Ozark Opportunities, Inc.
Board of Directors Executive Committee Meeting Minutes
January 28, 2014

The Ozark Opportunities, Inc. Board of Directors Executive Committee met at Ozark Opportunities, Inc. Central Office in Harrison, Arkansas at 1:40 p.m. on Tuesday, January 28, 2014.

Committee Members Present:
Hon. Roger Hooper  Paulette Hill (via conference call)  Ron McPherson

Committee Members Absent:
Jim Sprott  Donna Grinder

Board Members Present:
none

Staff Members Present:
Richard T. Atkinson  Jane Bueg  Rebecca Hanlin  Patricia Murray
Shirley Richesin  Krystal Mayes

I. Meeting Called to Order:

At the request of Vice-Chairperson Paulette Hill, the meeting was called to order by Richard Atkinson, Executive & Head Start Director at 1:40 p.m. A quorum was present. Mr. Atkinson introduced staff members Patricia Murray, Disabilities Coordinator & Classroom Staff Supervisor for Head Start and Krystal Mayes, Parent & Volunteer Engagement Specialist for Head Start and welcomed everyone to the meeting.

II. Acceptance of prior meeting minutes

❖ Hon. Roger Hooper moved to approve the minutes of the November 21, 2013 Board of Directors Meeting. Ron McPherson seconded. Motion carried unanimously.

III. Audit Training

Shirley Richesin, Financial Officer introduced Pam Disheroon, CPA. Mrs. Disheroon conducted training on the recently released Head Start Audit Supplement. Mrs. Disheroon highlighted the 13 different requirements of the audit, segregation of duties, and involvement of governance bodies in the fiscal affairs of the organization. Ms. Disheroon is an expert on Ozark Opportunities, Inc. operations, as she has served as the agency's auditor for several years.
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Hon. Hooper asked “what should we look for in an auditor?” Ms. Disheroon responded: “experience with your type of agency” as Community Action Agencies are not like other nonprofits, as they are more complex.

Shirley Richeson conducted additional training on the Responsibility of the Agency and the Role and Involvement of Board of Directors: Audit, Safeguard of Assets, & Internal Control. Please see attachment for detailed description of the training.

Ms. Richeson explained that the agency has conducted a Single Agency Audit since before it was required. The single audit looks at the finances of the agency in its entirety at a single point in time. This type of audit would expose shifting of funds from one program to cover the expenses of another, a prohibited practice. The audit process encompasses three areas: program objectives, program procedures and compliance requirements.

Ozark Opportunities, Inc. process for soliciting auditing services is to advertise in the local daily news and the weekend state-wide paper for sealed bids. Historically the agency has entered into a one year contract renewable for an additional year under mutual agreement. The agency may move into a three year period.

- Paulette Hill moved to authorize OOI management (Mr. Atkinson and Ms. Richeson) to prescreen audit bids received as a result of the advertising process and present the top 2 or 3 candidates to the Board for the final selection. Ron McPherson seconded the motion. Motion carried unanimously.

IV. Executive Director’s Report

Mr. Atkinson apprised the Committee on the current status of the agency. Overall, things are going well – policies and procedures are being developed, group health plan is in effect, employee’s compensation package is very clear. Life Insurance is an added benefit (required by UnitedHealth Care with group health plan) for all eligible employees (even those not in OOI’s group health plan).

The Strategic Planning retreat was cancelled due to weather; things change (like the Federal Budget agreement) that effect our projections for future planning. We don’t know the outcome of sequestration restoration yet, or how much will actually be restored at the agency level.
Mr. Atkinson presented the **FY 2013 Agency Annual Report** to the Committee. Rebecca Hanlin, Community Services Director, created the report, which has been shared with our Congressional Representatives and others. Senator Boozman’s office called shortly after receiving the report and scheduled a meeting. Mr. Atkinson expressed his thanks to the Board, for without them **OOI** wouldn’t exist. Ms. Hill asked if the report is a requirement. Mr. Atkinson replied not yet, but it will be soon.

Board members Ron McPherson, Paulette Hill and Roger Hooper all expressed “kudos & compliments” to Ms. Hanlin for the illustrative and informative report.

**V. Program Updates**

**Community Services**: Rebecca Hanlin, Community Services Director, updated the Committee on the Home Energy Assistance Program. Mountain Home and Yellville offices are successfully piloting appointments for energy assistance. Ms. Hanlin presented the Home Energy Assistance Monitoring Reports and Corrective Action Plans to date: 2013 Winter Regular, 2012 Summer Regular, 2013 Summer Programs. Overall the agency had very few errors.

Ms. Hanlin shared staffing updates in her department: Marlene Simoneaux is retiring in February, Tammy Grange has plans to move out of state, Jessica Wheeler is returning from FMLA February 6.

The Baxter County Office of **OOI** will have to relocate by the end of March.

- Hon. Hooper moved to accept the Home Energy Assistance Program reports, findings and corrective actions. Ron McPherson seconded the motion. Motion carried unanimously.

**Head Start**: Mr. Atkinson provided the update of the Head Start Program. The Triennial Review team will visit **OOI** on March 2-6, 2014. In preparation, staff are working on compliance documents.

The agency was able to provide 2% restoration of salary cuts implemented in April 2013 due to sequestration. Teaching staff got a 2% salary increase (their sequestration cut took form as a reduction of work days in their contract, days have not been restored).

Severe weather had a financial impact on Head Start Hourly Staff. Two (2) Administrative Leave days were awarded those employees in both December and January. Teachers did not suffer a decrease of pay and regular employees have annual leave to use in these circumstances.

Enrollment and Average Daily Attendance figures were reviewed with attention directed to those classrooms with enrollment under the recommended minimum of 13 students.
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Hon. Hooper asked if a visit with the grantwriter for Van Buren County would be of benefit to Ozark Opportunities, Inc. Mr. Atkinson answered in the affirmative. He also expressed his gratitude for taking care of the staff during the inclement weather and with the restoration of the 2%.

Mr. Atkinson provided the Committee with the previously tabled Community & Parent Complaint Procedures for Head Start; the version presented was approved by OOI Head Start Policy Council on January 23, 2014.

- Hon. Hooper moved to approve the Community & Parent Complaint Procedures for Head Start. Ron McPherson seconded the motion. Motion carried unanimously.

Head Start Training

Patricia “Tricia” Murray, Disabilities Coordinator and Classroom Staff Supervisor for OOI’s Head Start Program provided detailed training on the entire process for screening for Disabilities and serving Head Start students identified with developmental, speech or physical disabilities. Ms. Murray distributed a packet to each member that contained all the reports, assessments and Individual Education Plan (IEP) used for these students (the packet was also sent via email to all Board and P.C. Members). A minimum of 10% of enrollment opportunities must be reserved for students with disabilities; OOI routinely serves more than that.

VI. Agency (Governing Board) Report Acceptance

- Ron McPherson moved to accept the Agency (Governing Board) Report. Hon. Hooper seconded the motion. Motion carried unanimously.

VII. Finance:

Shirley Richesin, Financial Officer, presented the Finance Reports to the Committee. Included in her report were the IRS 5500 Return, Expenditure Reports, Credit Card Statement Re-Cap, 403(b) Retirement Fund Balance, and documentation of payment of withholding taxes.

- Ron McPherson moved to accept all of the Financial Reports as presented. Hon. Hooper seconded the motion. Motion carried unanimously.
VII. Corporate Services Update:

Jane Bueg, Corporate Services Director, presented to the Committee for acceptance the Employment Actions as approved on January 23, 2014 by Head Start Policy Council.

- Ron McPherson moved to accept the actions. Hon. Hooper seconded the motion. Motion carried unanimously.

Ms. Bueg presented for approval the *OOI Personnel Policies & Procedures 2014* (including Job Descriptions) which were approved by Head Start Policy Council on January 23, 2014. She reviewed the updates of the document with the Committee and asked for input from the members.

- Ron McPherson moved to approve the *OOI Personnel Policies & Procedures 2014* (including job descriptions). Paulette Hill seconded the motion. Motion carried unanimously.

VIII. Adjournment

- Ron McPherson moved to adjourn. Paulette Hill seconded. Meeting adjourned at 3:30 p.m.
Responsibility of the Agency and the Role and Involvement of Board of Directors

Item # 1 - Audit

Three levels of audit requirements: 1) General accepted auditing standards, 2) the Yellow Book standards (under governmental auditing standards) and 3) the single audit standards under OMB Circular A-133.

The Office of Management and Budget (OMB) Circular A-133 requires an annual audit of nonprofit organizations that expend $500,000 or more from federal awards in a fiscal year. (One proposed change to this OMB circular would be increasing the amount to $750,000.) Ozark Opportunities, Inc. falls under this requirement since our current Head Start grant is $2,492,392; CSBG $454,899; HEAP $877,704. – Total $3,824,995 – plus additional small contracts.

OOI established a policy to conduct a “single agency audit” for some years prior to Federal government requirements. At that time we had program specific audits for each contract as required by funding sources, but recognized the need for having an all-inclusive audit at the end of our fiscal year. With overlapping contracts, grants, there was an inherent risk in not having “one point in time” when all grants/transactions were subject to audit.

HS Reg #1304.50 Program Governance

Related to Audit Section (d) viii states:

“The annual self-assessment of the grantee agency’s progress in carrying out the programmatic and fiscal intent of its grant application, including planning or other actions that may result from other review of the annual audit and findings from the Federal monitoring review.” Our annual audit must encompass the following three areas:

1) Program Objectives (planning documents, strategic plan, service plans, etc.)
2) Program Procedures (Financial Procedures Manual, Personnel Policies; Parent Handbook)
3) Compliance Requirement
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Our fiscal year is March 1st through February 28th or 29th, so that is the timeframe for our annual audit. Historically we have advertised for sealed bids every two years; our contract states OOI reserves the right -with mutual agreement of audit firm- to award the contract for an additional year without re-bidding. The guidelines will now allow this bidding process every three years.

Item # 2 - Safeguard of Assets:

Definition of an asset: “A resource with economic value that an agency owns with the expectation that it will provide future benefit.”

- Grant-cash
- Equipment-vehicles, computers, even consumable supplies
- Real property, buildings
- Staff – personnel – investment in training, etc.

Item # 3 – Internal Control

We will be providing future training related to “Internal Control” and disseminating information to the Board related to “How can we make the most of our annual audit process.”

Presented by: Shirley Richesin, Financial Officer