

**TO: Workforce Investment Board**

**DATE: 11/13/03**

**FROM: WIB Staff**

**For Action**

**For Information**

**For Discussion**

**SUBJECT: JCG Closeout**

**PROPOSED MOTION(S): Information Only**

**DISCUSSION:** 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.

Prior to termination of the JCG contract, Merced County had paid JCG for invoices through June 30, 2003 in the FY 2002/03 contract, except for a supplementary invoice received the end of August and later rescinded by JCG. Payment was also made for staff salaries and benefits for July and August in the FY2003/04 contract. On November 3, 2003, three invoices were received from Irene Ayers on behalf of JCG for a total of \$59,378.78. Included in these invoices is a supplemental invoice for expenses in FY 2002/03, as well as invoices for services during July, August and September, which are in addition to invoices previously received and paid for July and August. Ms. Ayers indicated that these invoices did not include a final closeout invoice for the contract. Staff will be reviewing these invoices and the attached backup, and will be working with the Auditor/Controller Office to determine amounts allowable for payment under the contract.

Funds owed to subcontractors for services provided under the contract with JCG, which had not been previously paid to JCG by the County, are included in the new contract for Out-of-School Youth with Merced County Office of Education (MCOE). During the interim period while the MCOE contract is being processed, Merced County Department of Workforce Investment has been making payments to participants for work experience and supportive services.

Department staff is also in the process of completing a Fact-Finding and Resolution Report requested by EDD as follow-up to the Incident Report.

**ATTACHMENT(S): N/A**