

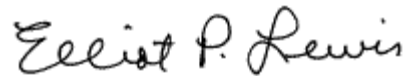
**IDAHO MIGRANT COUNCIL, INC.  
CALDWELL, IDAHO**

\* \* \*

**AUDIT REPORT ON  
U.S. DEPARTMENT OF LABOR GRANT  
NUMBER AC-10730-00-55**

Performance Audit for  
Program Year July 1, 2000 through June 30, 2001

This audit was performed by Harper, Rains, Knight & Company, P.A., under contract to the Inspector General, and, by acceptance, it becomes a report of the Office of Inspector General.



Assistant Inspector General for Audit

**Report Number: 21-04-002-03-365**

**Date Issued: March 10, 2004**

**TABLE OF CONTENTS**

	<u>Page</u>
ACRONYMS .....	i
EXECUTIVE SUMMARY .....	1
INTRODUCTION AND BACKGROUND .....	3
OBJECTIVES, SCOPE, AND METHODOLOGY .....	4
AUDITOR’S REPORT ON PERFORMANCE .....	6
FINDINGS .....	7
1. All Sampled Participants Were Eligible. ....	7
2. Unsupported or Unallowable Costs Were Charged to the Indirect Cost Pool .....	7
3. Payroll Record Documentation Needs Improvement .....	9
4. Performance Data Reported To ETA Were Accurate and Supported.....	10
 SCHEDULES	
Schedule A - Schedule of Costs Reported .....	11
Schedule A-1 - Schedule of Costs Reported, Supplemental Information.....	12
Schedule B - Schedule of Performance Reported.....	13
Schedule C - Schedule of Questioned Costs.....	16
 APPENDIX	
Appendix A –Idaho Migrant Council’s Written Response to Draft Report .....	17

## ACRONYMS

CFR	-	Code of Federal Regulations
DOL	-	U.S. Department of Labor
DMSF	-	Division of Migrant and Seasonal Farmworkers
ESL	-	English as a Second Language
ETA	-	Employment and Training Administration
FSR	-	Financial Status Report
GED	-	General Equivalency Diploma
NFJP	-	National Farmworker Jobs Program
OMB	-	Office of Management and Budget
OIG	-	Office of Inspector General
WIA	-	Workforce Investment Act

## EXECUTIVE SUMMARY

The U.S. Department of Labor (DOL), Office of Inspector General (OIG), contracted with Harper, Rains, Knight & Company, P.A., to perform an audit of the Workforce Investment Act National Farmworker Jobs Program to determine whether the program was operating in accordance with applicable regulations. DOL provides 53 grants to states and nonprofit organizations to operate the program within 48 states and Puerto Rico. We selected a statistical sample of nine grantees for review with the objectives to determine that the direct and indirect costs claimed for reimbursement by these grantees were reasonable, allowable and allocable under the cost principles set forth in *OMB Circular A-122*, or *OMB Circular A-87*, as applicable, and grant guidelines, and performance reported to determine whether it was accurate and properly supported. The Program was audited for program year 2000 (July 1, 2000 through June 30, 2001).

DOL's Employment and Training Administration (ETA) awarded the Idaho Migrant Council (IMC) a grant in the amount of \$957,349 to provide training and services to eligible migrant and seasonal farmworkers in the State of Idaho to strengthen their ability to achieve economic self-sufficiency. During PY 2000, IMC placed 60 participants in unsubsidized jobs, provided 245 with supportive services and reported costs of \$961,764.

Our audit results are summarized below.

- **All Sampled Participants Were Eligible**

In our draft report, we stated that 2 participants out of our sample of 48 were not eligible, resulting in \$1,275 of questioned costs. Based on additional evidence provided by IMC in response to our draft report, we have determined that the two participants met the eligibility requirements. Accordingly, the final report contains no questioned costs related to participant eligibility.

- **Unsupported or Unallowable Costs Were Charged to the Indirect Cost Pool**

We found unallowable legal fees totaling \$47,521 in the indirect cost pool. In response to our draft report, IMC agreed with this finding and removed the legal fees from the indirect cost pool.

We also found unsupported travel costs (\$8,916) and costs related to a non-federal program (\$132) in the indirect cost pool. IMC agreed with our findings but has not yet removed these costs from the indirect cost pool or otherwise reimbursed the Department. We question \$914, the portion of the unallowable or unsupported indirect costs that would be absorbed by the DOL grant. See Schedule C for a summary of the questioned costs.

- **Payroll Record Documentation Needs Improvement**

We found that IMC payroll record documentation needs improvement. The records reviewed were not supported as required by *OMB Circular A-122*. In its response to our draft report, IMC agreed to take corrective action.

- **Performance Data Reported to ETA Were Accurate and Supported**

We were able to verify the performance data totals reported to ETA. Testing of this data included reviewing the underlying support for the preparation of the Program Status Summary as a whole, and reviewing the reported program information for the sample of participants selected for testing. The results of our audit agreed with the reported outcomes for participants that exited the program.

### **Recommendations**

We recommend that the Assistant Secretary of the Employment and Training Administration:

1. recover \$914 in questioned indirect costs, and
2. ensure that IMC implements payroll policies and procedures that will adhere to the guidance in OMB Circular A-122 for payroll documentation.

## INTRODUCTION AND BACKGROUND

The Division of Migrant and Seasonal Farmworkers (formerly the Division of Seasonal Farmworker Programs) within ETA is responsible for administering the National Farmworker Jobs Program (NFJP). The intent of NFJP, under section 167 of the Workforce Investment Act, is to strengthen the ability of eligible migrant and seasonal farmworkers and their families to achieve economic self-sufficiency through job training and other related services that address their employment related needs. Assistance from the NFJP is accessed through the NFJP grantee partners and local One-Stop Centers.

IMC, a 501(c)(3) organization, has operated various employment and training programs serving migrant and seasonal farmworkers in Idaho since 1983. IMC operates an administrative office and education center in Caldwell with satellite offices in Payette, Canyon, Twin Falls, Cassia, Bingham, and Bonneville counties. In addition to the Department of Labor (DOL) migrant farmworkers grant, IMC operates other Federal, state and local grants. The largest grant is for the Migrant Head Start education services, issued by the U.S. Department of Health and Human Services.

IMC was awarded a grant in the amount of \$957,349 to provide the following types of training and services to eligible migrant and seasonal farmworkers:

1. Classroom training - This training includes English-as-a-Second Language (ESL), General Equivalency Diploma (GED) classes, general employment skills classes, and vocational and technical job training.
2. On-the-job training - This training activity involves a contractual placement of a participant in an actual work environment. This allows an employer to hire an employee and be reimbursed up to 50 percent of wages paid during a specified training period.
3. Work experience - This training is to provide some non-farmwork employment experience to make a participant more attractive to prospective employers. In this program, the participant is paid by IMC and placed in the public or private nonprofit sector to obtain general employment skills.
4. Other related assistance services - These services include emergency services to meet food, shelter and transportation needs, pesticide safety training while still in farmwork, and referrals to other assistance providers within the One-Stop network.

## OBJECTIVES, SCOPE, AND METHODOLOGY

The primary objectives of our audit were to determine whether the costs claimed by IMC for the period July 1, 2000 through June 30, 2001, under the DOL grant were reasonable, allowable, and allocable under the cost principles set forth in OMB Circular A-122 and grant guidelines, and to determine that performance reported was accurate and properly supported.

Our audit was performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our audit included such tests of the accounting records and other accounting procedures, as we considered necessary in the circumstances.

Our audit was performed using the criteria we considered relevant. These criteria included those established by the Federal Government in: OMB Circulars A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Non-Profit Organizations*, and A-122, *Cost Principles for Non-Profit Organizations*; the *Workforce Investment Act of 1998 (WIA)*; 20 CFR Part 669 *National Farmworker Jobs Program under Title 1 of the WIA*; and 29 CFR Parts 95 and 96, *Administrative Requirements and Audits of Federally Funded Grants, Contracts, and Agreements*.

### **Management Controls**

To meet the aforementioned objectives, we reviewed management controls over relevant transaction cycles. Our work on established management controls included obtaining and reviewing policies and procedures manuals, interviewing key personnel, and reviewing selected transactions to observe the controls in place. Our testing related to management controls was focused only on the controls related to our audit objectives of reviewing the reported cost and performance data, and was not intended to form an opinion on the adequacy of management controls, and we do not render such an opinion. Weaknesses noted in our testing are discussed in the **Findings** section of this report.

### **Compliance with Laws and Regulations**

In order to determine compliance with the above-mentioned laws and regulations, we performed detailed tests of transactions, and tested a sample of participants who were enrolled in the program during our audit period. Our detailed tests of transactions included both analytical review and substantive tests of accounts. Our testing related to compliance with laws and regulations was focused only on the laws and regulations relevant to our audit objectives of reviewing the reported cost and performance data, and was not intended to form an opinion on the compliance with laws and regulations as a whole, and we do not render such an opinion. Instances of noncompliance are discussed in the **Findings** section of this report.

Our sample universe of participants included all participants enrolled during the period. In program year 2000, IMC served 742 participants, of whom 352 exited during the year. Support services only comprised the largest group of those exiting with a total of 245 participants (70 percent). Unsubsidized employment placements comprised the next largest group with a total of 60 participants (17 percent). We reviewed a sample of 48 participant files. Our sampling technique was a statistical random number selection so that all participants had an equal chance

of being selected. Procedures performed on the selected participants included reviewing the eligibility determination, reviewing the types of services provided and the cost of those services, and reviewing the program outcome for those exiting the program.

The costs claimed and performance reported by IMC is presented on the Schedules of Costs Claimed and Performance Reported in this report. These schedules, included as Schedules A and B, respectively, in this report, are based on the information reported to ETA in the Financial Status Report and the Program Status Summary.





HARPER, RAINS, KNIGHT  
& COMPANY

Mr. Elliot P. Lewis  
Assistant Inspector General  
for Audit  
Office of Inspector General  
U.S. Department of Labor  
Washington, D.C. 20210

We were engaged to perform a performance audit of National Farmworker Jobs Program Grant AC-10730-00-55 awarded to the Idaho Migrant Council, (IMC) by the U.S. Department of Labor (DOL). The audit was to determine whether the costs claimed by IMC for the period July 1, 2000 through June 30, 2001, were reasonable, allowable, and allocable under the cost principles set forth in OMB Circular A-122 and grant guidelines and whether the performance reported was accurate and properly supported. We were also to report our findings and recommendations in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Such standards require that we objectively and systematically examine evidence to provide an independent assessment of the performance of a government organization, program, activity, or function. We believe our audit provides such an assessment.

This performance audit was designed to provide reasonable assurance about compliance with significant laws, regulations, and other compliance requirements and to obtain an understanding of management controls that are relevant to the audit. For those management controls determined to be significant to the audit, we obtained sufficient evidence to support our judgments about those controls. An audit made in accordance with these standards provides reasonable assurance that its objectives have been achieved; but it does not guarantee the discovery of illegal acts or abuse. Our findings section of the performance report provides our conclusions on IMC's compliance and controls.

*Harper, Rains Knight & Company, P.A.*

February 27, 2004 .

## FINDINGS

### **FINDING 1: All Sampled Participants Were Eligible**

During program year 2000, IMC provided training and services to over 700 participants. To determine the effectiveness of IMC's management controls over participant eligibility, we selected a sample of 48 participants. Twenty-eight of these participants received support services/core services only and the remaining 20 received some type of intensive or training services.

Our draft report found 2 of the 48 participants ineligible to receive services. Based on additional evidence provided by IMC in response to our draft report (see Appendix A), we have determined that the two participants met the eligibility requirements. Accordingly, this final report contains no questioned costs related to participant eligibility.

### **FINDING 2: Unsupported or Unallowable Costs Were Charged to the Indirect Cost Pool**

IMC claimed reimbursement for \$56,569 in either unallowable or unsupported costs out of its indirect cost pool total of \$857,095. The \$56,569 was comprised of \$47,521 in unallowable legal fees, \$8,916 in unsupported travel costs and \$132 for the unallowable purchase of award plaques. The net effect on the farmworker grant based on the grant's share of indirect costs was \$5,719.

The largest amount of the unallowable cost was \$47,521 in legal fees paid to contest the results of a Health and Human Services audit of the Migrant Head Start program. OMB Circular A-122, Attachment B, Selected Items of Cost 10 (g.) states: "Costs of legal, accounting and consultant services and related costs, incurred in defense against Federal Government claims or appeals, antitrust suits, or the prosecution of claims or appeals against the Federal Government, are unallowable."

The single audit for the year ended June 30, 2001, questioned a total of \$40,541 in unallowable legal fees. However, we found an additional \$6,980 in unallowable legal fees bringing the total to \$47,521. The \$40,541 in costs questioned by the single auditor was never resolved by the Department of Health and Human Services (HHS). The Federal Audit Clearinghouse (Clearinghouse) sent the results of the single audit to HHS (the agency providing the predominant amount of direct funding in fiscal 2000). The Clearinghouse did not notify the Department of Labor of the single audit findings.

In its response to our draft report, IMC stated the following:

Legal fees in the amount of \$47,521 were found not to be allowable costs. The IMC subsequently removed these charges from the Indirect Cost Pool and paid for them with non-federal funds. The final negotiated Indirect Cost Rate proposal reflects those changes. This correction was noted in the most current single audit (the relevant pages from the audit are attached). Therefore the proportionate share of for this disallowed cost needs to be removed from OIG's final determination.

Based on IMC's response, we have withdrawn questioned costs related to the charging of legal fees to the Indirect Cost Pool.

We also found \$8,916 in unsupported travel costs. There were no detailed expense reports with actual invoices for review, so we could not discern the business purpose of the trip or review detailed charges beyond what was on the credit card statements provided. OMB Circular A-122 Attachment A, General Principles, A.2.(g) states: "To be allowable under an award, costs must meet the following general criteria: Be adequately documented."

IMC stated that the \$8,916 in unsupported travel costs is a matter still in litigation with IMC's former Executive Director. IMC anticipates recovery of these costs, but did not indicate that any reimbursement has been made. Therefore, we question \$901, the portion of unallowable or unsupported costs that would be absorbed by the DOL grant. See Schedule C for a summary of questioned costs.

The last item of unallowable cost charged to the indirect cost pool was \$132 for award plaques given to IMC scholarship recipients purchased with Federal funds. The IMC scholarship program is not funded by Federal funds and should have been paid out of other funding sources. OMB Circular A-122 Attachment A, General Principles B (1) states: "Direct costs are those that can be identified specifically with a particular final cost objective, i.e., a particular award, project, service, or other direct activity of an organization."

We question \$13, the portion of unallowable costs that would be absorbed by the DOL grant. See Schedule C for a summary of questioned costs.

IMC stated that award plaques were purchased with Federal funds due to a coding error and agreed to repay the funds.

### **Recommendation**

We recommend that the Assistant Secretary for ETA recover the questioned costs of \$914 (\$901 related to the unsupported travel costs charged to the indirect cost pool and \$13 related to the unallowable costs related to the purchase of the award plaques).

### **FINDING 3: Payroll Record Documentation Needs Improvement**

Time and attendance records of hourly IMC personnel did not always offer adequate support to document time worked on various grants. In addition, no breakdown of time was kept for salaried employees. Timesheets for salaried employees consisted of a checkmark showing whether the employee was present for the day. The primary method of allocation was by budget estimates and past history, which is contrary to guidance issued by OMB.

All payroll charges, whether by hourly or salaried employees, must be properly supported. OMB A-122 Attachment B, Selected Items of Cost, 7(m) states:

Charges to awards for salaries and wages, whether treated as direct costs or indirect costs, will be based on documented payrolls approved by a responsible official(s) of the organization. The distribution of salaries and wages to awards must be supported by personnel activity reports, as prescribed in subparagraph (2), except when a substitute system has been approved in writing by the cognizant agency.

In addition, Attachment B, subparagraph (2) states: “Reports reflecting the distribution of activity of each employee must be maintained for all staff members.” Also, “. . . reports must reflect an *after-the-fact* determination of the actual activity of each employee. Budget estimates (i.e., estimates determined before the services are performed) do not qualify as support for charges to awards.”

Due to inadequate time and attendance records, we could not verify or dispute that the time worked was correctly charged to the DOL grant. There is a possibility that time is not being fairly charged for all time spent by all employees performing tasks for multiple grants.

In response to our draft report, IMC stated that it has (1) reviewed this issue with its FPOs in response to an onsite review, and (2) instituted after the fact determinations of time and activities to support program cost allocation.

#### **Recommendation**

We recommend that the Assistant Secretary for ETA ensure that IMC implements payroll policies and procedures that will adhere to the guidance in OMB A-122 for payroll documentation.

<b>FINDING 4:            Performance Data Reported to ETA Were Accurate and Supported</b>
---

We reviewed the data reported by IMC on the Program Status Summary to determine whether this information was accurate and properly supported. We were able to verify the overall totals reported when we compared the information to the databases IMC maintained. A summary of this data can be found on Schedule B - Schedule of Performance Reported.

Our testing of this data included reviewing the underlying support for the preparation of the Program Status Summary as a whole, and reviewing the reported program information for the sample of participants selected for testing. The results of our audit agreed with the reported outcomes for participants who exited the program.

Schedule A

IDAHO MIGRANT COUNCIL

**SCHEDULE OF COSTS REPORTED**  
**Program Year Ended June 30, 2001**

<b><u>Financial Status Report</u></b>	<b><u>Reported</u></b>
1. Training	\$ 815,128*
2. Administration	<u>146,636</u>
<b>Total</b>	<b><u>\$ 961,764</u></b>

Terms Used Above

- Classroom Training: Expenses related to participants provided some form of organized classroom training. Generally includes tuition costs, stipends, and support provided while in training.
- On the Job Training: Expenses paid to reimburse an employer for half of the wages paid to a participant during a contractual training period. Also includes support paid to the participant.
- Work Experience: Wages paid to a participant placed in a job by the grantee in order to assist the participant by gaining practical work experience.
- Training Assistance: This is a category carried over from JTPA generally not used under WIA reporting.
- Services Only: Expenses related to participants that are only provided support service, with no enrollment in training programs.
- Administration: Salaries and overhead costs related to general administration of the program and not directly providing program services. Costs are limited under the grant agreement.
- All Other Program: Salaries and overhead related to overall running of the program not broken out in any category above.

---

\* IMC reported all costs as training that were not administrative, so this category would include all of the above types of cost other than administrative.

**IDAHO MIGRANT COUNCIL**  
**SCHEDULE OF COSTS REPORTED**  
**Supplemental Information**  
**Program Year Ended June 30, 2001**

<b><u>Category</u></b>	<b><u>Incurred Costs</u></b>	<b><u>Subtotals</u></b>
1. Training		
A. Salaries and Fringe Benefits	\$ 508,211	
B. Office Costs & Overhead	140,097	
C. Participant Tuition & Allowances	67,526	
D. Supportive Services	40,249	
E. Work Experience Salaries	39,547	
F. OJT Contract Payments	<u>19,498</u>	815,128
2. Administration		
A. Salaries and Fringe Benefits	\$ 47,219	
B. Office Costs & Overhead	12,770	
C. Indirect Costs	<u>86,647</u>	<u>146,636</u>
<b>Total</b>	<b><u>\$ 961,764</u></b>	<b><u>\$ 961,764</u></b>

Note: The above information is not required to be reported to ETA, and was created by reviewing the financial records used in the preparation of the Financial Status Report.

Schedule B

IDAHO MIGRANT COUNCIL

**SCHEDULE OF PERFORMANCE REPORTED**

**Program Year Ended June 30, 2001**

<b><u>Category</u></b>	<b><u>Planned</u></b>	<b><u>Reported</u></b>
Total Participants	826	742
Total Terminations	570	352
Entered Unsubsidized Employment	114	60
Direct Placement	-	-
Indirect Placement	-	-
Also Obtained Employability Enhancement	-	-
Employment Enhancement Only	-	-
Services Only	-	245
All Other Terminations	456	47
Total Current Participants (End of Period)	256	390



**Schedule B-Continued**

**IDAHO MIGRANT COUNCIL**

**SCHEDULE OF PERFORMANCE REPORTED**

**Program Year Ended June 30, 2001**

**Terminology Used**

Participants:	Disadvantaged migrant and seasonal farmworkers and their dependents.
Total Participants:	Participants that were provided any services during the program year. Includes participants carried over, new participants, and those exiting during the program year.
Total Terminations:	Participants who exited the program during the year.
Entered Unsubsidized Employment:	Participants placed in a non-federally subsidized job.
Direct Placement:	Participants referred directly to a job with no training services provided. (Detail not required to be reported under WIA).
Indirect Placement:	Participants placed in a job after training or enhancement services. (Detail not required to be reported under WIA).
Also Obtained Employability Enhancement:	Participants placed that also received services improving job prospects, such as completing GED program, obtaining a degree, completing occupational training. (Detail not required to be reported under WIA).
Employment Enhancement Only:	Participants not placed in a job but exiting the program with enhancements to improve job prospects. See examples above. (Detail not required to be reported under WIA).

**Schedule B-Continued**

Services Only:

Participants that exited the program with support services only, with no training or referral to employment.

All Other Terminations:

Participants that exited the program that do not fall into any other termination category.

Schedule C

IDAHO MIGRANT COUNCIL

SCHEDULE OF QUESTIONED COSTS

<b>Unsupported/Unallowable Costs Charged to Indirect Cost Pool</b>	<b>Amount</b>	<b>DOL Grant's Share of Indirect Costs</b>	<b>Questioned Costs</b>
Unallowable Legal Fees (page 6)	\$47,521	.10109	\$4,804
Unsupported Travel Costs (page 7)	8,916	.10109	901
Non-federal Costs – Award Plaques (page 7)	132	.10109	13
Subtotal	56,569	.10109	5,718
Less: Unallowable Legal Fees Removed from Indirect Cost Pool by Grantee in response to Draft Report	<47,521>	.10109	<4,804>
<b>Total</b>	<b>\$9,048</b>	<b>.10109</b>	<b>\$914</b>

**Appendix A**  
**Response to Draft Report by the Idaho Migrant Council**



**IDAHO  
Migrant  
COUNCIL Inc.**

317 Happy Day Boulevard  
Caldwell, Idaho 83607  
(208) 454-1652  
FAX (208) 459-0448

December 4, 2003

Ms. Deborah Outten-Mills  
Director, National Audit and Evaluations Office  
U.S. Department of Labor  
Office of Inspector General  
200 Constitution Ave., NW  
Room N-5620  
Washington, D.C. 20210

Executive Director  
Suite 250

Accounting Department  
Suite 250

Employment & Training  
Suite 250

Economic & Community  
Development  
Suite 250

Human Resources  
Suite 250

Management  
Information Systems  
Suite 250

Migrant Head Start  
Suite 275  
Fax (208) 459-0416

Community Resource Center  
Suite 250  
(208) 454-8604  
FAX (208) 459-0448

Salud Y Provecho  
Counseling & Referral  
Suite 180  
(208) 454-8632  
FAX (208) 459-1661

Dear Ms. Mills,

We have received Draft Report No. 21-03-017-03-365 prepared by Harper, Raines, Stokes & Knight, P.A. and have reviewed the initial findings in this report. I am providing the following comments in response to this initial report and ask that you consider them as you formulate your final draft and recommendations.

**Findings**

**1. Two participants of the 48 sampled were found ineligible.**

We dispute the determination of ineligibility for the client that received related assistance services or \$75. The auditors state that DSFP determined that self-employed crew leaders would not qualify as eligible farm work. This determination runs counter to the those eligible work classifications provided in training assistance guides (TAG) provided by AFOP through contract with DOL. I have attached copies of both the SIC and NAICS codes that identify crew leaders and farm labor contractors as eligible activities.

Moreover, focus on the method of reimbursement (1099) does not recognize the reality of how small contractors or crew leaders operate and are compensated. More often than not these individuals work side by side with workers, hoeing, thinning, etc., row crops (at least in this state). They are hands on worker-managers. We contend that this individual is eligible for services.

In regards to the client that was determined ineligible due to not being registered with selective service, we had documentation in the client file that he had completed a selective service postcard (a copy of the card he completed in our office is attached). With this we had the documentation to establish eligibility per program requirements. We cannot control the postal service or manual processing at Selective Service. We have

*Preserving Families - Renewing Lives!*



checked online and determined that he does show that he is currently registered.

We have since upgraded all our satellite offices to Internet access and instituted on-line verification and registration of clients with Selective Service. We would ask that the costs associated with this client (\$1,200) be allowed.

## **2. Costs in the Indirect Cost Pool found unsupported or unallowable.**

These disallowed costs are comprised of three parts addressed in turn below.

- a. Legal fees in the amount of \$47,521 were found to not be allowable costs. The IMC subsequently removed those charges from the Indirect Cost Pool and paid for them with non-federal funds. The final negotiated Indirect Cost Rate proposal reflects those changes. This correction was noted in the most current single audit (the relevant pages from the audit are attached). Therefore, the proportionate share for this disallowed cost needs to be removed from the OIG's final determination.
- b. The \$132 for purchase of plaques was the result of a coding error. I have determined the error has not been corrected and therefore the IMC will need to reimburse \$ 132 from its membership account to USDOL.
- c. The \$8,916 in unsupported travel costs is a matter still in litigation with the IMC's former Executive Director. We anticipate recovery of these costs either through the current litigation or via our Directors and Officers insurance coverage. We would request your forbearance in issuing a final determination with respect to these costs as we anticipate reimbursement in the near future.

Obviously, any final determination needs to recalculate the amount of disallowed costs in light of the previous information. Please contact me if you require more information on this point.

## **3. Documentation of Time and Attendance Records Needs Improvement**

We have also reviewed this issue with our FPOs in response to an on-site review they conducted. We have instituted ~~after the fact~~ determinations of time and activities to support program cost allocation.

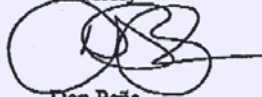
**4. Performance Data Reported to ETA was Accurate and Supported.**

We are pleased that our data was found to be accurate and supported.

In summary, we urge you to reconsider the disallowed costs in Finding 1, in their entirety based upon the documentation provided. We ask that you recalculate the disallowed costs in Finding 2 based upon the information and documentation provided and allow us time to recoup the unsupported costs from our former Executive Director. We have remedied the problem identified in Finding 3 and we concur with the positive findings in Finding 4.

Please feel free to contact our Controller or me if you require additional information.

Sincerely

A handwritten signature in black ink, appearing to be "Don Peña", written over a circular stamp or seal.

Don Peña  
Director of Education, Employment and Training

Xc: Irma Morin, Controller  
Dr. Albert Pacheco, Executive Director

<b>QUALIFYING AGRICULTURAL SERVICES</b>	<b>NAICS CODE</b>
Corralling, drovers	115210
Cotton, machine harvesting of	115113
Cotton ginning	115111
Crew leaders, farm labor	115115
Crop spraying	115112
Crop dusting	115112
Crop cleaning	115114
Cultivation services	115112
Custom feed mixing and grinding	115114
Dairy herd improvement associations	115210
Decorticating flax	115114
Delinting cottonseed	115114
Detasseling corn	115112
Disease control for crops	115112
Dusting Crops	115112
Entomological service, agricultural	115112
Farm labor contractors	115115
Farm management services	115116
Fertilizer application for crops	115112
Filbert hulling and shelling	115114
Fruit, sun drying	115114
Fruit sorting, grading and packing	115114
Fruit precooling	115114
Fruit, vacuum cooling	115114



ANIMAL SERVICES, EXCEPT VETERINARY (Continued)

Pedigree record services for pets and other animal specialties  
Showing of pets and other animal specialties  
Training of pets and other animal specialties  
Vaccinating pets and other animal specialties, except by veterinarians

076

FARM LABOR AND MANAGEMENT SERVICES

0761 Farm Labor Contractors and Crew Leaders

Establishments primarily engaged in supplying labor for agricultural production or harvesting. Establishments primarily engaged in machine harvesting are classified in Industry 0722.

Crew leaders, farm labor: contract  
Farm labor contractors

0762 Farm Management Services

Establishments primarily engaged in providing farm management services, including management or complete maintenance of citrus groves, orchards, and vineyards. Such activities may include cultivating, harvesting, or other specialized activities, but establishments primarily engaged in performing such operations without management services are classified in the appropriate specific industry within Group 072.

Citrus grove management and maintenance with or without crop services  
Farm management services  
Orchard management and maintenance, with or without crop services  
Vineyard management and maintenance, with or without crop services

078

LANDSCAPE AND HORTICULTURAL SERVICES

0781 Landscape Counseling and Planning

Establishments primarily engaged in performing landscape planning, architectural, and counseling services.

Garden planning  
Horticultural advisory or counseling services  
Landscape architects  
Landscape counseling  
Landscape planning

**complete this form.**

**SELECTIVE SERVICE SYSTEM REGISTRATION FORM**

**PRINT ONLY IN BLACK INK AND IN CAPITAL LETTERS ONLY**

X

P. O. Box 646

Pocatello

05 09 2001

ID 83202

SIGNATURE

FOP

**Registration Information**

Within 90 days after registering, you should receive a registration acknowledgment from Selective Service which will provide you with a copy of your registration record. SAFEGUARD THAT DOCUMENT since it will serve as official proof of your registration. If you do not receive a registration acknowledgment within 90 days after registering, it is very important that you verify

that your registration has been received. Verify your registration on-line (<http://www.sss.gov>), call (847) 688-6868, or write to:

Selective Service System  
Registration Information Office  
P.O. Box 94638  
Palatine, IL 60094-4638

Once you register, the law also requires you to keep Selective Service informed of your address changes so mail can reach you without delay. You can inform Selective Service of an address change by writing to the address mentioned in #1, or you may go to any Post Office for a Change-of-Information Form (SSS Form 2), fill it out and mail it to Selective Service.

**Know The Facts**

Through registration, our country maintains a list of names and addresses of young men 18 through 25 years of age for use in the event of a national emergency that requires a draft. Registering with Selective Service does not mean that you are joining the military.

Federal and some State laws require registration-age men applying for certain benefits (such as student financial aid, government employment, U.S. citizenship, and job training) to be registered with Selective Service. In addition to being subject to prosecution, failure to register may cause you to permanently forfeit eligibility for these benefits, as men cannot register after reaching age 25.

Young men who are convicted of failure to register may be fined up to \$250,000, imprisoned for up to five years, or both.

**How To Complete This Form:**

Print Your Information in **BLACK INK** and in **CAPITAL LETTERS ONLY**.

Print your date of birth. Use a two-number designation for the month and day and use a four-number designation for the year.

Print your full legal name as outlined on the card. Include any suffix in the designated box.

Enter today's date. Use a two-number designation for the month and day and use a four-number designation for the year.

Place an "X" in the correct box.

Print your current mailing address as outlined on the card. Use the two-letter State abbreviation and enter your ZIP code.

Sign your name in this box.

If you have a Social Security Number, it is mandatory that you include this information. If you don't have one, leave this block blank.

If you are concerned about the privacy of personal data, you may mail this card to Selective Service in an envelope. Please apply proper first class postage.

IDAHO MIGRANT COUNCIL, INC.  
CALDWELL, IDAHO

AUDITED FINANCIAL STATEMENTS AND  
OTHER FINANCIAL INFORMATION

YEAR ENDED JUNE 30, 2002

WADSWORTH & SMITH, P.C.

W  
&S

CPA  
For CPA, please refer to the CPA Act of 1972

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF CASH FLOWS	4
NOTES TO FINANCIAL STATEMENTS	5-8
SUPPLEMENTAL INFORMATION	9-23
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	24
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	25
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	26-27
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	28-29
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	30
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	31

---

WADSWORTH & SMITH, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

IDAHO MIGRANT COONCIL, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2002

INDIRECT COST ALLOCATION PLAN

FINDINGS 2001-1 - Legal fees were paid for the defense of an administrative appeal without authorization. These legal fees were improperly directed to the indirect cost allocation plan for legal fees for the Head Start Program CFDA NO. 93600, grant award NO. 90cm0948/29 and /30.

CONDITION - Legal fees were paid in apparent opposition to OMB Circular A-122, Attachment B,10, (b), (1) and (c) and (e).

CURRENT STATUS - Monies previously paid out of the indirect cost pool were reimbursed from non-federal funds. Further payments of these legal fees during the 2002 audit were also paid out of non-federal funds. No similar findings noted during the 2002 audit.

National Farmworker Jobs Program  
Idaho Migrant Council  
Caldwell, Idaho  
Summary of Indirect Cost Testing Findings  
Program Year Ended 6/30/01

	<u>Reported</u>	<u>Questioned</u>	<u>Accepted</u>	
<b>Expenses</b>				
<b>Personnel</b>				
Salaries & Wages	362,064.93	-	362,064.93	
<b>Fringe Benefits</b>				
Fringe Budget	75,013.60	-	75,013.60	
FICA/Medicare	14,886.67	-	14,886.67	
SUTA Tax	7,360.89	-	7,360.89	
Workers Comp.	697.07	-	697.07	
Medical/Dental/Life	45,650.05	-	45,650.05	
401K Employer Match	7,455.30	-	7,455.30	
<b>Total Fringe</b>	<b>151,063.58</b>	<b>-</b>	<b>151,063.58</b>	
<b>Contractual</b>				
Consultant & Contractual	116,521.46	-	116,521.46	
<b>Travel</b>				
Travel	27,677.03	8,916.74	18,760.29	
<b>Space Costs</b>				
Mortgage/Rent	42,780.00	-	42,780.00	
Telephone	17,585.68	-	17,585.68	
<b>Total Space Costs</b>	<b>60,365.68</b>	<b>-</b>	<b>60,365.68</b>	
<b>Supplies</b>				
Office Supplies/Expenses	60,982.56	131.60	60,850.96	
Copier Charges	2,391.79	-	2,391.79	
Software/Computer Expense	39,829.53	-	39,829.53	
Computer Hardware	-	-	-	
Computer Repairs	-	-	-	
<b>Total Supplies</b>	<b>103,203.88</b>	<b>131.60</b>	<b>103,072.28</b>	
<b>Other</b>				
Property Insurance	5,597.60	-	5,597.60	
Recording Fees	-	-	-	
Incentive Compensation	532.81	-	532.81	
Subscriptions/Memberships	2,590.63	-	2,590.63	
<b>Total Other</b>	<b>8,721.04</b>	<b>-</b>	<b>8,721.04</b>	
<b>Corporate Expenses</b>				
Board Expenses	27,477.31	-	27,477.31	
<b>Total Expenses</b>	<b>857,094.91</b>	<b>9,048.34</b>	<b>848,046.57</b>	
				<b>NFJP Portion of Questioned Cost</b>
				9,048.34 Questioned Indirect Costs
				857,094.91 Total Indirect Costs
				1.06% Ratio of questioned Cost to total
				86,647.06 NFJP Indirect Allocation
				1.06% Ratio computed Above
				<u>914.73</u> NFJP Portion of Questioned Cost



KEY INFORMATION

- Search Site
- home
- about the agency
- registration info
- news & public affairs
- what's new
- contact
- careers
- privacy statement
- history/records
- publications
- fast facts
- what happens in a draft
- site map

Results of your search for the Selective Service record of:

Last Name:

Social Security Number:

Date of Birth:

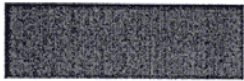
**Selective Service Number:**  
77 - 1803653 - 1

**Date of Registration:**  
6/19/2002

To obtain written proof of Selective Service registration [CLICK HERE](#) and instructions on our "Registration Information" page.

New Search?

FAQs



Last Updated April 30, 2002