Appendix A
Response to Draft Report by the Idaho Migrant Council

IDAHO MIGRANT COUNCIL

IDAHO Migrant COUNCIL Inc.

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Executive Director
Suite 250

Accounting Department
Suite 250

Employment & Training
Suite 250

Economic & Community Development
Suite 250

Human Resources
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Management Information Systems
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Migrant Head Start
Suite 275
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Suite 250
(208) 454-8604
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Salud Y Provecho Counseling & Referral
Suite 180
(208) 454-8632
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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

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

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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

Don Peña
Director of Education, Employment and Training

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

QUALIFYING—AGRICULTURAL SERVICES	NAICS CODE
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.

ELECTIVE SERVICE SYSTEM REGISTRATION FORM

NT ONLY IN BLACK INK AND IN CAPITAL LETTERS ONLY

X

P. O. BOX 646

Pocatello ID 83202

05 09 2001

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) 688-6888, 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 26.

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.

Place an "X" in the correct 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.

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

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

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

Sign your name in this box.

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 FINACNIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION

YEAR ENDED JUNE 30, 2002

WADSWORTH & SMITH, P.C.

W&S CPA

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IDAHO MIGRANT COUNCIL, 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

	Reported	Questioned	Accepted
Expenses			
Personnel			
Salaries & Wages	**362,064.93**	-	**362,064.93**
Fringe Benefits			
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
Total Fringe	**151,063.58**	-	**151,063.58**
Contractual			-
Consultant & Contractual	**116,521.46**		**116,521.46**
Travel			-
Travel	**27,677.03**	**8,916.74**	**18,760.29**
Space Costs			-
Mortgage/Rent	42,780.00	-	42,780.00
Telephone	17,585.68	-	17,585.68
Total Space Costs	**60,365.68**	-	**60,365.68**
Supplies			-
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	-	-	-
Total Supplies	**103,203.88**	**131.60**	**103,072.28**
Other			-
Property Insurance	5,597.60	-	5,597.60
Recording Fees	-		-
Incentive Compensation	532.81	-	532.81
Subscriptions/Memberships	2,590.63	-	2,590.63
Total Other	**8,721.04**	-	8,721.04
Corporate Expenses			-
Board Expenses	**27,477.31**	-	**27,477.31**
			-
Total Expenses	**857,094.91**	**9,048.34**	**848,046.57**

NFJP Portion of Questioned Cost	
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
914.73	NFJP Portion of Questioned Cost

On-line Verification

---------- KEY INFORMATION ----------

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