



# Montana Department of LABOR & INDUSTRY

Governor Steve Bullock  
Commissioner Pam Bucy

Workforce Services Division  
Statewide Workforce Programs and Oversight Bureau

September 27, 2016

Sally Boofer  
President/CEO  
Experience Works, Inc.  
4401 Wilson Blvd, Suite 1100  
Arlington, VA 22203

Dear Ms. Boofer,

The Statewide Workforce Programs and Oversight Bureau of the Montana Department of Labor and Industry conducted a fiscal monitoring of Experience Works, Inc. for Montana. The scope of the monitoring included the Senior Community Service Employment Program for the period of July 1, 2014 – June 30, 2015. Enclosed with this letter is the report of this monitoring visit. Please respond to the report within thirty (30) days of this letter.

We would like to thank you and your staff for their time.

If you have any questions, please feel free to contact me.

Sincerely,

Michelle Marsh  
Fiscal Officer  
Statewide Workforce Programs & Oversight Bureau  
Montana Department of Labor & Industry  
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Enc.  
Cc: Mike Myers, State Manager



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**Experience Works, Inc.**

**Fiscal Monitoring Report  
Of The  
Senior Community Service Employment Program**

**For the Period: July 1, 2014 through June 30, 2015**

**Completed by  
Statewide Workforce Programs and Oversight Bureau  
Montana Department of Labor and Industry**

## **Introduction**

The Statewide Workforce Programs and Oversight Bureau (Bureau) monitors and provides technical assistance as an essential part of program management. This fulfills a requirement of the Senior Community Service Employment Program (SCSEP). Monitoring ensures compliance with appropriate laws, regulations, plans, provider agreements, policies and procedures. Monitoring and Technical Assistance work together to prevent waste, abuse, and fraud in program administration and operation. Equally important is the opportunity to strengthen or improve programs and systems to promote continuous improvement.

The main purpose of onsite monitoring is to objectively and directly assess the service provider's systems and procedures. This determines if deficiencies exist in order to recommend improvements. Monitoring focuses on efficiencies and quality of operation along with ensuring compliance with law, rules, and regulations. Technical Assistance is provided to ensure any questions, concerns, or suggestions are discussed and resolved with appropriate State oversight staff.

## **Fiscal Monitoring**

The purpose of the fiscal review is to augment the annual single-agency audit mandated by regulation; whereas each pass-through entity shall monitor the sub-recipient's use of Federal awards through site visits, limited scope audits, or by other means considered appropriate. Areas looked at during this site visit included procurement, property management, record retention, cash management, and other fiscal areas.

To obtain an understanding of the system at Experience Works, Inc., an interview was conducted in July 2016 with Rosemary Schmidt, Controller. Fiscal policies and procedures were also reviewed. Regulatory requirements were then consulted and compared to determine and evaluate the risk of the fiscal systems in place.

The following federal cost principles were used in determining cost allowability.

- The costs must be necessary and reasonable. (A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.);
- The costs must be allocable;
- Costs incurred must not be prohibited under Federal, State, or Local laws or regulations;

- Costs must have adequate supporting documentation;
- Costs must receive consistent treatment; or
- Costs must not be used to meet matching or cost-sharing requirements.

## **Compliance Findings and Areas of Concern:**

### **Compliance Finding #1**

On 06/30/15, the agency paid \$247.00 for a participant's mortgage payment.

Per 2 CFR 225, Capital expenditures for buildings are unallowable.

### **Action Required #1:**

#### **Questioned Cost:**

Experience Works must repay the State **\$247.00**.

### **Compliance Finding #2**

On 06/30/15, the agency paid for gas cards for participants. The attached back up documentation did not have justification of the need or who received them.

Per 2 CFR 225 Attachment A requires that all costs be adequately documented.

### **Action Required #2:**

#### **Questioned Cost:**

If the agency is unable to provide the justification and the list of participants, the cost maybe considered disallowed.

### **Area of Concern - Recurring:**

Experience Works policy for records retention related to SCSEP is only for a period of four (4) years.

Per the contract, records must be maintained for a period of five (5) years and the period of record retention for participant files may be extended to accommodate Data Validation record review.

### **Recommendation:**

It is recommended that Experience Works update and change their records retention period to five (5) years. The company must also confirm with the State before destroying any participant records.