



**Quality Assurance and Compliance
Desk Monitoring Review
for
Perkins Career and Technical Student Organizations**

Florida Public Service Association

September 17-19, 2018

Final Report

TABLE OF CONTENTS

I. Introduction..... 1

II. Authority 1

III. Quality Assurance Policies, Procedures, and Protocols..... 1

IV. Provider Selection..... 1

V. Florida Public Service Association.....2

VI. Monitoring Activities..... 2

VII. Results..... 3

VIII. Required Resolution Activities 5

IX. Summary 5

Appendix A..... 7

Appendix B..... 8

Florida Department of Education
Division of Career and Adult Education

**Florida Public Service Association
Career and Technical Education
Quality Assurance and Compliance Monitoring Report**

I. INTRODUCTION

The Florida Department of Education (FDOE), Division of Career and Adult Education (division), in carrying out its roles of leadership, resource allocation, technical assistance, monitoring and evaluation, is required to oversee the performance and regulatory compliance of recipients of federal and state funding. The Quality Assurance and Compliance section is responsible for the design, development, implementation and evaluation of a comprehensive system of quality assurance including monitoring. The role of the quality assurance system is to assure financial accountability, program quality and regulatory compliance. As stewards of federal and state funds, it is incumbent upon the division to monitor the use of workforce education funds and regulatory compliance of providers on a regular basis.

II. AUTHORITY

The FDOE receives federal funding from the U.S. Department of Education (USDOE) for Career and Technical Education (CTE) under the Carl D. Perkins (Perkins) Career and Technical Education Act of 2006 and for Adult Education (AE) under the Adult Education and Family Literacy Act of 1998. FDOE awards subgrants to eligible providers to administer local programs. FDOE must monitor providers to ensure compliance with federal requirements, including Florida's approved state plans for CTE and adult education/family literacy. Each state shall have procedures for reviewing and approving applications for subgrants and amendments to those applications, for providing technical assistance, for evaluating projects, and for performing other administrative responsibilities the state has determined are necessary to ensure compliance with applicable statutes and regulations pursuant to 34 CFR 76.770, Education Department General Administrative Regulations (EDGAR) and the Uniform Grant Guidance (UGG) for grant awards issued on or after December 26, 2014. The Florida Department of Education, Division of Career and Adult Education is required to oversee the performance of subgrantees in the enforcement of all laws and rules (Sections 1001.03(8) and 1008.32, Florida Statutes).

Additional citations noting pertinent laws and regulations and authority to monitor are located in the 2018-2019 Quality Assurance Policies, Procedures, and Protocols, Module A, Section 1.

III. QUALITY ASSURANCE POLICIES, PROCEDURES, AND PROTOCOLS

The Quality Assurance Policies, Procedures, and Protocols manual was revised in the 2018-19 program year. The manual is provided to each provider prior to the monitoring visit. The manual provides a summary of each facet of the monitoring design and the process. It also contains protocols that may be used as agencies are monitored or reviewed. References may be made to the manual in this document; it is located on the division's website at <http://fldoe.org/academics/career-adult-edu/compliance>.

IV. PROVIDER SELECTION

Various sources of data are used throughout the implementation of the quality assurance system. The monitoring component of the system is risk-based.

Risk assessment is a process used to evaluate variables associated with the grants and assign a rating for the level of risk to the department and the division. A risk matrix, identifying certain operational risk factors is completed for each provider. The risk matrix for each program monitored is located in Appendix A. The results of the risk assessment process and consideration of available resources are used to determine one or more appropriate monitoring strategy(ies) to be implemented.

The monitoring strategy for Florida Public Service Association (FPSA) was determined to be a desk monitoring review. Notification was sent to Mr. Curtis Clay, board chairman, FPSA on August 3, 2018. The designated representative for the agency was Mr. Harold Rutledge, state director, FPSA.

The desk monitoring review for the agency was conducted on September 17-19, 2018 by a representative of the Quality Assurance and Compliance section of the division: Ms. Christine Walsh, program specialist.

V. FLORIDA PUBLIC SERVICE ASSOCIATION

The provider was awarded the following grants for FYs 2016 -17, 2017-18 and 2018 -19:

2016-2017

<u>Grant</u>	<u>Grant Number</u>	<u>Grant Amount</u>	<u>Unexpended Funds</u>
Perkins – CTSO Leadership	195-1627A-7PL01	\$ 17,222.00	\$ 8,232.11

2017-2018

<u>Grant</u>	<u>Grant Number</u>	<u>Grant Amount</u>	<u>Unexpended Funds</u>
Perkins – CTSO Leadership	195-1628A-8PL01	\$ 18,477.00	\$ 0.00

2018-2019

<u>Grant</u>	<u>Grant number</u>	<u>Grant Amount</u>	<u>Unexpended Funds</u>
Perkins – CTSO Leadership	195-1629B-9PL01	\$ 16,823.00	\$ N/A

Additional information about the provider may be found at the following web address:

<http://myfpsa.us/>

VI. MONITORING ACTIVITIES

The desk monitoring review activities included administrative, financial, review of deliverables and an exit conference call.

Exit Conference

The exit telephone conference was conducted via conference call on September 25, 2018. The participants are listed below:

Name	Title	Exit
Mr. Harold Rutledge	State Director	X
FDOE		
Mr. Tashi Williams	Director, FDOE	X
Ms. Christine Walsh	Program Specialist, FDOE	X

Records Review

Program, financial and administrative records were reviewed. A complete list is provided in section VII, item B. Policies and procedures were also reviewed.

VII. RESULTS

A. **ADMINISTRATION** refers to the management and/or supervision of programs, structure of programs and services, grant oversight and other administrative areas.

- The day to day operations of FPSA is run by a Board approved state director. The state director is a contracted position that is renewed annually.
- The state director, in conjunction with the accounting service agent, is responsible for managing the FDOE grant, submitting completed quarterly deliverables to FDOE, as well as other duties detailed in the state director's contract and Bylaws.
- FPSA is governed by a Board of Directors that includes the State Chairman, Co-Chairman and five elected Board members as well as several other non-voting representatives.
- FPSA does not have staff development training.
- Although the FPSA event registration form does not include a location for students to self-declare a disability. The information is collected at the school level and sent to the State director via the CTSO Membership Record. As of this day, there has not been a request for accommodation. The agency will accommodate should the need arise.
- FPSA retains accounting records for a minimum five years.
- The state director is in the second year of service in this position. Since he began his service in this position he has been working with the Board to improve the internal controls of the organization. This effort is to prevent any further occurrences of records loss, misplaced checks and improve general organizational and clerical management.

FINDINGS AND ACTION

- Finding A1: FPSA must have a method of records backup so that documents pertaining to grant funded activities and payouts are monitored more closely and preserved for audit purposes. The organization, for FY 2016-17, had to have checks re-issued due to the initial voucher being lost/misplaced and other documents were destroyed as a result of flooding from a hurricane. This is in violation of UGG §200.303, §200.333, §200.336(b) and (c) and Green Book C-2 Retention and Access to Records.
 - Corrective Action A1 – Develop a procedure to insure that backup files are created. Thus avoiding the vulnerability to being lost or misplaced. Such a method may be scanning documents and keeping an electronic copy stored off site.
- Finding A2: FPSA has been unable to produce a signed contract or engagement letter for years 2016-17, 2017-18 or 2018-19. According to the FPSA Bylaws dated March 3, 2015 and the newly adopted Bylaws dated September 10, 2018, Article IV Finances, Section 2 “The ‘Service Agent’ will have an executed contract/engagement letter in place with FPSA Inc. before any accounting, or tax work is performed.” This is in violation of their own Bylaws set forth by the organization and the UGG §200.303.
 - Corrective Action A2 – Work with the service agent to generate an agreed upon service contract to cover the current year and to execute a contract or engagement letter each year following FY 2018-19 in accordance with the Bylaws of the organization. FPSA is to provide a copy of the FY 2018-19 executed contract with the service agent to the compliance monitor.
- Finding A3: According to the FPSA Financial Management Policies and Procedures, dated July 1, 2013 number 12 Financial Document Retention and Disposal states that “Financial documents for the Agency shall be retained for seven years, provided, however, that IRS form 990’s shall be retained

indefinitely by the Agency.” This is in conflict with the Bylaws dated March 4, 2015 and the newly adopted Bylaws dated September 18, 2018. Both versions of the Bylaws state, in Article IV section 11 “All financial records will be held for a period of five (5) years or any time period as required by Federal/State grant funding.” Thus the policies governing the organization are in conflict with each other. This is in violation of the UGG §200.303.

- Corrective Action A3 – FPSA must update the Bylaws and the Financial Management Policies and Procedures so that both documents agree and submit a copy of the updated documents.

B. RECORDS REVIEW refers to a review of the records and documents that demonstrate compliance with federal and state rules and regulations. Samples of financial and programmatic records are reviewed.

- FPSA policies, procedures and Bylaws
- Deliverables and invoices for FY 2016-17 and 2017-18
- Deliverables for FY 2017-18 were submitted in a well labeled and very organized package. The content of the package was separated by Scope of Work.
- The state director’s contracted services contract for 2016-17, 2017-18 and 2018-19 and the 2016-17 services contract for the assistant director for membership and finance
- FPSA Membership Record and conference registration forms
- FPSA provided checks showing items paid to the state director.
- The completed desk monitoring review packet

C. FINANCIAL refers to aspects of the federal fiscal requirements that providers must meet when expending federal funds, including financial management, procurement, inventory management, and allowable costs.

- The sole use of the federal grant award money in FY 2016-17 was for the contracted services of the state director and assistant state director for membership and finance. For FY 2017-18 and FY 2018-19 its sole use is for the contracted services of the state director.
- FPSA has financial policies and procedures.
- The FPSA maintains two bank accounts. The grant monies are monitored and maintained in a separate account from the general operating income and expenses of the organization.
- The annual budget is prepared by the state director, accounting service agent and the Board chairman and presented to the Board, at the State Leadership Conference, for approval.
- The state director has signature authority on checks. The organization has three check signatories. Per financial policy the accounting service agent isn’t a signatory.
- Records of signed checks paid to the state director were available to the monitoring staff.
- The FPSA Board approves the issuance of a corporate credit card for the State director. The card is to be used for business travel, other pre-authorized expenses and the State director must submit a voucher that explains the business reason for items purchased using the card.
- The Board must approve all capital expenditures above \$5,000 not already approved in the annual budget process or not paid for by a specific grant or donor-designated funding for that purpose.
- Two signatures are required for checks in payment of grant related expenses.
- The agency had a history of unexpended balances (FY 2014-15 \$10,388, FY 2015-16 \$8,187 and FY 2016-17 \$8,989.89.) In the first year of service, of the new state director, FY 2017-18, all money was expended. This reflects a turn-around in the attention paid to federal grant award money received. The agency is showing a better stewardship of these funds.
- For FY 2017-18 a deliverable was invoiced but not complete in accordance with the deliverables as stated in the contract and the minimal level of performance.

- Quarter two and three deliverables for FY 2016-17 were submitted late and a deliverable package for quarter four was not submitted. Therefore, there wasn't a payment for quarter four. In FY 2017-18 quarters one and two were submitted late and quarters three and four were submitted ahead of the due date.

FINDINGS AND ACTION

- Finding C1: It was noted during the monitoring process that a deliverable was submitted that did not contain adequate evidence to support the amount being invoiced. In FY 2017-18 the following deliverable was invoiced but not complete in accordance with the contract deliverables. Payment was not withheld. This is in violation of the UGG 200.301 Performance Measures.
 - Project 195-1628A-8PL01, deliverable 3.2 (Q4) – Deliverables as stated in the contract: “3. PARTNERSHIPS of continuing and new partners (3.2 – Quarter 4); Actively seek 2 new partners.” The minimal performance levels as stated in the contract: “3.2 Documentation of outreach to seek new partners.” The deliverable package submitted for quarter four only contains documentation to support outreach to one new partner and not two partners. The prorated payment of \$157.06 for deliverable 3.2 in quarter four was not withheld and therefore must be repaid to the Florida Department of Education.
 - Corrective Action C1 – For FY 2018-19 and beyond all supporting documentation supplied for the deliverables being invoiced must match the description of the documentation stated in the contract deliverable. FPSA will provide a copy of the FY 2018-19 quarter one deliverables to the compliance monitor for review. Recovery costs in the amount of \$157.06 must be returned to the Florida Department of Education. Information pertaining to Fiscal Adjustments can be found in the FDOE Green Book, Section C, Reimbursements and Advance Payment Projects. Contact the FDOE Comptroller’s Office at 850-245-9214 for payment of recovery costs.
- Finding C2: It was also noted that deliverables were submitted late and not in accordance with the invoicing procedures outlined in the RFA. This is in violation of the UGG 200.301 Performance Measures.
 - Corrective Action C2 - FPSA is required to submit all invoicing and supporting documentation in accordance with the invoicing procedure outlined in the RFA. FPSA is to provide a copy of the submitted signed State Leadership Project Invoice Form and the Invoice for the FY 2018-19 quarter one deliverables to the compliance monitor.

VIII. REQUIRED RESOLUTION ACTIVITIES

CAREER TECHNICAL EDUCATION

1. Corrective Action Plan (findings) – FPSA is required to complete a corrective action plan.

IX. SUMMARY

Once the desk monitoring review is completed, including receipt of requested information, a draft report will be forwarded to the provider for review. Comments are accepted and considered. The final report will be completed, forwarded to the President of the Board of Directors with a copy to the appropriate parties, and is posted on the department’s website at the following address: <http://fldoe.org/academics/career-adult-du/compliance>.

The division will issue a closure notice to the President of the Board of Directors and contact designee once all outstanding resolution items have been completed.

On behalf of the department, the monitor, Ms. Christine Walsh, extends her appreciation to all participants in the FPSA desk monitoring review. Special thanks is offered to Mr. Harold Rutledge for his participation in this process.

APPENDIX A

Florida Public Service Association
Career and Technical Education
Risk Matrix

Risk Scores Matrix for a Non-College or Non-School District Receiving Career and Technical Education (CTE) Carl D. Perkins Grants					
Agency Name: FLORIDA PUBLIC SERVICE ASSOCIATION					
Program type: CTE					
Target Year: 2016-2017					
Monitoring Year: 2018-2019					
Metric	Scaling	Point Value	Points Assigned	Weight	Total Metric Points
Number of Years Since Last Monitored	7 or More Years	7	1	<u>X 10</u>	10
	5-6	5			
	3-4	3			
	0-2	1			
Total Budget for all Perkins Grants Combined	Upper Quartile	7	1	<u>X 8</u>	8
	Upper Middle	5			
	Lower Middle	3			
	Lower Quartile	1			
Number of Perkins Grants	4 or More	7	1	<u>X 8</u>	8
	3	5			
	2	3			
	1	1			
Agency CTE Program Director Change from Previous Fiscal Year	Yes	7	0	<u>X 6</u>	0
	No	0			
Unexpended Funds from all Perkins Grants Combined	Upper Quartile	7	7	<u>X 4</u>	28
	Upper Middle	5			
	Lower Middle	3			
	Lower Quartile	1			
	0	0			
AGENCY RISK SCORE:					54

*Compliance monitoring last visit: N/A

*Data sources used for calculations: **Prior to July 1, 2016**

APPENDIX B

Florida Public Service Association
Resolution Action Plan

Findings	Corrective Actions	Agency Response	Person Responsible	Projected Date of Completion
<p>Finding A1: FPSA needs to have a method of records backup so that documents pertaining to grant funded activities and payouts are monitored more closely and preserved for audit purposes. The organization, for FY 2016-17, had to have checks re-issued. The initial voucher was lost/misplaced and other documents were destroyed as a result of flooding from a hurricane or misplaced. This is in violation of UGG §200.303, §200.333, §200.336(b) and (c) and Green Book C-2 Retention and Access to Records.</p>	<p>Corrective Action A1: Develop a procedure to insure that backup files are created. Thus avoiding the vulnerability to being lost or misplaced. Such a method may be scanning documents and keeping an electronic copy stored off site.</p>	<p>All financial records will be scanned into the computer and housed on the computer hard drive. In addition, the records will be kept on an OneDrive account. The policy and procedure manual will be updated to reflect the new policy.</p>	<p>State Director</p>	<p>10/31/2018</p>
<p>Finding A2: FPSA has been unable to produce a signed contract or engagement letter for years 2016-17, 2017-18 or 2018-19. According to the FPSA Bylaws dated March 3, 2015 and the newly adopted Bylaws dated September 10, 2018, Article IV Finances, Section 2 “The ‘Service Agent’ will have an executed contract/engagement letter in place with FPSA Inc. before any accounting, or tax work is performed.” This is in violation of their own Bylaws set forth by the organization and the UGG §200.303.</p>	<p>Corrective Action A2: Work with the service agent to generate an agreed upon service contract to cover the current year and to execute a contract or engagement letter each year following FY 2018-19 in accordance with the Bylaws of the organization. FPSA is to provide a copy of the FY 2018-19 executed contract with the service agent to the compliance monitor.</p>	<p>The Florida Public Service Association has entered into an agreement with ESP Financial. The chairman of the board and the principle of ESP Financial have signed the document. A copy has been retained by the Florida Public Service Association and ESP Financial. A copy has been kept in the manner explained above.</p>	<p>State Director</p>	<p>10/16/2018</p>
<p>Finding A3: According to the FPSA Financial Management Policies and Procedures, dated July 1, 2013 number 12 Financial Document Retention and Disposal states that “Financial</p>	<p>Corrective Action A3: FPSA must update the Bylaws and the Financial Management Policies and Procedures so that both documents agree and</p>	<p>The Florida Public Service Association incorporated the financial policy into the policy and procedure manual, thus creating one document.</p>	<p>State Director</p>	<p>06-30-2019</p>

Findings	Corrective Actions	Agency Response	Person Responsible	Projected Date of Completion
<p>documents for the Agency shall be retained for seven years, provided, however, that IRS form 990's shall be retained indefinitely by the Agency.” This is in conflict with the Bylaws dated March 4, 2015 and the newly adopted Bylaws dated September 18, 2018. Both versions of the Bylaws state, in Article IV section 11 “All financial records will be held for a period of five (5) years or any time period as required by Federal/State grant funding.” Thus the policies governing the organization are in conflict with each other. This is in violation of the UGG §200.303.</p> <p>Finding C1: It was noted during the monitoring process that a deliverable was submitted that did not contain adequate evidence to support the amount being invoiced. In FY 2017-18 the following deliverable was invoiced but not complete in accordance with the contract deliverables. Payment was not withheld. This is in violation of the UGG 200.301 Performance Measures.</p> <ul style="list-style-type: none"> ▪ Project 195-1628A-8PL01, deliverable 3.2 (Q4) - Deliverables as stated in the contract: “3. PARTNERSHIPS of continuing and new partners (3.2 – Quarter 4); Actively seek 2 new partners.” The minimal performance levels as stated in the contract: “3.2 Documentation of outreach to seek new partners.” The deliverable package submitted for quarter four only contains documentation 	<p>submit a copy of the updated documents.</p> <p>Corrective Action C1: For FY 2018-19 and beyond all supporting documentation supplied for the deliverables being invoiced must match the description of the documentation stated in the contract deliverable. FPSA will provide a copy of the FY 2018-19 quarter one deliverables to the compliance monitor for review. Recovery costs in the amount of \$157.06 must be returned to the Florida Department of Education. Information pertaining to Fiscal Adjustments can be found in the FDOE Green Book, Section C, Reimbursements and Advance Payment Projects. Contact the FDOE Comptroller’s Office at 850-245-9214 for payment of recovery costs.</p>	<p>A copy of deliverable 01 for 2018-2019 has been stored electronically and a copy was be submitted to the state.</p>	<p>State Director</p>	<p>10/31/2018</p>

Findings	Corrective Actions	Agency Response	Person Responsible	Projected Date of Completion
<p>to support outreach to one new partner and not two partners. The prorated payment of \$157.06 for deliverable 3.2 in quarter four was not withheld and therefore must be repaid to the Florida Department of Education.</p> <p>Finding C2: It was also noted that deliverables were submitted late and not in accordance with the invoicing procedures outlined in the RFA. This is in violation of the UGG 200.301 Performance Measures.</p>	<p>Corrective Action C2: FPSA is required to submit all invoicing and supporting documentation in accordance with the invoicing procedure outlined in the RFA. FPSA is to provide a copy of the submitted signed State Leadership Project Invoice Form and the Invoice for the FY 2018-19 quarter one deliverables to the compliance monitor.</p>	<p>FPSA will work with the FDOE Comptroller's Office regarding the repayment process.</p> <p>The Florida Public Service Association has submitted a copy of the proper invoicing and supporting documentation in accordance with the invoicing procedures outlined in the RFA.</p>	<p>State Director</p>	<p>10/31/2018</p>
<p>Plan submitted by (name and title): Charles Rutledge - Director</p>		<p>Date: 11/8/2018</p>		
<p>Plan accepted by: Christine Walsh</p>		<p>Date: 11/8/2018</p>		
<p>Status of Action Plan (to be completed by FDOE staff):</p>				
<p>Date:</p>		<p>Status of Plan Completion:</p>		