



Finance Committee

CareerSource Central Florida
707 Mendham Blvd., Suite 250
Orlando, FL 32804

Tuesday, April 7, 2015
2:30 p.m. – 4:00 p.m.

Conference Call-in phone number: (866) 576-7975 / Participant Access Code: 299848

Strategic Goals developed by the Board:

- *CareerSource Central Florida will become business focused in all efforts*
- *CareerSource Central Florida will identify ways to measure progress and Return On Investment (ROI)*
- *CareerSource Central Florida will become the backbone organization for workforce development in Central Florida*

1. Welcome & Chair's RemarksBill Merck
2. Roll Call/Establishment of Quorum
3. Public Comment
4. Approval of Minutes
 - A. 2/4/15 Joint Meeting of the Audit and Finance Committees
5. Information/Discussion/Action Items
 - A. Education Session – New Benefit Plan Options.....Information
 - B. DEO Fiscal Monitoring Report.....Information
 - C. Budget to Actual Results Through February 2015.....Information
 - D. Budget Timeline.....Information
 - E. Banking Services Procurement.....Action
 - F. Retirement Broker Procurement.....Action
6. Other Business
7. Upcoming Meetings
 - Board of Directors – 9:00am, Thursday, April 23, 2015 / Orlando Health
 - Finance Committee Meeting: 2:30 pm, June 2, 2015 / Location: TBD
8. Chair's Closing Remarks
9. Adjournment

Draft
Joint Meeting of the Audit and Finance Committees

CareerSource Central Florida Office
707 Mendham Blvd., Suite 250
Orlando, FL 32825
Wednesday, February 4, 2015
2:15 p.m.

MINUTES

MEMBERS PRESENT: William Merck, Eric Ushkowitz, Edward Bass, Nicole Guillet, Mike Kurek, Barbara Lehman, Leland Madsen, Joseph Sarnovsky, Chuck Todd, and Mark Wylie

MEMBERS ABSENT: Art Bisner, Melanie Cornell and Margaret McGarrity

STAFF PRESENT: Pam Nabors, Mimi Coenen, Leo Alvarez, Ann Beecham and Kaz Kasal

GUESTS PRESENT: Jim Burdick, Dan Gougherty / Cherry, Bekaert, Dalton Hall / Taylor, Lombardi, Hall, Wydra

1. Welcome

Mr. Ushkowitz and Mr. Merck called the meeting to order at 2:19 p.m. and welcomed those in attendance.

2. Roll Call / Establishment of Quorum

Ms. Kasal commenced with roll call and reported there was a quorum present.

3. Public Comment

None offered.

4. Approval of the Minutes

A. After review, Mr. Kurek made a motion to approve the minutes from the 8/12/14 Joint Meeting of Audit and Finance Committee Meeting. Dr. Sarnovsky seconded, motion passed.

B. After review, Mr. Wylie made a motion to approve the minutes from the 10/21/14 Finance Committee Meeting. Ms. Guillet seconded, motion passed.

5. Presentation from Cherry, Bekaert

A. Draft Report of CareerSource Central Florida's 2013-14 A-133 Audit

Mr. Burdick and Mr. Gougherty from Cherry, Bekaert greeted the committee. Mr. Burdick, the lead on this audit, provided a review of the draft audit results and required communications. Based on their audit for the 2013-2014 fiscal year, ending on 6/30/14, Mr. Burdick stated that the organization's financial statements are fairly stated and they are expecting to issue an unmodified opinion, which is the highest level a CPA is allowed to give. No findings on internal

control over financial reporting and over compliance were reported. There is good control over grant programs and compliance – 65% of the WIA cluster (Adult, Youth and Dislocated Workers) was tested; no significant deficiencies/material weaknesses were disclosed during the audit and an unmodified opinion is expected to be expressed. Mr. Gougherty reviewed statements of financial position and activities. Mr. Ushkowitz thanked Mr. Burdick and Mr. Gougherty for their review of the audit results and commended Mr. Alvarez and staff for a great job they are doing.

Mr. Kurek made a motion to accept the draft audit report. Ms. Guillet seconded; motion passed.

6. Information/Discussion Items

A. Mid-Year Budget Variance Report

Mr. Alvarez referred to the report in the meeting packet entitled: “CareerSource Central Florida Budget vs. Actual Report – as of December 2014” and reviewed financials through 12/31/14. Mr. Alvarez reviewed the line items and reported that overall expenditures are in line with budget projections. Mr. Merck asked if staff foresee any problems. Mr. Alvarez replied that staff is closely monitoring short term training and youth contracts to ensure performance benchmarks/expenditures are met. The committee also discussed the budgetary processes/timeframes/considerations for the upcoming transition year, as CareerSource Central Florida aligns to WIOA requirements. Mr. Madsen asked if the budget can be broken down by each county’s allocation. Mr. Alvarez replied that staff has been discussing expanding the budget report to include support service (services to job seekers and businesses) expenditures by county. Ms. Nabors added that this will be reviewed at the 4/23/15 Board Meeting. Ms. Guillet stated that per capita needs to vary county by county; so it is important have a clear picture of the needs and how it relates to funding by showing overall contribution of funds to each county with respect to needs.

B. Procurement Thresholds

Mr. Alvarez referred to the memo in the meeting packet with regard to procurement levels of authority. Mr. Alvarez reviewed the current levels of authority established in CareerSource Central Florida’s procurement and contracting policies. Mr. Alvarez stated that staff is recommending the Finance Committee give consideration to increase the approval thresholds in efforts to create greater efficiency in operations and to align with new uniform guidance. Additional considerations include excluding routine disbursements relating to program services as these are already approved through budget process, and developing a consent agenda for routine agenda items requiring no board action. After further discussion, Mr. Merck asked staff, in readiness for the 4/7/15 Finance Committee Meeting, to present their recommendations on procurement limit modifications versus what is currently in place.

7. Other Business

A. Update on Procurement

Mr. Alvarez provided a review on two Request For Quotes (RFQ’s) going out; 1) banking and 2) retirement services. Results will be reviewed at the 4/7/15 Finance Committee Meeting. Mr. Merck asked if any member on either the Audit or Finance Committee would be interested in partaking in the review process to let Mr. Alvarez know.

Mr. Alvarez also reviewed the W-2 issue with ADP; how ADP failed to include an entire payroll in the W-2's. ADP is correcting the W-2's and re-issuing the amended W-2's to staff this Friday. Also ADP will refund any staff needing to resubmit their tax forms (those who already paid tax preparers). Ms. Nabors also relayed other ongoing issues with ADP. Another workforce region also uses ADP and has had no issues; staff will be reaching out to this region to learn from them in order to better improve processes in this region.

Ms. Nabors stated that the Department of Economic Opportunity (DEO) performed their annual onsite monitoring last week. DEO does not anticipate any findings, areas of non-compliance, or observations; this will be the 2nd year in a row on a clean monitoring.

Mr. Merck stated that the Finance Committee will need to identify dates in May for budget review process.

8. Adjournment

There being no other business, Mr. Merck and Mr. Ushkowitz adjourned the meeting at 3:27 p.m.

Respectfully submitted,

Kaz Kasal
Administrative Supervisor

2014-15 Financial Compliance Monitoring Report
CareerSource Central Florida
Regional Workforce Board No. 12

Bureau of Financial Monitoring and Accountability
Florida Department of Economic Opportunity

March 30, 2015

107 East Madison Street
Caldwell Building
Tallahassee, Florida 32399
www.floridajobs.org



2014-15 Financial Compliance Monitoring Report
CareerSource Central Florida
Regional Workforce Board No. 12
Period Reviewed: July 1, 2014 – June 30, 2015

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I. MONITORING RESULTS

The Bureau of Financial Monitoring and Accountability (FMA) performed financial monitoring procedures based on the DEO 2014-15 RWB Financial Monitoring Tool. The monitoring procedures performed included tests of transaction details, file inspections, and inquiries (1) to determine the status of recommendations from the prior year monitoring visit(s) and (2) to adequately support current year findings, issues of non-compliance and observations. Detailed information for these items is disclosed in the following section of this report.

Summarized below are the results of testing by category as detailed in the DEO 2014-15 RWB Financial Monitoring Tool for the 1st Tri-Annual Review:

2014-15 Monitoring Results				
Category	Current Year Findings	Current Year Issues of Non-Compliance	Current Year Observations	Current Year Technical Assistance Provided
1.0 – Prior Year Corrective Action Follow-Up	-	-	-	-
2.0 – Financial Management Systems	-	-	-	-
3.0 – Internal Control Environment	-	-	-	-
4.0 – Cash Management and Revenue Recognition	-	-	-	-
5.0 – OSMIS Reporting and Reconciliation	-	-	-	-
6.0 – Prepaid Program Items	-	-	-	-
7.0 – General Ledger and Cost Allocation Statistics	-	-	-	-
8.0 – Payroll and Personnel Activity Report (PAR) Testing	-	-	-	-
9.0 – ETA Salary and Bonus Cap	-	-	-	-
10.0 – Individual Training Accounts (ITAs)	-	-	-	-
11.0 – Purchasing	-	-	-	-
12.0 – Contracting / Contract Monitoring	-	-	-	-
13.0 – Subawarding / Subrecipient Monitoring	-	-	-	-
14.0 – Property Management	-	-	-	-
15.0 – Disbursement Testing	-	-	1	-
TOTAL	-	-	1	-

II. FINDINGS

1st Tri-Annual Review

There were no current period findings.

III. ISSUES OF NON-COMPLIANCE

1st Tri-Annual Review

There were no current period issues of non-compliance.

IV. OBSERVATIONS

1st Tri-Annual Review

Observation # 1

Category: Disbursement Testing

Condition: Map and vicinity mileage were not listed separately on the travel voucher for one employee selected and tested. The Vicinity Travel Expense Form provides for reporting three types of mileage: A – Vicinity (MapQuest), B – CSCF Company Vehicle, and S – Standard CSCF Miles (Site to Site).

Criteria: Section 112.061(7)(d)(3), Florida Statutes, states: “All mileage shall be shown from the point of origin to the point of destination and, when possible, shall be computed on the basis of the current map of the Department of Transportation. Vicinity mileage necessary for the conduct of official business is allowable but must be shown as a separate item on the expense voucher.”

V. TECHNICAL ASSISTANCE

1st Tri-Annual Review

No technical assistance was provided during the current period.

CareerSource Central Florida
FY 2014-2015 Budget Versus Actual Report
As of February 28, 2015

CSCF Budget FY 2014 - 2015 Funding Sources	Total Revenue	REA 119	WIA Adult 20	Youth 22	WIA DW 30	WT 60	TAA 81	FSET 85	WP 90	DVOP 94	UC 96	LVER 98	H1B	TACCCT		
Carry In Funds From FY 13 - 14	12,899,504	-	4,781,260	5,163,776	1,871,306	-	-	-	1,083,162	-	-	-	0	0		
FY 14 - 15 Award	25,898,238	534,938	8,139,189	4,720,338	2,454,967	6,159,882	160,000	553,370	2,397,762	101,208	411,664	64,920	150,000	50,000		
Award Total - Available Funds	38,797,742	534,938	12,920,449	9,884,114	4,326,273	6,159,882	160,000	553,370	3,480,924	101,208	411,664	64,920	150,000	50,000		
LESS planned Carryover For FY 15 - 16	(5,313,677)	-	(1,337,022)	(1,416,101)	(1,841,225)	-	-	-	(719,329)	-	-	-	-	-		
Total Available Funds Budgeted	33,484,065	534,938	11,583,428	8,468,013	2,485,048	6,159,882	160,000	553,370	2,761,595	101,208	411,664	64,920	150,000	50,000	Actual Expenditures	% of Expenditures
PROGRAM	Authorized Budget															
Salaries/Benefits	12,158,748	374,309	2,759,591	408,216	759,366	3,152,873	4,474	275,166	240,283	33,223	355,384	25,794	37,882	59,914	\$ 8,486,475	69.8%
Program Services	15,993,820	-	4,529,218	4,326,666	1,065,377	267,205	124,373	-	-	-	-	-	106,983	85,130	10,778,662	67.4%
Professional Services	628,500	10,411	154,955	71,120	31,403	99,570	719	7,001	46,932	3,918	10,397	3,193	281	614	\$ 440,514	70.1%
Outreach	246,000	223	22,624	18,098	1,258	2,062	104	155	25,487	-	182	-	-	1	\$ 70,105	28.5%
Infrastructure/Maintenance & Related Cost	3,035,817	27,144	202,617	34,165	41,188	259,420	1,962	17,319	1,520,184	18,593	27,267	16,627	1,258	3,326	\$ 2,206,200	72.7%
IT Cost/Network Expenses	1,221,000	15,776	150,602	27,406	32,428	156,044	694	11,410	118,838	10,278	15,944	8,664	758	1,978	\$ 550,821	45.1%
Staff Development & Capacity Building	244,000	2,007	37,291	4,307	4,653	19,024	220	1,424	31,667	1,597	2,095	1,186	86	188	\$ 105,746	43.3%
TOTAL EXPENDITURES	33,527,885	429,871	7,856,898	4,889,979	1,935,673	3,956,199	132,545	312,475	1,983,392	67,608	411,268	55,463	147,248	151,152	\$ 22,638,522	67.5%
TOTAL EXPENDITURES	22,364,812	429,871	7,856,898	4,889,979	1,935,673	3,956,199	132,545	312,475	1,983,392	67,608	411,268	55,463	147,248	151,152		
TOTAL AVAILABLE FUNDS	11,119,253	118,850	3,793,660	3,585,676	571,913	2,104,699	27,464	250,270	467,867	42,745	93,285	19,815	47,410	28,033		
% OF FUNDS EXPENDED BY GRANT	66.8%	77.8%	67.2%	57.7%	77.0%	65.8%	82.8%	54.8%	83.1%	57.8%	77.3%	69.5%	68.4%	43.9%		
A - The states mandates that 50% of total WIA adult and dislocated worker funds are spent in client intensive training activities.																
	ACTUAL	TARGET														
ITA %	59.2%	50.0%	A	B - The state mandates that total administrative cost are not to exceed 10% of total cost.												
ADIMINISTRATIVE COST %	6.6%	7.0%	B													



MEMORANDUM

To: Finance Committee

From: Leo Alvarez

Subject: CareerSource Central Florida – Fiscal Year 2015-16 Budget Timeline

Date: April 7, 2015

Purpose:

The purpose of this Memo is to provide a timeline for approval of CareerSource Central Florida's fiscal year 2015-2016 budget.

Background:

In order to support timely implementation of the annual program year budget, CareerSource Central Florida's leadership is working hand in hand with the Finance and Program Committees to develop a detailed provisional budget. This provisional budget will then be presented to the Consortium and Board of Directors on June 20, 2015 for approval.

In order to meet the implementation deadlines, the following budget timeline has been established:

- **Date TBD (May 2015):** Finance/Program Committee Budget Workshop to establish budget priorities
- **June 02, 2015:** Finance Committee meeting to finalize budget
- **June 11, 2015:** Draft budget to Board of Directors and Consortium for review
- **June 25, 2015:** Budget presented to Board of Directors and Consortium for approval

If anyone wishes to review the budget prior to June 25th please feel free to contact me any time, at (407) 531-1204.



ACTION ITEM

To: Finance Committee

From: Leo Alvarez

Subject: CareerSource Central Florida – Banking and Financial Institution Solicitation

Date: April 7, 2015

Purpose:

The purpose of this memo is to review the results of CareerSource Central Florida's banking and financial services solicitation and to seek authorization from Finance Committee to approve vendor selection.

Background:

An Invitation to Negotiate (ITN) was developed to solicit competitive proposals to identify an institution of choice for fulfillment of banking and financial services for CareerSource Central Florida effective July 1, 2015. ITN contemplated establishing a new banking relationship during a span of five year duration, with option for additional five years, for a maximum of ten years total. The ITN was released via the organization's website for a three-week duration beginning February 27, 2015 with a submittal date of March 19, 2015, in conjunction with publishing a legal notice in Orlando Sentinel. Additionally, notification was also provided by email of public notice release to local banks and credit unions, such as, CNL Bank, Bank United, BB&T, Wells Fargo SunTrust, PNC, Harbor Community Bank and Fairwinds Credit Union. The ITN was based on specifications developed by the CareerSource team. The current annual operating budget of Career Source Central Florida is \$34,000,000.

CareerSource Central Florida received two proposals from the following institutions: Bank United, N.A. and CNL Bank. Sealed proposals were opened, recorded and distributed to CareerSource Central Florida review team for evaluation. The review team was comprised of three CareerSource Central Florida Staff and one Finance Committee member. The review team met to review submitted proposal and proposals were rated with CNL Bank emerging as ranked #1 over Bank United, N.A.

Based upon team's discussion of the proposals submitted new offerings were noted from both proposers; however, CNL Bank was able to offer a larger menu of desired services, including preferred banking for CSCF staff, and educational financial tools for staff. Furthermore, CNL Bank offered a reloadable debit card system that could be used for the distribution of customer incentives rather than the current method of prepaid cards. Overall staff is pleased with the level of service received from CNL Bank and there was nothing contained in the proposal from Bank United, N.A. that was compelling enough to warrant establishing a new banking relationship with Bank United, N.A. Also, there are costs associated with moving banking services and the offerings from non- incumbent Bank United, N.A. weren't sufficient to offset cost associated with move to justify the transition from one banking institution to another.

Recommendation:

For the above reasons, staff is requesting approval from the Finance Committee to move forward and select CNL Bank as the institution of choice.



ACTION ITEM

To: Finance Committee

From: Leo Alvarez

Subject: CareerSource Central Florida – Retirement Broker Services Solicitation

Date: April 7, 2015

Purpose:

The purpose of this memo is to review the results of CareerSource Central Florida's retirement broker services solicitation and to seek authorization from Finance Committee to approve vendor selection.

Background:

A Request for Proposal (RFP) was developed to solicit competitive proposals to identify broker of choice for fulfillment of retirement plan broker services for CareerSource Central Florida effective July 1, 2015. The RFP contemplated establishing a new broker services relationship during a span of five year duration, with option for additional five years, for a maximum of ten years total. The RFP was released via the organization's website for a one month duration beginning February 27, 2015 with a submittal date of March 23, 2015, in conjunction with publishing a legal notice in Orlando Sentinel. Additionally, notification was also provided by email of public notice release to broker firms and financial institutions, such as, Morgan Stanley, Rocha Financials, HN America, UBS Financial, Wealth Management Strategies of Central FL, Raymond James Financial Services, TD Bank, 5/3 Bank, SunTrust, and PNC Bank. The RFP was based on specifications developed by the CareerSource Central Florida team in coordination with the organization's Finance Committee. The Finance Committee is charged with the fiduciary responsibility and oversight of CareerSource Central Florida's \$3.3million, 217+ member voluntary retirement plan.

Sealed proposals were submitted by multiple proposers desiring to establish a retirement plan broker services relationships with CareerSource Central Florida thus allowing for free and open competition. Specifically, three sealed proposals were received from the following broker firms: UBS Financial (incumbent), Raymond James Financial and Chepenik Financial. Sealed proposals were opened, recorded and distributed to CareerSource Central Florida review team for evaluation. The review team was comprised of two CareerSource Central Florida Staff and one Finance Committee member. The team met to review submitted proposal and proposals were rated with Chepenik Financial emerging as ranked #1 over Raymond James and UBS Financial.

Based upon team's discussion of the proposals submitted Raymond James Financial was determined to be too small to manage the CareerSource Central Florida. Additionally, the proposed estimated hours by Raymond James Financial for plan management were too low. UBS Financial, the incumbent, did not respond to all questions requested in solicitation and the proposal pitched a summary of past accomplishment without providing any insight into planning for CareerSource Central Florida's plan going forward. Chepenik Financial was deemed to be big enough to handle the job, as currently staffed. Chepenik Financial proposed a fixed rate contract, which was a desired cost structure included in the RFP. The cost of the contract is \$15,000 annually, which is higher than the proposed cost by Raymond James, but lower than UBS Financial. Also, the Chepenik Financial proposal demonstrated that firm reviewed the data for CareerSource Central Florida's current plan with firm providing some insight into possible directions for future that might be explored.

Recommendation:

For the above reasons, staff is requesting approval from the Finance Committee to move forward and select Chepenik Financial as the institution of choice.