log that includes the purpose of each trip.

**State's Response:**

The response provided is accepted. Follow up will be conducted during the next monitoring review to ensure that an adequate mileage log is being maintained.

**State's Resolution and Final Determination:**

The finding remains resolved. Follow-up will be conducted during the next monitoring visit. No further action is required at this time.

**Financial Finding #3:** - Disallowed \$6,480

A review of accounting records disclosed that SWAPDD is currently charging depreciation for the use of vehicle(s) purchased in August 2012. The Executive Director of SWAPDD informed monitors that although the vehicles were purchased by SWAPDD, one vehicle (Ford Escape XLT) is primarily used by the regional manager and the other vehicle (Ford Escape XLS) is used by both non-WIA and WIA employees. SWAPDD could not provide documentation showing that prior approval was obtained from DWS and/or WAPDD for the depreciation methodology. Additionally, it appears that during the months of September, October and November 2012 depreciation was \$805.10, the amount changed to \$405.05 monthly for September, October, November and December of 2013, with no explanation or approval of changing depreciation methods being provided.

The following is a list of the posted general ledger transactions charged to WIA for depreciation.

• WIA 09/30/12	\$ 810.10
• WIA 10/31/12	\$ 810.10
• WIA 11/30/12	\$ 810.10
• WIA 09/30/13	\$ 405.05
• WIA 10/30/13	\$ 405.05
• WIA 11/30/13	\$ 405.05
• WIA 12/30/13	\$ 405.05
TOTAL	\$4050.50

**Corrective Action (s) Recommended:**

SWAPDD must provide this office with documentation showing the acquisition cost for each vehicle, how useful life of vehicles was determined, the depreciation method that is being followed, mileage logs for vehicles, and clearly demonstrate how costs incurred benefit the grant.

**Southwest's Response to Financial Finding #3:**

Attachment F3 shows the cost of the vehicle and the depreciation method utilized by SWAPDD for this type of capital purchase and the calculation of monthly depreciation. The cost benefits the grant because it is less expensive to provide a vehicle than it is to pay mileage for employees to cover 12 rural counties in Southwest Arkansas. The vehicle was used to visit training sites, One-Stop Centers, meeting participants and potential applicants, occupational training site visits, etc.

**Additional Comment/Note:**

During the onsite review, DWS monitors were provided a posted general ledger which only showed a limited number of transactions for depreciation. In response to the original ADWS monitoring report, SWAPDD disputed the transaction amounts of \$810.00 for the months of September, October and November 2012 by providing an "expanded" general ledger showing depreciation charged on a monthly basis covering the period of September 2012 through December 2013. The expanded general ledger provides six additional transactions for depreciation charged to the grant. The original depreciation amounts have been updated as follows.

• WIA 09/30/12	\$405.05
• WIA 10/31/12	\$405.05
• WIA 11/30/12	\$405.05
• WIA 12/31/12	\$405.05
• WIA 01/13/13	\$405.05
• WIA 02/28/13	\$405.05
• WIA 03/31/13	\$405.05
• WIA 04/30/13	\$405.05
• WIA 05/31/13	\$405.05
• WIA 06/30/13	\$405.05
• WIA 07/31/13	\$405.05
• WIA 08/31/13	\$405.05
• WIA 09/30/13	\$405.05
• WIA 10/30/13	\$405.05
• WIA 11/30/13	\$405.05
• WIA 12/30/13	<u>\$405.05</u>
TOTAL	\$6,480.00

**State's Response:**

OMB A-122 provides the following:

15. *Equipment and other capital expenditures.*

a. For purposes of this subparagraph, the following definitions apply:

(4) "General purpose equipment" means equipment, which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.

#### Motor Vehicles are General Purpose Equipment

15. *Equipment and other capital expenditures.*

b. The following rules of allowability shall apply to equipment and other capital expenditures:

(1) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, *except where approved in advance by the awarding agency.*

The documentation and justification provided are insufficient to support that expenditures were allowable and how costs incurred benefit the grant. All expenditures associated with this finding are disallowed and must be reimbursed with non-federal funds.

#### State's Resolution and Final Determination:

As stated in the previous response, OMB Circular A-122, Attachment B, Paragraph 15 states that capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the federal awarding agency or pass-through entity.

Additionally, an incomplete mileage log was provided and the assertion made that the costs were directly identifiable to WIA as justification for charging 100% of the depreciation for the vehicles in question to WIA awards. The depreciation costs were charged only to WIA awards. For this reason, the vehicles appear to be directly identifiable to the WIA grant, which under the procedures presented to ADWS, will incur the entire costs of the purchase or acquisition.

Direct costs are defined in OMB Circular A-122, Attachment A, Paragraph B, as those that can be identified specifically with a particular final cost objective, i.e., a particular award, project, service, or other direct activity of an organization. This definition is met where the entire costs of a vehicle is being charged only to WIA awards. The WIA funds are essentially being used for the acquisition of the vehicles.

The information and responses as provided are not considered to be sufficient to correct the finding. **All costs associated with this finding are disallowed and must be repaid using non-federal funds.**

#### Financial Finding #4: *Resolved*

A review of accounting records revealed that an employee was reimbursed through the Impress account, on five separate occasions for fuel purchases. The transactions lacked sufficient documentation to support that costs were necessary grant expenditures incurred in accordance with applicable cost principles.

• 8/29/12	\$ 51.50	(gas purchased at Murphy USA)
• 8/30/12	\$ 37.00	(gas purchased at Brookshires)
• 10/12/12	\$ 52.00	(gas purchased at Missile Mart)
• 10/15/12	\$ 50.00	(gas purchased at T. Ricks)
• 11/20/12	\$ 36.71	(gas purchased at Murphy USA)
• 02/08/13	<u>\$ 47.00</u>	(gas purchased at Murphy USA)
TOTAL	\$274.21	

**Corrective Action (s) Recommended:**

SWAPDD must provide documentation that shows the purpose of travel, dates of travel along with a mileage log, and identify which vehicle was used during travel.

**Southwest's Response to Financial Finding #4:**

Fuel purchases were made through a District Imprest account (Debit Card) and not reimbursed to an employee. The vehicle used for these purchases was the one assigned to the WIA department for the Regional Manager to cover 12 rural counties in Southwest Arkansas.

The vehicle was used for training site visits, one-stop center visits, meeting participants and potential applicants, occupational training site visits, etc. Since the vehicle was used exclusively for WIA purposes, each fuel purchase is not supported by a single purpose, but rather the entire program purpose. Attachment F4-2 documents the date, the mileage and where the vehicle was being used on the dates the fuel purchases were made.

The purchases in question were made when we first obtained the vehicle and mileage logs and documentation was a new process for us. In January 2014 we began using a more detailed mileage log. We also now use fuel credit cards that are numbered according to who is assigned the card. Using the card requires that the user key in the mileage which, as an additional recording keeping mechanism, is printed on the monthly invoice.

**State's Response:**

The response provided is accepted. Follow up will be conducted during the next monitoring review to ensure that an adequate mileage log is being maintained.

**State's Resolution and Final Determination:**

The finding remains resolved. Follow-up will be conducted during the next monitoring visit. No further action is required at this time.

**Financial Finding #5:** - Resolved

A recorded payment in the amount of \$5,728.13 was made to Trout Marketing and Advertising. SWAPDD was unable to provide documentation to support that services were procured in accordance

with federal, state or local procurement requirements. A letter of explanation by the finance director indicates that the sole source method was used to purchase marketing design and printing materials.

**Corrective Action (s) Recommended:**

SWAPDD must provide this office with evidence that the sole source method for the above purchase was necessary, reasonable and that the costs were allowable. The documentation should at a minimum show how procurement policy and procedures were followed. Additionally, SWAPDD should provide a written agreement between SWAPDD and Trout Marketing and Advertising for services to be performed.

**Southwest's Response to Financial Finding #5:** *Resolved*

Southern Arkansas University has developed senior level courses that can assist local businesses with specific projects. Since we were in the process of developing virtual offices in our remote locations, we made contact with SAU's marketing department to assist us with an outreach plan. After several meetings and many hours of developing the plan, Mr. Trout, SAU Marketing Department head, informed us that he felt the project was too large for his marketing class but that his marketing firm could continue with the project. Because this time coincided with the consolidation of our satellite offices we did not wish to delay providing a product that would reassure our mayors and judges that WIA's presence would remain alive in their communities to serve their populations. Stopping at this point in the planning and designing process would require additional time and would have required that we duplicate the efforts we had already invested in the project. As a result, we chose to proceed with documenting noncompetitive sole source procurement. Procurement by noncompetitive proposals due to public exigency is allowed by 29 CFR §97.36 (4)(i)(B). We believe the cost was necessary to maintain our visibility in rural communities. We recognize that despite the time and efforts that had already been expended, we should have halted and attempted to obtain bids for the expense and will do so in the future. We are in the process of updating our procurement policies and procedures. See attachment

**State's Response:**

The SWAPDD Financial Management & Internal Controls Policies and Procedures provide, "Sole sources contracts may result when a minimum of two responsive officers have failed, or when only one proposal is received". The policy further states that this process must be documented. The SWAPDD did not follow and adhere to the requirements outlined in SWAPDD's financial policies and procedures. The documentation and justification provided are insufficient to support that expenditures were necessary and reasonable grant expenditures. The cost of \$5,728.13 associated with this finding is disallowed and must be reimbursed with non-federal funds.

**State's Resolution and Final Determination:**

ADWS received a check dated, July 8, 2015 in the amount of \$6,789.57 from WAPDD to reimburse the disallowed cost associated with this finding. The responses and/or corrective action taken are considered to be sufficient to correct the finding. The finding is resolved. No further action is required at this time.

**Financial Finding #6:** - *Resolved*

The SWAPDD regional manager and five employees attended a case managers' retreat held in Hot Springs, Arkansas. A review of accounting transactions revealed that the total cost incurred for the trip (meals, lodging & fuel) totaled \$1,061.44. The transactions lacked sufficient documentation to support that the costs were reasonable and necessary for the proper and efficient performance of the grant

- Meals for six people           \$ 349.58 (includes \$25.00 for tips)
- Hotel accommodations       \$ 629.51
- Gas (charged to fleet card)   \$ 82.35
- TOTAL                         \$1,061.44

**Corrective Action (s) Recommended:**

SWAPDD must provide this office with documentation to support these costs as necessary and reasonable grant expenditures incurred in accordance with applicable cost principles. The documentation must, at a minimum, include justification for holding the meeting in a location requiring travel for all individuals, agenda items to reflect the beginning and end time, sign in sheet, travel requests, and the identification of vehicles used and the driver(s).

**Southwest's Response to Financial Finding #6:**

The purpose of the case manager retreat was to bring the case managers together to discuss practices, preferences, processes and challenges as they began to work under one supervisor, the Regional Manager. The case managers had previously been accustomed to working under different supervisors. The reason for holding this meeting in a location that caused all parties to travel was to tour Arkansas Career Training Institute (ACTI), which is a partner agency where we refer participants. Attachment F6-1, F6-2 and F6-3 include detailed agenda items and meeting notes. Vehicles used include the District vehicle assigned to the WIA department, in which 3 attendees car-pooled. Two other employees car-pooled in a personal vehicle and the owner was reimbursed for mileage. One employee drove her own personal vehicle and was reimbursed for mileage. The documentation explains the decision to call the meeting a Retreat – to bring the CM's who were accustomed to working under different supervisors together to discuss practices, preferences, processes and challenges as they began to work under one supervisor, the Regional Manager. This was intended to be a team building meeting. Rather than per diem being paid, we chose to provide meals in order to save money and as Attachment F6-5 shows, this arrangement was more cost effective for the program.

While documentation referencing all aspects of the retreat (agendas attached to each individual expense, purpose explained on each individual expense, etc) was found to be insufficient, we do believe we have now documented and explained the rationale, the purpose, how we met cost objectives, how this expense benefitted the program and why it was necessary.

### State's Response

The documentation and justification provided are insufficient to support that expenditures were necessary and reasonable grant expenditures. The cost of \$1,061.44 associated with this finding is disallowed and must be reimbursed with non-federal funds.

### State's Resolution and Final Determination:

ADWS received a check dated, July 8, 2015 in the amount of \$6,789.57 from WAPDD to reimburse the disallowed cost associated with this finding. The responses and/or corrective action taken are considered to be sufficient to correct the finding. The finding is resolved. No further action is required at this time.

### Financial Finding #7: - Resolved

A review of the actual vs. planned expenditures for all funding awarded SWAPDD by WAPDD revealed that funds were over-expended resulting in limited funding for WIA participant activities. Additionally, local board meeting minutes disclose the local area was over-obligated in the adult funding stream.

### Corrective Action(s) Recommended:

SWAPDD must immediately develop and implement a corrective action plan to include a revision of its financial policies and procedures, to provide a system of internal controls for expending funds that ensures staying within budget, and that services to participants are not jeopardized. A copy of the revised plan must be submitted in response to this report.

### Southwest's Response to Financial Finding #7:

We are currently revising our financial policies and procedures and internal controls and expect to be completed by June 30, 2014. In the meantime, Attachment F7 is the Annual Spending Plan we have developed in order to ensure that we do not over expend grant funds. This attachment outlines how we capture information for reporting and planning purposes.

### State's Response:

DWS has received a partial corrective action plan from the SWAPDD; however, the information lacks adequate internal controls for safeguarding and tracking WIA funds and expenditures. Additionally, financial reports reflect that funds are being used on non-budgeted expenses, subsequently causing the local area to reduce funding to participants for training and other WIA related activities. The information provided is insufficient and does not correct the finding. The finding will remain unresolved until DWS has received a revised financial policy and procedures and updated corrective action plan that has been presented to and approved by the SWAWIB.

### State's Resolution and Final Determination:

ADWS has received a revised Financial Management and Internal Controls policy from the SWAPDD. This finding is considered to be resolved. Follow-up will be conducted during the next monitoring visit.

**Note:**

Monitoring reports and related correspondence are to be presented to auditors prior to their initiating audits. Problems identified in a monitoring report may be identified as administrative findings or questioned costs in subsequent audits. The monitoring findings and corrective actions may also be used to assist in resolving audit findings and could be used as part of the justification for requesting a waiver of repayment of disallowed costs, if appropriate.

Closing a monitoring report, or portions thereof, does not absolve subsequent audit findings that may arise from the same issue(s) identified in the monitoring report. Appeals of the State's monitoring reviews, investigations and audits will be processed by the Arkansas Appeals Tribunal.

## **SWAWDB**

**February 9, 2016 – 1:30 p.m.**

### **Agenda Item 5: Financial Report & PY14 Spending Plan**

#### **INFORMATION/RATIONALE:**

Financial Report - Attached

PY14 Spending Plan - After reviewing Southwest expenditures, WAPDD (Tracy Chapple and Gina Frederick) were concerned that SWAPDD would not be able to spend the remaining \$478,000 of PY 14 funds by June 30, 2016 (that is when PY 14 funds expire and can be recaptured by the State). We feel like it would not be good for Southwest if the State has to recapture unspent funds. Additionally, because they are behind on spending PY14 funds, there will only be one year to fully expend PY15 funds of \$1.3 M (expires June 30, 2017).

We had a conference call with SWAPDD (Patrick, Shane, and Renee) regarding our concerns. We asked them to develop a plan on how they were going to expend PY14 funds by June 30<sup>th</sup>. See attachment. Their plan includes the transfer from DLW to Adult that was approved at the last meeting. The total transfer is \$205,223 from FY2015 DLW to FY2015 Adult. They believe they can spend what's left of PY2015 Adult as well as the amount transferred from DLW.

**WIOA Management Summary**  
**July 1, 2015 to December 31, 2015**

Prepared by Shane Bennett on 1/28/2016

**Current state of finances:**

							Participants		
	<b>PY2015 funding</b>	<b>-20% Budgeted Carryover</b>	<b>+ Prior Year Carryover</b>	<b>= Current Year Budget</b>	<b>Actual Costs</b>	<b>Projected Operating costs left to spend this year</b>	<b>CY Obligations left to spend on current participants</b>	<b>Current active enrollment</b>	<b>Funding available for new participants or additional funding requests</b>
<b>Adult</b>	510,404	(102,081)	304,337	712,660	189,150	99,823	195,803	80	228,000
<b>DLW</b>	270,288	(54,058)	359,100	575,330	58,304	69,367	6,740	7	441,000
<b>Youth</b>	552,332	(110,466)	290,749	732,615	211,465	102,535	120,591	52	298,000

**Current year goals:**

	<b>Current Year Available Funding</b>	<b>PY2015 Annual enrollment goals</b>	<b>PY2015 new enrollments (includes enrollment through date report was prepared)</b>	<b>PY2015 remaining enrollment goal</b>	<b>Available \$\$ per new enrollee (if too high, you need to increase goal, if too low, you need to reduce goal)</b>
<b>Adult</b>	228,000	70	60	10	22,800
<b>DLW</b>	441,000	25	3	22	20,045
<b>Youth</b>	298,000	30	24	6	49,667

<b>OSY Expenditure Rate</b>	
PY14 WIA	28.6%
PY14 WIOA	76.4%
Total rate	42.5%

**Looking ahead:**

	<b>Budgeted carryover</b>	<b>Additional carryover if nothing changes</b>	<b>Total Projected carryover to PY2016</b>	<b>PY2016 Participant Obligations</b>	<b>PY2017 Participant Obligations</b>	<b>PY2018 Participant Obligations</b>	<b>Unobligated funding</b>
<b>Adult</b>	102,081	228,000	330,081	64,227	-	-	265,854
<b>DLW</b>	54,058	441,000	495,058	-	-	-	495,058
<b>Youth</b>	110,466	298,000	408,466	95,488	21,592	-	291,386

Southwest Arkansas Local WIOA Funding for Program Year 2015 from July 1, 2015 to June 30, 2016  
as of End of the 6th Month of the Program Year - June 30, 2016

	Prior Year \$	Dec 2015 %	Year to Date \$	Annual Budget \$	Budget Variance	In House Estimates Based on trends, future plans and current enrollment		Monthly Averages (Over)/Under			
						\$	%	Actual	Budgeted	Variance	
<b>WIOA Program Funds Summary</b>											
Prior Year Carryover Funds											
Admin			954,186	576,000	29.5%						
Funds-PY15			71,093	87,996	4.5%						
Funds-FY16			677,720	619,928	31.8%						
Total Available Funding			725,918	667,214	34.2%						
			2,428,917	1,951,138	100.0%						
Salaries and fringe benefits	363,124	40.6%	164,141	336,115	19.8%	(171,974)	353,138	30.9%	27,400	28,000	600
Advertising	1,012	0.1%	1,067	1,000	0.1%	67	1,567	0.1%	200	100	(100)
Contract labor	112	0.0%	-	1,000	0.1%	(1,000)	502	0.0%	-	100	100
Depreciation and equipment	8,927	1.0%	7,316	13,056	0.8%	(5,740)	13,848	1.2%	1,200	1,100	(100)
Indirect costs	74,493	8.3%	37,112	63,175	3.7%	(26,063)	68,699	6.0%	6,200	5,300	(900)
Insurance	1,369	0.2%	1,313	674	0.0%	639	1,644	0.1%	200	100	(100)
Meetings	213	0.0%	-	-	-	-	-	-	-	-	-
Occupancy costs	36,526	4.1%	18,419	46,317	2.7%	(27,898)	41,579	3.6%	3,100	3,900	800
Office expenses	3,235	0.4%	28,052	3,523	0.2%	24,829	29,818	2.6%	4,700	300	(4,400)
Repairs and maintenance	9,806	1.1%	5,186	8,547	0.5%	(3,361)	9,456	0.8%	900	700	(200)
Supplies	8,147	0.9%	4,273	6,494	0.4%	(2,221)	7,525	0.7%	700	500	(200)
Travel and training	23,037	2.6%	11,312	25,758	1.5%	(14,446)	22,137	1.9%	1,900	2,100	200
<b>Operating Expenses</b>	<b>530,001</b>	<b>59.2%</b>	<b>278,189</b>	<b>505,659</b>	<b>29.9%</b>	<b>(227,470)</b>	<b>549,913</b>	<b>48.1%</b>	<b>46,500</b>	<b>42,200</b>	<b>(4,300)</b>
Training expenses	110,215	12.3%	65,217	280,290	16.5%	(215,073)	158,426	13.9%	10,900	23,400	12,500
Transportation	14,738	1.6%	11,353	88,580	5.2%	(77,227)	39,431	3.5%	1,900	7,400	5,500
Work experience	137,671	15.4%	79,711	544,511	32.1%	(464,800)	249,442	21.8%	13,300	45,400	32,100
Childcare	2,500	0.3%	160	37,148	2.2%	(36,888)	160	0.0%	-	3,100	3,100
Needs related payments	21,933	2.5%	21,997	53,802	3.2%	(31,805)	46,783	4.1%	3,700	4,500	800
Incentive	880	0.1%	75	10,713	0.6%	(10,638)	2,955	0.3%	-	900	900
Other supportive services	4,957	0.5%	2,217	85,009	5.0%	(82,792)	6,666	0.6%	400	7,100	6,700
<b>Participant Expenses</b>	<b>292,854</b>	<b>32.7%</b>	<b>180,730</b>	<b>1,100,053</b>	<b>64.9%</b>	<b>(919,323)</b>	<b>503,853</b>	<b>44.1%</b>	<b>30,200</b>	<b>91,800</b>	<b>61,600</b>
<b>Admin Expenses</b>	<b>71,998</b>	<b>8.0%</b>	<b>28,450</b>	<b>87,996</b>	<b>5.2%</b>	<b>(59,546)</b>	<b>88,696</b>	<b>7.8%</b>	<b>4,700</b>	<b>7,300</b>	<b>2,600</b>
<b>Total Expenses</b>	<b>894,893</b>	<b>100.0%</b>	<b>487,368</b>	<b>1,693,708</b>	<b>100.0%</b>	<b>(1,146,933)</b>	<b>1,142,472</b>	<b>100.0%</b>	<b>76,700</b>	<b>134,000</b>	<b>57,300</b>
<b>Total Remaining Funds</b>			<b>1,941,549</b>	<b>257,430</b>	<b>100.0%</b>						

Southwest Arkansas Local WIOA Funding for Program Year 2015 from July 1, 2015 to June 30, 2016  
as of End of the 6th Month of the Program Year -June 30, 2016

	Prior Year \$	Dec %	Year to Date \$	Year to Date %	Annual Budget \$	Annual Budget %	Budget Variance	In House Estimates Based on trends, future plans and current enrollment \$	In House Estimates Based on trends, future plans and current enrollment %	Monthly Averages		
										Actual	Budgeted	Variance (Over)/Under
<b>Adult Funds-Program</b>												
Prior Year Carryover Funds			304,337	37.4%	203,500	29.3%						
Funds-PY15			42,656	5.2%	42,656	6.1%						
Funds-FY16			467,748	57.4%	449,450	64.6%						
Total Available Funding			814,741	42.6%	695,606	100.0%						
Salaries and fringe benefits	128,650	42.8%	63,086	33.4%	127,569	21.4%	(64,483)	133,697	27.6%	10,500	10,600	100
Advertising	378	0.1%	144	0.1%	335	0.1%	(191)	312	0.1%	-	-	-
Contract labor	39	0.0%	-	-	335	0.1%	(335)	168	0.0%	-	-	-
Depreciation and equipment	2,951	1.0%	2,096	1.1%	4,372	0.7%	(2,276)	4,285	0.9%	300	400	100
Indirect costs	26,208	8.7%	13,867	7.3%	24,122	4.0%	(10,265)	25,933	5.3%	2,300	2,000	(300)
Insurance	531	0.2%	635	0.3%	226	0.0%	409	743	0.2%	100	-	(100)
Meetings	85	0.0%	-	-	-	-	-	-	-	-	-	-
Occupancy costs	13,043	4.3%	4,966	2.6%	15,509	2.6%	(10,543)	12,724	2.6%	800	1,300	500
Office expenses	676	0.2%	2,011	1.1%	1,180	0.2%	831	2,605	0.5%	300	100	(200)
Repairs and maintenance	3,505	1.2%	1,375	0.7%	2,862	0.5%	(1,487)	2,803	0.6%	200	200	-
Supplies	3,040	1.0%	1,240	0.7%	2,175	0.4%	(935)	2,332	0.5%	200	200	-
Travel and training	6,997	2.3%	4,224	2.2%	8,625	1.4%	(4,401)	7,863	1.6%	700	700	-
<b>Operating Expenses</b>	<b>186,103</b>	<b>61.9%</b>	<b>93,642</b>	<b>49.5%</b>	<b>187,320</b>	<b>31.4%</b>	<b>(93,678)</b>	<b>193,465</b>	<b>39.9%</b>	<b>15,400</b>	<b>15,500</b>	<b>100</b>
Training expenses	71,309	23.7%	54,470	28.8%	143,453	24.0%	(88,983)	137,123	28.3%	9,100	12,000	2,900
Transportation	11,609	3.9%	9,654	5.1%	40,987	6.9%	(31,333)	34,528	7.1%	1,600	3,400	1,800
Work experience	6,926	2.3%	7,327	3.9%	143,453	24.0%	(136,126)	66,539	13.7%	1,200	12,000	10,800
Childcare	-	0.0%	160	0.1%	20,493	3.4%	(20,333)	160	0.0%	-	1,700	1,700
Needs related payments	21,933	7.3%	21,997	11.6%	20,493	3.4%	1,504	46,783	9.7%	3,700	1,700	(2,000)
Other supportive services	2,876	1.0%	1,899	1.0%	40,987	6.9%	(39,088)	6,177	1.3%	300	3,400	3,100
<b>Participant Expenses</b>	<b>114,653</b>	<b>38.1%</b>	<b>95,507</b>	<b>50.5%</b>	<b>409,866</b>	<b>68.6%</b>	<b>(314,359)</b>	<b>291,310</b>	<b>60.1%</b>	<b>15,900</b>	<b>34,200</b>	<b>18,300</b>
<b>Total Expenses</b>	<b>300,756</b>	<b>100.0%</b>	<b>189,150</b>	<b>100.0%</b>	<b>597,186</b>	<b>100.0%</b>	<b>(408,036)</b>	<b>484,775</b>	<b>100.0%</b>	<b>31,300</b>	<b>49,700</b>	<b>18,400</b>
<b>Total Remaining Funds</b>			<b>625,591</b>	<b>76.8%</b>	<b>98,420</b>	<b>= 20% Carryover</b>		<b>227,900</b>	<b>total available to obligate</b>			
C/Y \$ \$	-20% Budgeted C	+ P/Y CO	= C/Y Available	Spent	Total Obligation To Spend	C/Y to Obligate						
510,404	(102,081)	304,337	712,660	189,150	295,625	227,900						

**Southwest Arkansas Local WIOA Funding for Program Year 2015 from July 1, 2015 to June 30, 2016  
as of End of the 6th Month of the Program Year -June 30, 2016**

	Prior Year	Dec 2015	Year to Date	Annual Budget	Budget Variance	In House Estimates		Monthly Averages				
						Based on trends, future plans and current enrollment	Actual	Budgeted	(Over)/Under Variance			
	\$	%	\$	\$	\$	\$	%	\$	\$			
<b>Dislocated Worker-Program</b>												
Prior Year Carryover Funds			359,100	57.1%	255,000	49.6%						
Funds-PY15			41,510	6.6%	41,510	8.1%						
Funds-FY16			228,778	36.3%	217,764	42.3%						
Total Available Funding			629,388	100.0%	514,274	100.0%						
Salaries and fringe benefits	81,313	56.0%	33,694	57.8%	87,308	18.9%	(53,614)	82,562	61.4%	5,600	7,300	1,700
Advertising	233	0.2%	92	0.2%	229	0.0%	(137)	208	0.2%	-	-	-
Contract labor	28	0.0%	-	-	229	0.0%	(229)	115	0.1%	-	-	-
Depreciation and equipment	2,037	1.4%	1,702	2.9%	2,992	0.6%	(1,290)	3,198	2.4%	300	200	(100)
Indirect costs	15,806	10.9%	7,587	13.0%	17,643	3.8%	(10,056)	16,407	12.2%	1,300	1,500	200
Insurance	269	0.2%	576	1.0%	154	0.0%	422	653	0.5%	100	-	(100)
Meetings	50	0.0%	-	-	-	-	-	-	-	-	-	-
Occupancy costs	7,808	5.4%	3,750	6.4%	10,615	2.3%	(6,865)	3,057	6.7%	600	900	300
Office expenses	628	0.4%	2,181	3.7%	807	0.2%	1,374	2,585	1.9%	400	100	(300)
Repairs and maintenance	2,112	1.5%	1,059	1.8%	1,959	0.4%	(900)	2,038	1.5%	200	200	-
Supplies	1,756	1.2%	938	1.6%	1,488	0.3%	(550)	1,683	1.3%	200	100	(100)
Travel and training	3,234	2.2%	2,122	3.6%	5,903	1.3%	(3,781)	4,563	3.4%	400	500	100
<b>Operating Expenses</b>	<b>115,274</b>	<b>79.4%</b>	<b>53,702</b>	<b>92.1%</b>	<b>129,327</b>	<b>28.0%</b>	<b>(75,625)</b>	<b>123,059</b>	<b>91.6%</b>	<b>9,100</b>	<b>10,800</b>	<b>1,700</b>
Training expenses	27,562	19.0%	3,535	6.1%	83,273	18.0%	(79,738)	6,038	6.0%	600	6,900	6,300
Transportation	1,077	0.7%	1,067	1.8%	33,309	7.2%	(32,242)	3,104	2.3%	200	2,800	2,600
Work experience	-	0.0%	-	-	133,236	28.8%	(133,236)	-	-	-	11,100	11,100
Childcare	-	0.0%	-	-	16,655	3.6%	(16,655)	-	-	-	1,400	1,400
Needs related payments	-	0.0%	-	-	33,309	7.2%	(33,309)	-	-	-	2,800	2,800
Other supportive services	1,231	0.8%	-	-	33,309	7.2%	(33,309)	200	0.1%	-	2,800	2,800
<b>Participant Expenses</b>	<b>29,870</b>	<b>20.6%</b>	<b>4,602</b>	<b>7.9%</b>	<b>333,091</b>	<b>72.0%</b>	<b>(328,489)</b>	<b>11,342</b>	<b>8.4%</b>	<b>800</b>	<b>27,800</b>	<b>27,000</b>
<b>Total Expenses</b>	<b>145,144</b>	<b>100.0%</b>	<b>58,304</b>	<b>100.0%</b>	<b>462,418</b>	<b>100.0%</b>	<b>(404,114)</b>	<b>134,411</b>	<b>100.0%</b>	<b>9,900</b>	<b>38,600</b>	<b>28,700</b>
<b>Total Remaining Funds</b>			<b>571,084</b>	<b>90.7%</b>	<b>51,855</b>	<b>= 20% Carryover</b>		<b>440,900</b>		<b>available to obligate</b>		
<b>C/Y \$\$\$</b>	<b>270,288</b>		<b>P/Y CO</b>	<b>= C/Y Available</b>	<b>Spent</b>	<b>Total Obligation To Spend</b>	<b>C/Y to Obligate</b>					

**Southwest Arkansas Local WIOA Funding for Program Year 2015 from July 1, 2015 to June 30, 2016  
as of End of the 6th Month of the Program Year -June 30, 2016**

	Prior Year \$	Dec 2015 %	Year to Date \$	34.5% 65.5% 100.0%	Annual Budget \$	18% 82.0% 100.0%	Budget Variance	In House Estimates Based on trends, future plans and current enrollment \$	31.5% 0.2% 0.1% 1.5% 6.1% 0.1% 4.6% 5.7% 1.1% 0.8% 2.2% 53.7%	Monthly Averages				
										Actual	Budgeted	(Over)/Under Variance		
<b>Youth Funds-Program</b>														
Prior Year Carryover Funds			290,749	34.5%	117,500	18%								
Funds-PY15	552,332		552,332	65.5%	535,762	82.0%								
Total Available Funding	843,081		843,081	100.0%	653,262	100.0%								
Salaries and fringe benefits	153,161	40.6%	67,361	31.9%	121,238	22.2%	(53,877)	136,879	31.5%	11,200	10,100	(1,100)		
Advertising	401	0.1%	831	0.4%	436	0.1%	395	1,047	0.2%	100	-	(100)		
Contract labor	45	0.0%	-	-	436	0.1%	(436)	219	0.1%	-	-	-		
Depreciation and equipment	3,939	1.0%	3,518	1.7%	5,692	1.0%	(2,174)	6,365	1.5%	600	500	(100)		
Indirect costs	32,479	8.6%	15,658	7.4%	21,400	3.9%	(5,742)	26,359	6.1%	2,600	1,800	(800)		
Insurance	569	0.2%	101	0.0%	294	0.1%	(193)	248	0.1%	-	-	-		
Meetings	78	0.0%	-	-	-	-	-	-	-	-	-	-		
Occupancy costs	15,675	4.2%	9,702	4.6%	20,193	3.7%	(10,491)	19,798	4.6%	1,600	1,700	100		
Office expenses	1,931	0.5%	23,860	11.3%	1,536	0.3%	22,324	24,628	5.7%	4,000	100	(3,900)		
Repairs and maintenance	4,189	1.1%	2,752	1.3%	3,726	0.7%	(974)	4,615	1.1%	500	300	(200)		
Supplies	3,351	0.9%	2,094	1.0%	2,831	0.5%	(737)	3,510	0.8%	300	200	(100)		
Travel and training	12,806	3.4%	4,966	2.3%	11,230	2.1%	(6,264)	9,711	2.2%	800	900	100		
<b>Operating Expenses</b>	<b>228,624</b>	<b>60.6%</b>	<b>130,844</b>	<b>61.9%</b>	<b>189,012</b>	<b>34.6%</b>	<b>(58,168)</b>	<b>233,379</b>	<b>53.7%</b>	<b>21,700</b>	<b>15,600</b>	<b>(6,100)</b>		
Training expenses	11,344	3.0%	7,212	3.4%	53,564	9.8%	(46,352)	13,265	3.1%	1,200	4,500	3,300		
Transportation	2,052	0.5%	632	0.3%	14,284	2.6%	(13,652)	1,799	0.4%	100	1,200	1,100		
Work experience	130,745	34.7%	72,384	34.2%	267,822	49.0%	(195,439)	182,903	42.1%	12,100	22,300	10,200		
Childcare	2,500	0.7%	-	-	-	-	-	-	-	-	-	-		
Incentive	880	0.2%	75	0.0%	10,713	2.0%	(10,638)	2,955	0.7%	-	900	900		
Other supportive services	850	0.2%	318	0.2%	10,713	2.0%	(10,395)	289	0.1%	100	900	800		
<b>Participant Expenses</b>	<b>148,371</b>	<b>39.4%</b>	<b>80,620</b>	<b>38.1%</b>	<b>357,096</b>	<b>65.4%</b>	<b>(276,476)</b>	<b>201,211</b>	<b>46.3%</b>	<b>13,500</b>	<b>29,800</b>	<b>(16,300)</b>		
<b>Total Expenses</b>	<b>376,995</b>	<b>100.0%</b>	<b>211,465</b>	<b>100.0%</b>	<b>546,108</b>	<b>100.0%</b>	<b>(334,643)</b>	<b>434,590</b>	<b>100.0%</b>	<b>35,200</b>	<b>45,400</b>	<b>(10,200)</b>		
<b>Total Remaining Funds</b>			<b>631,616</b>	<b>74.9%</b>	<b>107,154</b>	<b>= 20% Carryover</b>		<b>298,000</b>		<b>available to obligate</b>				
<b>C/Y \$\$\$</b>	<b>552,332</b>		<b>(110,466)</b>		<b>290,749</b>		<b>732,615</b>		<b>211,465</b>		<b>223,125</b>		<b>298,000</b>	

**Southwest Arkansas Local WIOA Funding for Program Year 2015 from July 1, 2015 to June 30, 2016  
as of End of the 6th Month of the Program Year - June 30, 2016**

	Prior Year \$	Dec 2015 %	Year to Date \$	Annual Budget \$	Budget Variance	In House Estimates Based on trends, future plans and current enrollment		Monthly Averages				
						\$	%	Actual	Budgeted	(Over)/Under Variance		
<b>WIA Administrative Funds</b>												
Prior Year Carryover Funds			479	-								
Funds-PY15			41,222	47%								
Funds-FY16			29,392	41.3%								
<b>Total Available Funding</b>			<b>71,093</b>	<b>58.7%</b>	<b>87,996</b>	<b>100.0%</b>						
Salaries and fringe benefits	13,988	19.4%	8,528	30.0%	23,882	27.1%	23,882	26.9%	1,400	2,000	600	
Depreciation and equipment	490	0.7%	325	1.1%	-	-	700	0.8%	100	-	(100)	
Indirect costs	55,543	77.1%	19,026	66.9%	41,145	46.8%	41,145	46.4%	3,200	3,400	200	
Insurance	17	0.0%	19	0.1%	93	0.1%	93	0.1%	-	-	-	
Occupancy costs	6	0.0%	2	0.0%	-	-	-	-	-	-	-	
Office expenses	1,446	2.0%	519	1.8%	600	0.7%	600	0.7%	100	100	-	
Professional fees	-	0.0%	-	-	21,322	24.2%	21,322	24.0%	-	1,800	1,800	
Repairs and maintenance	-	0.0%	17	0.1%	454	0.5%	454	0.5%	-	-	-	
Supplies	115	0.2%	-	-	500	0.6%	500	0.6%	-	-	-	
Travel and training	393	0.5%	14	0.0%	-	-	-	-	-	-	-	
<b>Total Expenses</b>	<b>71,998</b>	<b>100.0%</b>	<b>28,450</b>	<b>100.0%</b>	<b>87,996</b>	<b>100.0%</b>	<b>88,696</b>	<b>100.0%</b>	<b>4,800</b>	<b>7,300</b>	<b>2,500</b>	
<b>Total Remaining Funds</b>			<b>42,643</b>	<b>60.0%</b>								

Attached is an updated outline that shows how SWAPDD will spend remaining PY14 funds. The financials used is for the first 6 months of the year. Except for the additional salaries (shown on a separate line), if we do the same thing we did the first 6 months, we should be able to expect the same costs for the next 6 months, so I went with that across the board. On separate lines you will see the additional expenses for adding staff and purchasing and upgrading equipment (plan so far is for 3 computers, 1 laptop, updating multimedia materials, that type of thing).

For participant costs, this too was no guess work. These are actual participants currently enrolled. Our summary shows that we are on track to fully spend all remaining FY15 Adult, FY15 DLW and PY14 Youth funds by June 30, 2016; even to the point that we will begin spending PY15 funds across the board. Since our plan is to continue enrolling participants (because current year funds are already a year behind on being spent and we are due new awards in April for Youth and July for Adult and DLW), these funds very well could be spent faster than we show here; however we trust that this analysis does show you that we will be able to fully expend the expiring funds in time based on just our current situation.

We recognize that this analysis is only adequate as far as the Career Planners' budgets are accurate for their participants. We have scheduled meetings with the Career Planners to analyze participant needs to ensure that the information we are basing our plans upon are accurate.

If you have any questions about this analysis, or if you need additional information, please don't hesitate to give us a call.

In summary, the steps we are taking to ensure that funds are spent and not recaptured include the following:

- Budget prepared to ensure all funds are expended by June 30, 2016
- Budget reflects only active participants, future enrollments are not calculated into budget.
- Continuing with New enrollments will only help ensure that PY14 funds are spent quicker and we can begin spending PY15 funds on participants.
- Hire additional staff to assist in outreach and new enrollments.
- Upgrade outdated equipment that is no longer supported by Microsoft securities for frontline staff, resource centers, and main office staff.
- Every participant file and obligations are being reviewed for accuracy.

	Adult			DLW			Youth		6/30/2016	6/30/2017
	FY15	PY15	FY16	FY15	PY15	FY16	PY14	PY15		
Balance	109,000	41,656	457,748	295,000	40,510	218,778	74,000	544,332	478,000	1,303,024
January Operating Participants	(15,607)	-	-	(8,950)	-	-	(21,807)	-	-	-
	(43,265)	-	-	(2,718)	-	-	(32,592)	-	-	-
Balance	50,128	41,656	457,748	283,332	40,510	218,778	19,601	544,332	353,061	1,303,024
February Operating Equipment	(15,607)	-	-	(8,950)	-	-	(19,601)	(41,408)	-	-
New Hire	(1,000)	-	-	(1,000)	-	-	-	(1,000)	-	-
Participants	(1,480)	-	-	(1,480)	-	-	-	(1,480)	-	-
	(43,265)	-	-	(3,000)	-	-	-	(32,592)	-	-
Balance	(11,224)	41,656	457,748	268,902	40,510	218,778	-	467,852	257,678	1,226,544
March Operating New Hire	(15,607)	-	-	(8,950)	-	-	-	(21,807)	-	-
Participants	(1,480)	-	-	(1,480)	-	-	-	(1,480)	-	-
	(43,265)	-	-	(3,000)	-	-	-	(32,592)	-	-
Balance	(71,576)	41,656	457,748	255,472	40,510	218,778	-	411,973	183,896	1,170,665
Transfer	205,000	-	-	(205,000)	-	-	-	-	-	-
April Operating New Hire	(15,607)	-	-	(8,950)	-	-	-	(21,807)	-	-
Equipment	(1,480)	-	-	(1,480)	-	-	-	(1,480)	-	-
Participants	(1,000)	-	-	(1,000)	-	-	-	(1,000)	-	-
	(43,265)	-	-	(3,000)	-	-	-	(32,592)	-	-
Balance	72,072	41,656	457,748	36,042	40,510	218,778	-	355,094	108,114	1,113,786
May Operating New Hire	(15,607)	-	-	(8,950)	-	-	-	(21,807)	-	-
Participants	(1,480)	-	-	(1,480)	-	-	-	(1,480)	-	-
	(22,387)	(65,652)	-	(3,000)	-	-	-	(32,592)	-	-
Balance	32,598	(23,996)	457,748	22,612	40,510	218,778	-	299,215	55,210	992,255
June Operating New Hire	-	(15,607)	-	(8,950)	-	-	-	(21,807)	-	-
Equipment	-	(1,480)	-	(1,480)	-	-	-	(1,480)	-	-
Participants	-	(1,000)	-	(1,000)	-	-	-	(1,000)	-	-
	(32,598)	(6,393)	-	(2,718)	-	-	-	(32,592)	-	-
Balance	-	(48,476)	457,748	8,464	40,510	218,778	-	242,336	8,464	910,896
Operating Mth Avg Existing part avg	15,607	43,265	-	8,950	-	-	21,807	-	-	-
Staff additions avg	1,480	-	-	2,718	-	-	32,592	-	-	-
Total Add'l Eq	3,000	-	-	3,000	-	-	3,000	-	-	-

**SWAWDB**

**February 9, 2016 – 1:30 p.m.**

**Agenda Item 6: Enrollment Report**

**INFORMATION/RATIONALE:**

Enrollment Report is attached.

**WIOA Enrollment**

	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Total
Beginning Enrolled:	73	78	62	66	76	88	111	139	139	139	139	139	73
Adult	7	3	1	9	8	16	17	-	-	-	-	-	61
DLW	-	-	-	-	1	4	3	-	-	-	-	-	8
ISY	3	-	1	-	-	-	-	-	-	-	-	-	4
OSY	-	-	2	1	3	5	10	-	-	-	-	-	21
Entered Follow-up Ending	(5)	(19)	-	-	-	(2)	(2)	-	-	-	-	-	(28)
	78	62	66	76	88	111	139	139	139	139	139	139	139

	Hard-to-Serve Categories			Youth
	Adult	Dislocated Worker		
Not a HS Graduate	3	Displace Homemaker	1	Offender
Veteran	6	Exhaustee	1	Pregnant/Parenting
Low Income	47	Veteran		Dropout
TANF	1	Single Parent	2	Basic Skills Deficient
Receives Public Assistance	27			Out-of-School
Offender	7			Homeless
Single Parent	21			Disabilities
Disabilities	4			