

TO: Workforce Investment Board

DATE: 3/11/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: JCG Closeout Status

PROPOSED MOTION(S): Information Only

DISCUSSION: As you are aware, on September 19, 2003, Jobs for California Graduates (JCG) terminated its contract with Merced County. Prior to termination of the contract, the Merced County Auditor/Controller's Office had requested additional fiscal documentation from JCG regarding amounts billed to Merced County for reimbursement of payments to subcontractors, and Merced County Department of Workforce Investment had made several requests for copies of the FY 2001/02 Single Audit, which was due March 31, 2003.

As required by WIA regulations, an Incident Report was sent to the California Employment Development Department and the Department of Labor regarding the above. Information for this report was coordinated with County Counsel and the Auditor/Controller's Office. The incident report included the fact that JCG had not obtained a Federal Single Audit for fiscal year 2001-02, as required by federal law, and the information received by the Auditor/Controller's Office that JCG had billed Merced County for reimbursement of costs that they had not paid.

Irene Ayers, fiduciary for JCG, has presented the Department of Workforce Investment with three (3) invoices to close out their contract. Staff has reconciled these invoices, reviewed backup information and bank statements verified payment of items submitted by JCG for reimbursement, and reviewed past billings for duplication of reimbursement requests. It has been determined that the total amount owed to JCG is \$3,314.97. Staff has met with Irene Ayers and the County Auditor/Controller's staff regarding this reconciliation and Ms. Ayers has agreed that this amount is correct. The County had previously noticed JCG that closeout payment was contingent on completion of their Single Audits for FY 2001/02 and FY 2002/03 and receipt of copies of these audits by the County. County Counsel will make the determination regarding how payment will be made for the amounts owed.

Department staff is in the process of completing the Fact-Finding and Resolution Report requested by EDD as follow-up to the Incident Report and as closeout to the contracts with JCG.