

Terry E. Branstad, Governor

Kim Reynolds, Lt. Governor

Beth Townsend, Director



December 27, 2016

Dr. Michael Starcevich, President
Kirkwood Community College
6301 Kirkwood Blvd
Cedar Rapids, IA 52406

FINAL MONITORING REPORT FALL 2016

Dear Dr. Starcevich:

I am in receipt of your response to my monitoring of Kirkwood Community College and the Workforce Investment Act/Workforce Innovation and Opportunity Act programs they administer for Region 10. The report listed finding(s) that required corrective action and a response from your organization. The findings are summarized below for your review:

- Monitor was unable to reconcile the reported expenditures to the books of account.
- Monitor noted there were no WIOA Administrative expenses reported.
- In State Travel for board member was expended as Local Administration.
- Monitor noted there were no WIOA Youth Work Experience expenses reported.
- Monitor noted there is no separate Local Workforce Development Board budget for Administration.

The original finding(s), your responses and my final decision, are attached to this letter.

Please note that the scope of a financial monitoring review is significantly less than a financial and compliance audit. Therefore, we cannot express an opinion as to whether the financial statements reviewed present fairly the financial position for the period reviewed nor whether all disbursements are made in compliance with the terms of the contract(s) monitored. Subsequent monitoring visits will include a review of the item(s) listed above. Thank you for your assistance in resolving the above noted item(s).

If you have any questions regarding the findings you may contact Jamie Swacker at (515) 242-5221.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Taylor", is written over a horizontal line.

Kelly Taylor, Bureau Chief, Financial Management
Iowa Workforce Development

Cc: Liya Fitzpatrick/Carla Andorf Kris Gulick (CEO chair)
 Kristen Fiacco Kristy Lyman (LWDB Chair)

REPORTING

Financial Status Reports (FSRs) are reviewed to determine if expenditures and revenues reported can be reconciled to the books of account.

Finding #1

Monitor compared the October Financial Status Report (FSR) Expenditures submitted by Kirkwood Community College (KCC) to the Projects Summary trial Balance for the same time period. Monitor was unable to reconcile reported expenditures to Trial Balance for all funding categories. Monitor found expenses were not FIFO'd (First In First Out) on the submitted October FSR.

Corrective Action

IWD unlocked the October FSR's for correction and requested they be fixed to FIFO expenditures.

Grantee Response

October FSR's were corrected and resubmitted on 11/30/16.

IWD Determination

Upon review of the corrected October FSRs, Monitor was still unable to reconcile the FSR reported Expenditures to the Books of account for WIOA Dislocated Worker. Monitor lead an individualized training session during monitoring so staff understood the reporting requirements and the intricacies of the TM1 system.

Grantee Response

Email provided by Cheryl Hollestelle explained when the FSRs were submitted, the FY17 funding (October 1 – June 30 funding) was not yet available on the TM1 reporting system. Expenditures that show on the Books of Account but were not reported on the October FSR are for the FY17 funding. This will be included in the November FSR submission.

IWD Determination

Monitor will follow up during the next monitoring visit to assure Kirkwood Community College staff understand reporting requirements for the sub grants awarded by IWD. If needed, a second training session can be scheduled upon request.

Comment #1

Monitor noted there were no WIOA Administrative expenses reported on the FSRs for SFY17 to date.

Corrective Action

Resubmit October FSRs to correctly report Administrative expenses.

Grantee Response

October FSRs were corrected and resubmitted on 11/30/16.

IWD Determination

Response accepted by IWD. Monitor will follow up during the next monitoring visit to assure proper reporting of Administrative funds.

PARTICIPANT PAYMENTS

A total of Two Hundred and Fourteen (214) payments were included in the sample. The review included determining if costs were charged to the appropriate program, completeness of time and attendance records, adequate levels of obligations, signed obligation sheets in files and whether payments were calculated accurately. Also, a determination is made as to whether costs incurred are consistent with the Region 10 Local Service Plan. No findings/comments during this review period

STAFF OVERHEAD PAYMENTS

Staff overhead claims were sampled in order to ensure that payments are reasonable, allowable and allocable to the programs charged.

Finding #2

Monitor observed In State travel for Local Workforce Board Member S. Weinacht charged to Local WIOA Administration in the amount of \$151.61. Board costs must be separated from Partner Administrative expenses per the WIOA Handbook. They must be approved by the board and have a separate budget on the agreement.

Corrective Action

A LWDB budget must be developed and the expenses for board staff moved to that budget accordingly.

Grantee Response

Board travel was actually for WIOA Transition. Expenses were moved from WIOA Admin to WIOA Transition on a Journal Entry document. Back up was provided to monitor showing the transfer.

IWD Determination

Response accepted.

COST LIMITATIONS

Cost limitations are reviewed to determine if there are any possible compliance issues in relation to meeting the budget requirements as imposed in federal regulations and the terms of the contracts.

Comment #2

Monitor noted there were no Youth Work Experience (WEP) expenses reported on the FSRs for SFY17 to date. WIOA Federal regulations, the WIOA Handbook, and the agreement between Kirkwood Community College and Iowa Workforce Development states 20% of the Total Youth expenses for each funding period MUST be spent on WEP.

Corrective Action

Resubmit October FSRs to correctly report WEP.

Grantee Response

October FSRs were corrected and resubmitted on 11/30/16.

IWD Determination

Response accepted by IWD. Monitor will follow up during the next monitoring visit to assure proper reporting of WEP.

Comment #3

Monitor noted there were no Local Workforce Development Board (LWDB) WIOA Administrative expenses segregated for SFY17 to date. Per the WIOA regulations and the WIOA Handbook, LWDB are able to have and approve a budget for their use to cover board expenses. This should be reported and tracked separate from the Local budget.

Corrective Action

Assure the LWDB understands they are allowed to have a budget for the board as allowed in the WIOA Handbook. If board funding is needed, an agreement modification will be done to split out the Board Admin from the Local Admin and expenses/received funds will be reported separately on the TM1 system.

Grantee Response

Will assure the LWDB understands they can set a budget and reduce the Local Admin to accommodate needed Board expenses by sending in a Customer Service Plan Modification requesting the transfer of Local Admin funds to the LWDB on the agreement.

IWD Determination

Monitor will follow up during the next monitoring visit to assure proper reporting of Administrative funds splitting out any board administrative expenses from the Local Admin.

OTHER ISSUES FROM IWD QUESTIONNAIRE

There are other tests conducted during the visit that cannot be appropriately classified with the sections outlined above. No findings/comments during this review period.