

**CareerSource Pinellas
Finance Committee Minutes**

Date: February 26, 2020 - 10:00 A.M.
Location: 13805 58th Street North, Clearwater, 33760

Call to Order

Committee Chair, David Fetkenher called the meeting to order at 10:00 am. There was a quorum present with the following members participating.

Committee Members in attendance

Manny Bhuller, David Fetkenher, Barclay Harless, Jack Geller (phone), Scott Wagman.

Committee Members Absent

Amy Van Ness

Staff Present

Jennifer Brackney, Steven Meier, Cindy Hockridge.

Action Items

Action Item 1 – Approval of Minutes

The minutes of December 18, 2019, Finance Committee Meeting were presented for approval.

Motion:	Barclay Harless
Second:	Manny Bhuller

The minutes were approved as presented. The motion carried unanimously. There was no further discussion.

Action Item 2 – Cost Allocation Plan

In alignment with best practices, federal regulations and DEO recommendations, CareerSource Pinellas is updating the organization’s Cost Allocation Plan which was previously updated for fiscal year 2017-2018.

Highlighted changes include:

- **Certification of Cost Allocation Plan:** Included required certification (2 CFR 200.415) of the cost allocation plan.
- **Updated Career Centers:** Indicated that career center at Tyrone closed effective 11/1/19 and added EpiCenter’s satellite.
- **Externally Funded Partners:** Updated to include Dynamic Workforce Solutions as One-Stop Operator and removed Gulf Coast Community Care as a funded partner. In addition, updated list of external partners who share resources and are co-located in the centers.
- **Board Staff Cost Pool:** Indicated that costs are allocated using modified total direct costs to programs based on the total costs recorded in each program as a percentage of total costs recorded in all programs.
- **Allocation Methodology:** Indicated that allocation is performed monthly whereas allocation was previously performed cumulatively.
- **Resource Sharing Agreement:** Removed reference to CareerSource Tampa Bay.
- **Organizational Structure:** Revised to include services of One-Stop Operator.
- **Basic Career Services:** Changed from Core Services.
- **Organization Chart:** Updated with current organization chart.

Recommendation:

Staff recommends the approval of the Cost Allocation Plan.

Discussion: No further discussion

The Finance Committee recommended approval of the Cost Allocation Plan.

Motion:	Scott Wagman
Second:	Barclay Harless

The motion carried unanimously. There was no further discussion.

Action Item 3 –Financial Policies and Procedures

In alignment with best practices, federal regulations and DEO recommendations, CareerSource Pinellas is updating the organization’s Financial Policies and Procedures that were previously revised in October 2016.

The following highlights some the changes:

- **Reference:** Updated logo and language to include CareerSource Pinellas only.
- **Purpose:** Streamlined and referenced 2 CFR 200.303.
- **Chart of Accounts:** Delineated account segments.
- **Cash Drawdowns:** Updated with current procedures and systems used, SERA and PMS.
- **Cash Disbursements:** Updated with current procedures.
- **Financial Reports:** Replaced Balance Sheet and Income Statement with Statement of Financial Position and Statement of Activities.
- **Support Service Inventory Reconciliation:** Added section for monthly card reconciliation, quarterly audit processes and procedures surrounding support service cards.
- **Authority:** Included reference to 2 CFR 200, CareerSource Florida’s Travel policy and DEO’s Audit and Audit Resolution Responsibilities.
- **Positions:** Noted that changes made throughout document to reflect updated positions and who performed specific functions.

Recommendation:

Staff recommends the approval of the Financial Policies and Procedures.

Discussion: No further discussion.

The Finance Committee recommended approval of the Financial Policies and Procedures.

Motion:	Scott Wagman
Second:	Barclay Harless

The motion carried unanimously. There was no further discussion.

Action Item 4 – Procurement Policy

In alignment with best practices, federal regulations and DEO recommendations, CareerSource Pinellas is updating the organization’s Procurement Policy.

Highlighted changes include:

- **Reference:** Updated logo and language to include CareerSource Pinellas only.
- **Authoritative References:** Included reference to 2 CFR 200.318 – 329.
- **Micro Purchases (up to \$10,000):** Authorized that micro purchases may be awarded without soliciting competitive quotes if the organization considers the price to be reasonable.
- **Small Purchases (\$10,001 - \$150,000):** Authorized that small purchases could be procured utilizing good faith efforts to obtain a minimum of three (3) bids via telephone, email, or other credible and documented means. The Simplified Acquisition Threshold set by Federal Acquisition Regulation at 48 CFR Subpart 2.1 is \$250,000.
- **Sealed Bids/Competitive Purchases (over \$150,000):** Authorized that Sealed bids/competitive purchases could be procured utilizing good faith efforts to obtain a minimum of three (3) advertised sealed bids, competitive proposals, or invitations to negotiated.
- **Board Approval:** Authorized Board of Directors approval for all purchases in excess of \$50,000.

- **Related Party:** Referred to CareerSource Florida's policy in lieu of incorporating the policy into document.

Recommendation:

Approval of the Procurement Policies.

Discussion: Harless asked for clarification regarding staff assignment to evaluate proposals. Brackney stated that CareerSource Pinellas' leadership team is part of the review process for RFPs and utilize a scoring checklist to evaluate proposals. Wagman asked what a typical purchase would be over \$150K. Some examples: CTS Contract, Pinellas Education Foundation Youth Connect. Fetkenher asked how contracts for services are valued. Meier stated that most contracts are annual contracts with renewals.

The Finance Committee recommended approval of the Procurement Policies.

Motion:	Jack Geller
Second:	Barclay Harless

The motion carried unanimously. There was no further discussion.

Action Item 5 – 401K Broker of Record and Fiduciary

On February 6, 2019, the Board of Directors approved the issuance of a Request for Proposal (RFP) for Benefit Broker Services which included 401K services. At the July 17, 2019 Board meeting, the Board of Directors approved HUB International to be the benefit broker which included a comprehensive analysis of the benefit plans including our 401K plan. HUB International has performed an initial analysis and is recommending that one of their partners, Cash & Associates, P.A. be appointed as the Plan Broker and Advisor. In this capacity Cash & Associates will perform the following duties including but not limited to:

- Education Services
 - Oversee distribution of enrollment materials
 - Confirm required notices are provided to eligible participants
 - Provide and implement an Education Policy for the Plan
 - Local quarterly Education and Enrollment meetings
 - Individual Investment advice
- Fiduciary Oversight
 - Accept Responsibility as an ERISA advisor
 - Help Establish plan's Investment Committee and provide ongoing direction of their fiduciary duties
 - Investment Policy Statement draft
 - Recommend changes to the plan's investment options
 - Prepare a customized Investment Policy Statement
 - Benchmark the plan against the industry peer group every 3 years
 - Review the plan document annually to ensure suitability and recommend changes as warranted
 - Review fees and services annually and compare them against industry averages
 - Initial Plan Review
- Advisor Fiduciary Role
 - ERISA Section 3(21) Fiduciary
 - ERISA Section 3(38) Fiduciary

Recommendation:

Staff is recommending the appointment of Cash & Associates, P.A. as Broker of Record and Advisor for the CareerSource Pinellas 401K Plan.

Follow up: Fetkenher suggested forming an employee committee to assist with making administrative decisions as it adds a layer of fiduciary protection. Another suggestion is adding an automatic enrollment and an automatic increase option on an annual basis.

The Finance Committee recommended approval of the appointment of Cash & Associates, P.A. as Broker of Record and Advisor for CareerSource Pinellas 401K Plan.

Motion:	Barclay Harless
Second:	Scott Wagman

The motion carried unanimously. There was no further discussion.

Other Administrative Matters

None

Information Item 1- Statement of Activities: Current Year vs. Prior Year

A statement of activities report was included in the packet, which compared the revenues and expenditures of the current program year to the previous program year. Highlighted items: Ticket to Work Revenue is up over 50%. Program Revenue is \$0 this year and associated with the Science Center. There is a \$717,139 gain on Sale/Disposal. Personnel expenses were favorable. Staffing is down this year, but we still have positions to fill. There was a cut-back on work-based learning and an increase in customer training. The large decrease in Licensures is due to front-end training, providing CareerSource activities and then providing the licensure. The Fees/exams/certifications increased as we are working on long-term training programs. The total Penalties/Disallowed Expenses come from the \$3,000 AmeriCorps disallowed expense, \$2,700 IRS Affordable Care penalty, \$10,500 settlement payment for a former employee.

Information Item 2 – Statement of Activities: Current Year vs. Budget

A statement of activities report was included in the packet, which compared current year-to-date revenues and expenditures to the planned budget. A surplus of \$611,204 versus a YTD budget of \$133,779, with a variance of \$744,983. \$717,139 of that was the gain on disposal. Personnel expenses are favorable but still need to fill some positions. Professional Services of \$79,745 is real estate commissions on the Science Center sale. **Follow up: Manny suggested adding a budget modification line for the sale of the Science Center. Steve agreed to add that for the next meeting.**

Information Item 3 – Cost Allocation/Expenditure Report for PE 12.31.19

A cost allocation/expenditure report was provided in the packet for the six months ending December 31, 2019. 68% are direct costs, 32% are the pooled costs.

Information Item 4 – Pooled Cost Expenditure Report for PE 12.31.19

A pooled cost expenditure report was provided in the packet for the six months ended December 31, 2019.

Information Item 5 – Grants Status Report

A grant status report was provided in the packet, as of 12/31/19. The goal for paid work experience for youth is 20% and we are at 15.4%. We are focusing on that for the remainder of the grant. We are far exceeding all other metrics we are required to meet.

Information Item 6– Indirect Cost Rate Proposal Status

CareerSource Pinellas received notification from the DOL on December 18, 2019, that the organization’s Provisional Indirect Cost rate for 2018-2019 of 16.49% was approved. Subsequent to the Board’s approval of the audited financial statements for the year ended June 30, 2019, the organization submitted final documentation to obtain final approval of the 2018-2019 indirect cost rate. In addition, documentation was submitted for a provisional rate for 2019-2020 of 15.35%.

DOL is currently reviewing the submissions and the organization is awaiting notification for final approval for 2018-2019 indirect cost rate of 16.49% and 2019-2020 provisional rate of 15.35%.

Information Item 7 – Funds Released due to sale of Science Center

CareerSource Pinellas closed on the sale of the Science Center on November 20, 2019. Net proceeds in the amount of \$2,461,659.07 were received on that day. Estimated funds of approximately \$2,376,000, after closing costs, commitments and expenses, were approved by the Finance Committee and Board to be unrestricted and held pending the completion of the DOL compliance review.

These funds will be held in a separate Career Source Pinellas' Premium Money Market Account at Valley National Bank which currently earns 1.65%. The balance in the money market account at January 31, 2020, attributable to the Science Center sale proceeds was \$2,379,595.81.

Public Comments

None.

Open Discussion

Meier shared status of current subrecipient monitoring noting that staff have completed the monitoring of two of the three subrecipients (Dynamic Workforce Solutions and Junior Achievement of Tampa Bay). Meier also stated that monitoring of Pinellas Education Foundation would be completed shortly.

Adjournment

The meeting was adjourned at approximately 10:55 am.