



FINANCE/AUDIT COMMITTEE MEETING MINUTES
Tuesday, June 12, 2012 at 4 p.m.
15506 County Line Road
Spring Hill, FL 34610

Board Members Present: Jim Cook, Chair; Gus Guadagnino, Patrick McHugh, Mike Ramos

Committee Members Present via Phone: Bonnie Clark

Committee Members Excused: Pat Mulieri

Staff Present: Sonya Bosanko, Jim Farrelly, Jak Jakubauskas, Betsy Kier

Guests Present: None

I. Welcome and Call to Order – Mr. Jim Cook, Chair

Mr. Cook called the meeting of the Finance/Audit Committee to order at 4:00 p.m.

Mr. Cook requested a motion to approve the draft minutes from the Finance/Audit Committee meeting of May 21, 2012. Mr. McHugh so moved and Mr. Guadagnino seconded the motion. All were in favor with no abstentions and the motion carried.

II. Review, May 2012 Financial Statement Report

Ms. Bosanko explained the current spending rate for School Readiness is 89.77%. The surplus indicated does not represent any children that may have been additionally placed in June. The VPK administrative rate is at 4.56% even though steps have been taken to reduce current spending. She stated the School Readiness Direct Services spending rate is nearly 82%.

Ms. Bosanko explained the amendments she is recommending to realign the budget and that these amendments will not change the overall budget. She stated an additional realignment will be needed at next month's meeting to close the budget for the fiscal year. She explained the Coalition is on target with a 90.2% spending rate and that anything seen as over 100% in the "% of Budget" column of the Budget Class Report will be adjusted by the previously mentioned budget realignments. She explained the VPK budget's spending rate of 84.99% has no flexibility for realignment unlike the School Readiness budget.

Mr. Farrelly stated the administrative budget of 2.99% for School Readiness is something to be proud of and that some coalitions budget as much as 5% or more for administration. He explained the state may increase the minimum requirement of 70% for Direct Services to 72%.

Mr. Farrelly explained the 4.56% administrative rate for VPK continues to be a challenge. Executive Committee members are working on a draft recommendation on how to change the way the Coalition is currently doing business by blending School Readiness and VPK staff based on a model used by the ELC-Nature Coast.

Mr. Farrelly explained it would be up to the Committee to vote on the amendments to realign the budget at this meeting or to wait until next month for the final year end figures. Ms. Bosanko informed the Committee it would be easier to wait and do all the alignments at the end of the fiscal year. The Committee agreed to wait and to vote on all the alignments at one time.

III. Second Reading, Policy Reviews:

- **Fraud and/or Misrepresentation Policy**

Ms. Kier stated the Fraud Policy is required to define how to deal with fraud cases when clients are referred to OEL. She explained that OEL's recommendations were followed in the creation of this policy which is to show due diligence in the pursuit of repayment of funds. Additionally, the Coalition's attorney has reviewed the document. Ms. Kier also explained that staff has been trained and are watching client files very closely. The majority of fraud cases come from clients accepting School Readiness funds while collecting unemployment benefits.

Mr. Cook stated that Ms. Clark had suggested the terminology under Collection Efforts – Establish a Repayment Schedule be changed to: "...repayment schedule may not exceed six (6) months after ..." Additionally, an extra blank line on page 2 was requested to be removed as well as move the entire Confidentiality section to page 4.

Mr. Cook requested a motion to approve the Fraud Policy with the recommended changes. Mr. Guadagnino so moved and Mr. McHugh seconded the motion. All were in favor with no abstentions and the motion carried.

- **Fiscal and Accounting Policies**

Ms. Kier explained the two (2) primary changes in the policy were the removal of the words related to debit card as the Coalition now utilizes a business credit card and the removal of the section related to Cost Allocation Plans as this was a duplication of a stand-alone policy. Additionally, all references to AWI were changed to OEL and the overall language was also updated. References to fraud were also removed with the creation of the new fraud policy.

Mr. McHugh moved to adopt the amended Fiscal and Accounting Policies and Mr. Guadagnino seconded the motion. All were in favor with no abstentions and the motion carried.

IV. Schedule, Next Meeting Date on July 16, 2012 at 4 p.m.

The next Finance/Audit Committee will be scheduled for Monday, July 16, 2012 at 4 p.m.

V. Public Input

None.

VI. Adjournment

Mr. Cook adjourned the Finance/Audit Committee meeting at 4:36 p.m. with no further discussion.

Respectfully submitted by,

Ramute "Jak" Jakubauskas,
Administrative Assistant