

Santee-Lynches Regional Council of Governments
Audit/Finance Committee Meeting Minutes
Monday, April 22, 2019
4:00 pm

Committee Members Attending: Alfred Mae Drakeford, Julian Burns, Jim McCain, Vivian McGhaney, Dwight Stewart

Staff: Chris McKinney, Kathy Powell and Rachel Katorkas

- I-II. Chairman Alfred Mae Drakeford called the meeting to order and provided the invocation.
- III. **Determination of Quorum:** At 4:10, with five of seven members in attendance, a quorum was established. No votes were taken until after the quorum was established.
- IV. **Adoption of Agenda:** Jim McCain moved to adopt the meeting agenda. The motion, seconded by Dwight Stewart, was unanimously approved.
- V. **Approval of Minutes:** Mr. McCain moved for approval of the minutes from the February 4, 2019 meeting. Mr. Stewart seconded the motion which passed unanimously.
- VI. **Discussion and Recommendation of FY 18-19 Budget Amendment:** At the request of Chairman Drakeford, Kathy Powell reviewed the budget amendment package provided to committee members in advance of the meeting. Ms. Powell noted the format of the budget package: revenue and expenditure summary comparing approved budget to proposed amendment with differences noted; summary of revenues and expenses by department; and a written justification for proposed changes to revenues and expenses. She then reviewed the *General Notes* section of the justification, noting changes in funding awards, timing of awards and an internal change in classification of certain revenue and expense items. She briefed the committee about PY19 funding supplied in mid-year by the SC Department on Aging (SCDOA) as a result of federal changes to the length of awards to states. Some additional funding will be awarded as of July 2019 when matching funds are available at the state level.

Ms. Powell and the committee reviewed the justification in detail. She noted the written explanation of the COG's request for reimbursement of prior years' costs for NIP program overhead and maintenance expenses not previously reimbursed/covered. Based on a verbal agreement with Camden and discussions with Sumter, staff felt reasonably assured that the costs would be covered in one form or the other. Vivian McGhaney remarked it would be advisable to obtain written confirmation of the understandings with both Camden and Sumter.

After discussing with the committee all the significant changes outlined in the justification, Ms. Powell specifically noted the positive change estimated to fund balance. She noted the most significant contributor to the increase would be the recovery of prior year expenses for NIP program management and maintenance. Julian Burns asked if the COG has a policy about the size fund balance we need- either a percentage figure or some other mark. Chris McKinney noted that it would be advisable to have a reserve that could cover three to six months of expenses for the COG. Mr. Burns noted the need for the COG to have a policy regarding fund balance, assuring sufficient reserves for contingencies. Ms. Powell reminded committee members that fund balance can only be generated from unrestricted funds, such as local member support, state unrestricted funding or other non-federal grant funding.

After further general discussion of the proposed amendment, Mr. Stewart moved to recommend to the Board approval of the FY 18-19 budget amendment. The motion, seconded by Mr. McCain, was unanimously approved.

- VII. **Initial Discussions- FY 19-20 budget:** Ms. Powell informed the committee the proposed budget for FY 19-20 would be crafted using this amendment as a starting point. She briefly outlined the following status report on potential funding: No allocations for new (PY 19) WIOA or (PY 20) HHS funding have yet been provided to staff. Assumptions for budget will use the same level of funding as the current year and make minimal assumptions for carryover funding. Ms. Powell did note, however, that additional administrative funds from PY 19 would be provided by SC Department on Aging (SCDOA) as of July 2019. As required by SC Department of Workforce (SCDEW), the COG will contract for case management services effective July 1, 2019. Case managers currently employed by SLRCOG will transition to the contractor's payroll as of July to assure continuity of program services to WIOA participants. Ms. Powell noted that all local membership and building support requests have been sent out, and we will not know the outcome until local budget processes are completed. Therefore, our budget will include the requested amounts.
- IX.. **Other Business:** At Ms. Powell's request, Mr. McCain and Mr. Stewart agreed to serve on a review committee to rate and rank proposals for audit services when received and vetted by staff. Ms. Powell thanked these two members for agreeing to this task.
- VI. **Adjourn:** After a motion by Mr. Stewart and seconded by Ms. McGhaney, the committee meeting was adjourned at 5:20 pm.

Respectfully Submitted,



Kathy E. Powell, Deputy Executive Director and CFO