



EARLY LEARNING COALITION OF
BREVARD COUNTY, INC.
PO BOX 560692
ROCKLEDGE, FL 32956-0692
PHONE: (321) 637-1800
FAX: (321) 637-7244

Executive/Finance Committee Meeting

June 23, 2020 3:00 PM

2671 W Eau Gallie Blvd. Melbourne, FL 32935

Welcome and Call to Order

Review of May 19, 2020 Minutes (to be approved at the June 23, 2020 Board Meeting)

Finance Report

Executive Director Report

New Business

- a. Annual Anti-Fraud Plan
- b. SR- RCN 2018-2019 Addendum and Board Brief
- c. Agency Organizational Chart/Realignment Beth Mills

Public Comment

Next meeting Tuesday, July 21, 2020

PROUDLY SUPPORTED BY:





EARLY LEARNING COALITION OF BREVARD COUNTY, INC.



MINUTES: Executive/Finance Committee Meeting
DATE/TIME: Wednesday, May 19, 2020 at 3:00 p.m.
LOCATION: 2671 W Eau Gallie Blvd Melbourne, FL 32935
MEMBERS PRESENT: Alan Bergman, Khaled Jarrah, Caitlin Rice (Zoom), Beth Mills (Zoom)
ABSENT:
STAFF PRESENT: Laura Gambino, Jeannie Williams, Greg Thomas
GUEST/PUBLIC:
START TIME: May 19, 2020 at 3:07 p.m.

AGENDA ITEM	SUMMARY/DISCUSSION	ACTION/FOLLOW-UP
Review of Meeting Minutes	April 29, 2020 minutes were reviewed	No Action
Chairman Message	<ul style="list-style-type: none"> Call to Order ELC 100% teleworking 	No Action
Executive Director Report	<p>Laura Gambino reports:</p> <ul style="list-style-type: none"> <u>State and Office of Early Learning (OEL) Updates</u> OEL Executive Director update calls – weekly OEL Webinars and Electronic Updates Florida Chamber of Commerce – Learners to Earners Summit, June 16th Orlando/Virtual <u>Coalition Update</u> COVID-19 Operations and ELC Agency Re-Opening Plan. Staff working in 100% teleworking program since March 20th. We are preparing the office buildings for safety and health measures for staff and clients and providers and will have full staff on-site May 26th but closed to the public. Starting June 1st, we will be OPEN to public with limited lobby hours and scheduled appointments for clients. An RFP for IT managed services and an RFP for audit services completed and received by May 11th. We only received #1 proposal per request. Due to the financial threshold of the bid amounts we will proceed with a RFP committee comprised of staff and two Board members to review, select and recommend to the Board. RECOMMENDATION – <i>we have only one response to each, we should probably go with those for a year then revisit as the timeline is limited OR if the Audit firm is not qualified to handle a single audit for a</i> 	Ongoing

firm of our size, renew with our current firm for one year then revisit.

- Preparing a cost benefit analysis for satellite office space in Titusville and Palm Bay.
- Accepted into LEAD Brevard Class 2020 program. Orientation reception scheduled Sept 2020.
- Provider updates and communications ongoing. To date we have 82 OPEN private providers and 72 CLOSED providers. The Department of Education/Office of Early Learning is encouraging and incentivizing program for First Responders and Healthcare Professionals to continue to stay open and re-opening centers to provide care for essential workers.
- ELC utilized Quality budgeted funds to assist providers with additional incentive funds for remaining open/emergency closures during first period of the COVID-19 stay at home executive order. Ninety-seven (#97) providers received funding assistance April 24th – May 1st. The Executive/Finance committee approved the budget allocation and Board updated in April of the action.
- City of Palm Bay has awarded ELC \$30,000 CDBG grant funds for direct services – this is increase of \$9,000 dollars from prior grant award.
- United Way grant pending award notice and applying for \$100,000 special fund to support the First Responders and Healthcare Professionals program and Professional Development program from OEL.
- Building initial Match fund campaign for the Fall to include an Inaugural Gala event. Developing our Business and Corporate Cultivation plan with local Business Initiative, EDC and Melbourne Chamber. Leading corporate prospects include Boeing, L3, Lockheed Martin, KSC, Nemours, Aerion, Barry University.
- Board Development and recruitment. Recruiting during COVID-19 been challenging but continuing to remain in contact with Patrick Culhane, Suntrust and new referral from Caitlin, Lori Huertas from Barry University. At this point, we need two PRIVATE SECTOR representatives (non Governor appointee) and two PRIVATE SECTOR (Governor Appointee). In addition, we have two retiring Board members and those two MANDATED seats need to be replaced. Working with Board Chair to appoint Nominating committee and By-Laws committee.
- Board Training – secured FREE 6-part webinar series conducted by The Board Doctor. Started last Friday,

	<p>May 15th and will continue until July. As part of our Accountability Audit findings as well as the HR Recommendation report and initial OEL Special Review comments, Board training is necessary. We are required to track and record Board attendance at the trainings.</p> <ul style="list-style-type: none"> • Partnership with Orlando Science Museum for STEM grant for classroom training and development for providers. • Continuing internal realignment with promotional opportunities and filling vacant staff positions. Focus on quality initiatives for providers, access and engagement for families and fund development and cultivation. • <u>March Meeting Follow-Ups</u> • OEL Special Review is still outstanding. Program Integrity Unit is working hard to get it to the Board by mid-March. • ELC Brevard Spring Provider meeting will be this Wednesday, March 11th at Department of Health building. And the Annual Provider Conference is developing great sponsors and vendors for the event on April 18th. • Staff team building session on 2/28 called True Colors. Very positive feedback and working to add more trainings for entire staff. In addition, new Director will be developing web-based trainings for all staff. • Board Development – Patrick Culhane, Suntrust and Guy Klenke, Investor have expressed interest in serving on the Board. They both fulfill the private sector requirement per By-Law requirement. 	
Finance Report	<p>Greg Thomas reports :</p> <ul style="list-style-type: none"> • Due to parent fees (roughly \$190,00/month) and provider incentives there is no longer a surplus of \$600,000 • May need to allocate additional funds from the state which shouldn't be a problem • May be able to extend budget • 401K 3% per staff across the board equals about \$45,000 which was part of original budget • Audit deadline has been extended until September 30, 990 deadline has also been extended 	No Action

May 19, 2020 ELC/Finance Committee Meeting Minutes Approved at June 23, 2020 Board of Directors Meeting:

Respectfully Submitted,

Approved

Signature

Date

Signature

Date

Executive Coordinator

Executive Director

Early Learning Coalition of Brevard County, Inc.

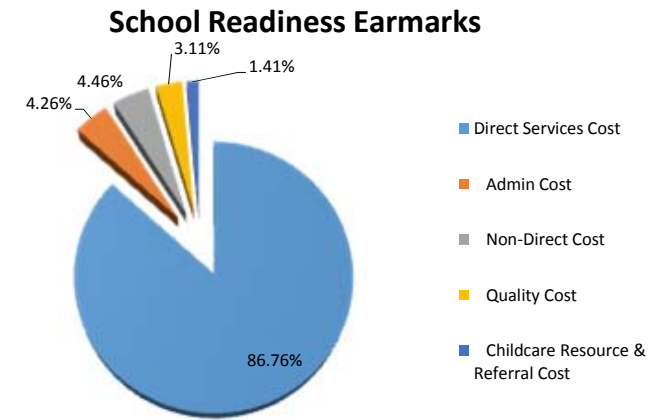
Budget to Actual - Q4

7/1/19 - 5/31/20

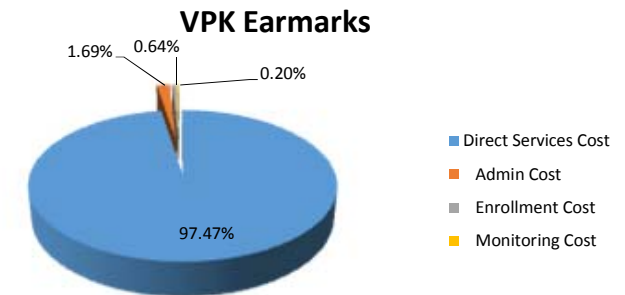
Column1	Current Period Actual	Current Period Budget	Yearly Budget	Qtr %	Yr %	Budget Balance	Current Surplus (Deficit)	Estimated Surplus (Deficit)	Notes (+ or - 10% of budget)
				92%					
Personnel Expenses									
Salaries	1,639,607	1,998,850	2,180,564	82%	75%	540,957	359,244	359,244	Open positions budgeted not hired
Payroll Taxes	129,416	173,245	188,995	75%	68%	59,579	43,829	43,829	
Workers' Comp Insurance	8,608	12,012	13,104	72%	66%	4,496	3,404	3,404	
Fringe Benefits	305,882	449,884	490,782	68%	62%	184,900	144,001	144,001	
Total Personnel Expenses	2,083,513	2,633,991	2,873,445	79%	73%	789,932	550,478	550,478	
Other Expenses									
Audit	18,282	21,083	23,000		79%	4,718	2,801	2,801	Audit beginning 12/16/19
Bank Fees	448	458	500	98%	90%	52	52	52	
Computing/Networking	104,126	101,878	111,140	102%	94%	7,014	(2,248)	(2,248)	Melbourne Move - Purchase of phones not yet reflected
IT Equipment	5,439	18,333	20,000	30%	27%	14,561	12,895	12,895	
Dues & Subscriptions	10,410	19,433	21,200	54%	49%	10,790	9,023	9,023	
Employment Costs	5,770	6,875	7,500	84%	77%	1,730	1,105	1,105	
Equipment Leases	8,982	15,125	16,500	59%	54%	7,518	6,143	6,143	
Furniture & Fixtures	40,447	41,250	45,000	98%	90%	4,553	4,553	4,553	Budget for new office ** - One-time Item
Insurance	18,381	19,250	21,000	95%	88%	2,619	869	869	
Legal Services	37,196	41,250	45,000	90%	83%	7,804	-	-	
Maint & Repair	28,225	42,900	46,800	66%	60%	18,575	14,675	14,675	
Office Expense	18,087	16,958	18,500	107%	98%	413	(1,129)	(1,129)	
Postage	3,205	4,583	5,000	70%	64%	1,795	1,378	1,378	
Printing	8,270	8,250	9,000	100%	92%	730	(20)	(20)	New Copier Lease
Public Education	24,494	49,757	54,280	49%	45%	29,786	25,263	25,263	
Rent	279,332	315,177	343,829	89%	81%	64,497	35,845	35,845	Updated monthly rent costs for Melbourne along with Rockledge and Titusville for first 6 months
Telephone	11,303	11,458	12,500	99%	90%	1,197	155	155	
Training/Conf/Meetings	4,999	27,500	30,000	18%	17%	25,001	22,501	22,501	
Travel	16,046	27,500	30,000	58%	53%	13,954	11,454	11,454	
Utilities	12,921	18,333	20,000	70%	65%	7,079	5,413	5,413	
TA Supplies/Quality Materials	27,455	45,833	50,000	60%	55%	22,545	18,378	18,378	
Contractors	14,631	27,500	30,000	53%	49%	15,369	12,869	12,869	
Unallocated	-	-	-	0%	0%	-	-	-	
Total Other Expenses	698,449	880,687	930,749	79%	75%	246,931	169,106	169,106	
	2,781,962	3,514,678	3,804,194	79%	73%	1,022,232	719,584	719,584	

** Current Budget is straight-line projection

School Readiness					
Category of Spending	FY 19-20 Award	Actual thru 05/31/20	YTD Utilization 91.67% Year Elapsed	Current % of Utilized	Earmark/ Restrictions
Award Amount	\$ 23,195,977				
Direct Services Cost	\$ 18,592,515	\$ 17,687,828	95.13%	86.76%	Minimum 78%
Non-Slot Dollars:					
Admin Cost	\$ 873,742	\$ 869,303	99.49%	4.26%	Maximum 5%
Non-Direct Cost	1,508,178	909,222	60.29%	4.46%	
Quality Cost	745,054	634,731	85.19%	3.11%	Minimum 4%
Childcare Resource & Referral Cost	396,950	286,840	72.26%	1.41%	
Total Non-Slot Dollars	\$ 3,523,924	\$ 2,700,096	76.62%	13.24%	Maximum 22%
SR Program Assessment	\$ 118,401	\$ 35,759	30.20%		



VPK					
Category of Spending	FY 19-20 Award	Actual thru 05/31/20	YTD Utilization 91.67% Year Elapsed	Current % of Utilized	Earmark/ Restrictions
Award Amount	\$ 11,465,216				
Direct Services Cost	\$ 11,024,246	\$ 11,006,496	99.84%	97.47%	Minimum 96%
Non-Slot Dollars:					
Admin Cost	\$ 229,019	\$ 191,320	83.54%	1.69%	
Enrollment Cost	151,580	72,275	47.68%	0.64%	Maximum 4%
Monitoring Cost	54,490	22,223	40.78%	0.20%	
Total Non-Slot Dollars	\$ 435,089	\$ 285,818	65.69%	2.53%	



Finance Committee Briefing

June 19, 2020

2018 – 2019 School Readiness Reconciliation

As of June 2020, EFS Mod Data Fix Phase 2 has been completed. This resulted in significant adjustments made to attendance records for the 18-19 year, and has had the result of reducing the 18-19 unreconciled balance of ELC Brevard by 33% - roughly \$200,000. While this is great news, staff is currently undertaking the task of reviewing each provider's record for 18-19 to determine exact difference amounts between estimated payments and what payments should have been processed. This should be completed soon, with the hope to complete a detailed breakdown of payment discrepancies by the end of July.

2019 – 2020 End of Year Projection

As of June 2020, additional allocations have been provided to all coalitions as of 6/1/20 and 6/13/20 with more allocations expected in late June. With these funds being allocated to Coalitions with only a few weeks left in the fiscal year, there is a possibility of returning funds to the state if the full allocation is not spent. As of May, VPK expenditures are at 98.49% of total allocation. SR expenditures are at 87.89% of total allocation through 91.67% of the fiscal year with parent fees for the month of June and provider registration fees still to be invoiced. Additional allocations will be included into final numbers upon release of those respective NOAs.

2020 – 2021 Notice of Award/Budget

ELC Brevard has yet to receive a notice of award for 2020-2021 fiscal year due to the State budget awaiting signature. A provisional budget has been prepared based on current year notice of award and expenditures for board approval, but will need to be modified upon receipt of actual allocation funding details and updated Notice of Award from OEL.

2019 – 2020 Audit/990/Management Letter

As of June 2020, the Coalition's Federal Single Audit is wrapping up. In mid-June, the audit firm requested additional documentation regarding child eligibility and fraud case files, which have been provided. The audit firm hopes to wrap up sample review activity by June 30. The extension of the Coalition's audit filing deadline runs through September 30, so there is ample time to complete.



Anti-Fraud Plan

The Early Learning Coalition of Brevard (ELC) has adopted an anti-fraud plan with that emphasis on the attempt to recover State, Federal and Local Matching Funds which were paid as an intentional act of deception, omission or misrepresentation in accordance with Florida Statutes 1002.91 and Rule 6M-9.400. The adopted anti-fraud plan has a three tiered offense approach (Chart I):

- Submitting fraudulent information during initial application
- Graduated phase out non-intentional acts
- Intentional acts of fraud

All ELC employees are responsible in reporting suspected fraud by any person, provider or coalition member (staff, volunteer, board member etc.) (Exhibit I). The Primary Anti-Fraud Contact is Dennise Milan, Director of Program Initiatives, 321-637-1800 x 2509 per Rule 6M-9.400 (3) (a). When ELC employees become aware of instances of actual, potential or suspected fraud and abuse by a recipient of School Readiness (SR) or Voluntary Prekindergarten (VPK) Education Program benefits, they are mandated to investigate the act in accordance with the Suspected Fraud Programs procedure (Exhibit II). In addition, repayment agreements, if necessary, will be made in accordance with the Suspected Fraud and Repayment Agreement Reporting procedure and Improper Payments policy (Exhibit III & Exhibit IV). Furthermore, staff follow procedures to ensure verification of child care referrals from other organizations and services must be provided and not terminated under a valid referral regardless of prior or suspected fraudulent activities.

The ELC does not have a fraud hotline; however public assistance fraud flyers are posted in meeting spaces, anonymous telephone calls are accepted and researched.

Designated ELC employees are trained at a minimum annually in client fraud prevention practices to recognize “red flags” such as questionable documentation, inconsistent paperwork or statements, quality interviewing, and how to detect possible fraudulent acts as related to FS 1002.91 (8)(b)(d). The Coalition uses the following tools and resources in detecting, preventing fraud, abuse and overpayment:

- Data quality reports generated from the Office of Early Learning
- Referral verification from partnering organizations (Exhibit VI)
- Office of Early Learning Fraud Overview
- Locally developed flyers posted throughout the organization
- Developing and supporting relationships with partners and other local organizations (DCF, CareerSource, Brevard Cares, Clerk of Courts, etc.)
- Internal File reviews
- Post Attendance Monitoring and Payment Validation Reviews.

Furthermore, the Coalition completes an annual self-assessment using OEL’s Internal Control

Questionnaire. Policies and procedures are also reviewed on an annual basis to ensure compliance with statute, rule and other guidance.

The following list represents “red flag” items but is not inclusive to other fraudulent acts or identifiers:

- Numerous documentation errors
- Conflicting information and documents
- Missing information on documents
- Pay stubs with markups or white out
- Employers paystubs that are commonly produced and appear different or altered
- Only photo copies available with no originals
- Inconsistency in submitted documents from each interview
- False employment verification or fictitious employers
- Misrepresentation of household size or income
- Illegible, forged, inconsistent, or varying signatures
- Inconsistent statements and vague responses
- Denying access to information
- Attendance irregularities and/or inconsistent attendance information
- Giving false statements
- Producing false documents

If a recipient of SR or VPK benefits is found to be in violation of program guidelines they are informed of their termination of benefits via a Notice to Discontinue Services Form completed by the ELC Staff (Exhibit VII). On the reverse side of that form is the Right to Appeal which includes a statement of with includes instructions of how the recipient may obtain a copy of their file for review. The form will be translated into the recipient’s native language if prior Coalition communications were translated. A copy of the Confidential Information Record Request Form and corresponding External Records Requests is provided to the recipient (Exhibit VIII & Exhibit IX).

If the recipient or applicant is able to provide necessary documentation to resolve the issue within the designated time period, services will be reinstated. If unable to provide the necessary documentation to overturn decision, the applicant will need to reapply to the waitlist.

If the recipient is unable to resolve the issue through the preliminary appeal process and believes the conclusion of fraud was made in error, then he or she may file a formal written appeal for review by the executive director (ED) or the Coalition board of directors designated executive staff person (ESP).

A summary of the formal written appeal process is listed below:

Written Appeals Summary (Exhibit XI)

1. A written appeal must be submitted to the ED or ESP. The appeal must fully describe the nature of the error the recipient believes has been made with supporting documentation.

2. The appeal shall be postmarked, faxed, emailed or hand delivered before the date of the discontinuation/suspension of services. Failure to file a timely appeal waives the right of appeal.
3. If a timely appeal is filed, the recipient will not be suspended or terminated from the program until the written decision of the ED or ESP or the original date of the discontinuation/suspension of services, whichever is later.
4. The ED or ESP must respond to the recipient in writing within thirty (30) days of receiving the appeal with a decision as to whether the suspension or termination will be upheld or modified.
5. The recipient who wishes to appeal the decision of the ED or ESP may request further review by an appeals committee in accordance with subsection (e) of 6M-9.400. The request must be submitted to the Coalition in writing within ten (10) calendar days of the date of the ED/ESP written response.
6. Steps for review by the appeals committee are listed below:
 - a. The recipient is given the opportunity to present their position during a scheduled appeals committee meeting. The recipient will be notified of the scheduled date and informed this is a public meeting and any information presented may be used by other state agencies.
 - b. The appeals committee is selected by the Chairman of the Board and a chair named.
 - c. The appeals committee will meet within forty-five (45) calendar days of receipt of the recipient's appeal.
 - d. The recipient has up to thirty (30) minutes to present their appeal and any information they wish the committee to consider.
 - e. Coalition staff excluding the ED or ESP (whichever made the initial decision) shall be available to provide any information requested by the committee.
 - f. The appeals committee will consider all statements, review all documents and may request additional evidence or information if necessary, to make a decision. The final determination letter will be suspended for the length of time given to provide the additional information.
 - a. The appeals committee shall select or appoint a member of the coalition., excluding the ED or ES (whichever made the initial decision) to memorialize the events of the appeals committee proceeding and the final determination including the basis for the decision.
 - b. The appellant shall be notified in writing of the appeals committee's determination within ten (10) days of the date of the meeting.
 - c. The appeals committee determination shall be final.
 - d. The due process procedures for providers will be provided for in the contract between the coalition and the provider, pursuant to Rule 6M-4.610, F.A.C.

Act of Abuse of Overpayment (Chart I)

Program Violations	Penalty
Submitting fraudulent information during initial application process	Client did not receive services. Client may reapply to waitlist when eligible.
During graduated phase-out a non-intentional act which affected the copayment the client is responsible to pay. Examples may include but are not limited to: non-reporting of survivor benefits, child support, second job, salary increase, etc.	If greater than \$700, client remains in services with an overpayment agreement implemented. <i>Send Repayment Request letter allowing 14 additional days of services to complete. If no response from client in 14 days, send 14 day notice to discontinue services</i>
Intentional act which resulted in an overpayment that affected the eligibility OR submitted fraudulent/altered documents during reauthorization or eligibility segment that may not have caused an overpayment to case. Examples may include but are not limited to: Not meeting POC for more than 3 months, Over income (85% SMI), Questionable Household composition, etc.	Client is terminated, overpayment agreement implemented, and submitted to OEL Fraud Referral System. Reapplying to the waitlist is subject overpayment status. Must pay back prior to placing on waiting list. <\$700: <i>Eligibility Terminated, May reapply on WL.</i> >\$700 <\$2,000: <i>Eligibility Terminated, OP agreement implemented, After paid in full can reapply to WL.</i> >\$2,000 <i>Eligibility Terminated, Refer to DPAF, cannot apply on WL until response from DPAF</i>

At-risk referral recipients shall not be suspended or terminated if a valid referral is in place.

The Coalition Administrator for the OEL Fraud Referral system will submit an electronic report monthly reporting the parents and providers terminated from services as a result of fraud, per Rule 6M-9.400 (3)(b) and ELCB-FS-0001-12 and ELCB-FM-0002-09.

The Coalition Administrator is Greg Thomas , Director of Finance, 321-637-1800 x 8542 per rule 6M-9.400 (3)(c).

Addendum #1 to 2019-20 Grant Agreement between Office of Early Learning and Early Learning Coalitions

Information for Early Learning Coalition Board Briefing

Action Requested: Authorize the Executive Director to execute an addendum to the 2019-20 Grant Agreement to address the 2018-19 reconciliation of School Readiness provider payments and attendance during the implementation of the modification to the Single Statewide Information System's Coalitions Service Portal (referred to as EFS Mod).

Background: The Office of Early Learning is working with each coalition to complete its reconciliation of 2018-19 payments to School Readiness (SR) providers. Multiple steps are required to finalize the data in EFS Mod and correct both under- and overpayments to some SR providers. The Addendum to the 2019-20 Grant Agreement lists the required steps and documents a date certain by which the EFS mod data will be corrected.

The addendum creates new timelines and activities that will allow coalitions and OEL to complete and document tasks necessary to finalize reconciliation. These activities include data correction, which is contingent upon the successful deployment by OEL of the "data fixes" necessary for attendance and payment reconciliation for 2018-19.

OEL staff has provided guidance on these activities and will be available to assist in completing the tasks that will lead to a completion of all 2018-19 reconciliation tasks.

ADDENDUM #1 TO 2019-20 GRANT AGREEMENT
BETWEEN THE OFFICE OF EARLY LEARNING AND THE
EARLY LEARNING COALITION OF BREVARD

WHEREAS, the Florida Department of Education, Office of Early Learning, hereinafter referred to as the “Office” or “OEL”, and the Early Learning Coalition of Brevard, hereinafter referred to as the “ELC” (each individually a “Party” and collectively the “Parties”), entered into a grant agreement (hereinafter referred to as “Agreement”) for the 2019-2020 fiscal year for the Coalition to administer and implement a local comprehensive program of School Readiness (SR) and Voluntary Prekindergarten (VPK) Program; and

WHEREAS, the parties utilize a Single Statewide Information System’s Coalition Services Portal to process provider accounts, attendance reporting and payments in the manner directed by Office and for the reconciliation of local SR Program data; and

WHEREAS, Agreement Exhibit 1, Section JJ of the Agreement states “Agreement provision modifications shall only be valid when they are in writing and all parties have duly signed and dated them;” and

WHEREAS, Chapter 2019-115, Line 86 Laws of Florida provides funds for the ELC to administer local SR Programs; and

WHEREAS, the Parties wish to amend the Agreement to incorporate this Addendum as set forth herein;

NOW THEREFORE, the parties agree to the following:

- The ELC acknowledges receipt of the following documents from OEL and understands these disclosures should be used in the entity’s year-end closeout and reconciliation tasks.
 - 2018-19 Revenue Confirmation for SR, Child Care Executive Partnership, Voluntary Prekindergarten, Outreach/Awareness and Monitoring Initiative and Performance Funding Program activities.
 - 2018-19 Supplemental Data Form including the ELC’s self-reported FY2018-19 results for the temporary SR/VPK OCA codes SRRCN and/or VPRCN.
- The ELC has identified and will pay all SR Provider underpayments for FY2018-19 by June 30, 2020.
- The ELC ~~has completed or~~ will complete provider reconciliation and provide notice to OEL by July 31, 2020. The reconciliation process shall be verified by:
 - X 100-percent of provider payments and records: or
 - ___ A sample of provider payments, as approved by OEL, equating to ___-percent of the ELCs total number of SR providers.
- The ELC will continue to conduct its routine quality assurance activities related to:
 - Eligibility validation
 - Child Attendance Records validation
 - Child Care Providers Payment validation
- The ELC agrees to use the Cherwell Overpayment Tracking Tool for reporting overpayment data.
- Given that record corrections are not able to be made by June 30, 2020, acceptable equivalent documentation may be used for payment reconciliation and for use by auditors for testing.

Except as expressly provided herein, all other terms and conditions not affected by this Addendum shall remain in full force and effect. If there is conflict between this Addendum and the grant agreement, the terms of this Addendum shall control.

IN WITNESS HEREOF, by signature below, both Parties agree to abide by the terms, conditions, and provisions of the original Agreement document and this Addendum that is hereby effective on the date the last party signs this Addendum.

Office of Early Learning	ELC of Brevard
SIGNED:	SIGNED:
NAME OF AUTHORIZED REPRESENTATIVE	NAME OF AUTHORIZED REPRESENTATIVE
TITLE OF AUTHORIZED REPRESENTATIVE Executive Director	TITLE OF AUTHORIZED REPRESENTATIVE
DATE:	DATE:
Approved as to form and legal sufficiency, subject only to full and proper execution by the parties.	
SIGNED:	
Printed Name: Maggi O’Sullivan Parker	
Title: General Counsel	
Date:	

Addendum #2 to 2019-20 Grant Agreement between Office of Early Learning (OEL) and Early Learning Coalitions

Information for Early Learning Coalition Board Briefing

Action Requested: Authorize the Executive Director to execute an addendum to the 2019-20 Grant Agreement to include OEL's modified special testing instructions to the Early Learning Coalition's (ELC) independent federal/state Single Audit firm during the implementation of the modification to the Single Statewide Information System's Coalitions Service Portal (referred to as EFS Mod).

Background: The absence of EFS Mod system functionality for FY2018-19 prevented Early Learning Coalitions (ELCs) from complying with monthly reconciliation requirements as instructed in OEL's grant agreements. As a result, FY2018-19 federal/state Single Audits for most ELCs included audit findings for reconciliation deficiencies of School Readiness (SR) provider payments and attendance records.

For FY2019-20, the Office of Early Learning (OEL) is working to improve and sustain EFS Mod stability and data accuracy for SR provider payments. However, OEL management determined modified grant agreement language should be prepared to help minimize future ELC audit findings for system-wide EFS Mod-related issues considered to be state agency-level errors beyond the control of the ELCs. This Addendum to the 2019-20 Grant Agreement provides the modified grant agreement language needed.

The addendum documents OEL's ability to issue supplemental written special testing instructions (if needed) to all ELC independent federal/state Single Audit firms for audit procedures performed on each Coalition's monthly reconciliation of financial records to EFS Mod. OEL's supplemental instructions will allow independent auditors to accept alternative/equivalent ELC support files – separate from the EFS Mod system - to adequately document an ELC's monthly reconciliation processes. OEL can authorize the use of alternative ELC documentation if FY2019-20 EFS Mod-related system functionality errors occur.

OEL staff is available to assist ELC fiscal staff and contracted federal/state Single Auditors with questions on how to implement these additional special testing instructions, if authorized by OEL.

ADDENDUM #2 TO 2019-20 GRANT AGREEMENT
BETWEEN THE OFFICE OF EARLY LEARNING AND THE
EARLY LEARNING COALITION OF BREVARD

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WHEREAS, the parties utilize a Single Statewide Information System’s Coalition Services Portal to process provider accounts, attendance reporting and payments in the manner directed by Office and for the reconciliation of local SR Program data; and

WHEREAS, Agreement Exhibit 1, Section JJ of the Agreement states “Agreement provision modifications shall only be valid when they are in writing and all parties have duly signed and dated them;” and

WHEREAS, Chapter 2019-115, Line 86 Laws of Florida provides funds for the ELC to administer local SR Programs; and

WHEREAS, the Parties wish to amend the Agreement to incorporate this Addendum as set forth herein;

NOW THEREFORE, the parties agree to the following:

- Temporary modification of terms from Agreement Exhibit III, Audit Requirements, Section 3.1, Special Audit Testing Requirements as follows.

3. Special Audit Testing Requirements

3.1. It is essential the audit firm test the Coalition's monthly reconciliation of its financial records to the SSIS. As an alternative, and upon written authorization ~~issuance of written instructions~~ from OEL, the auditors may ~~will~~ test acceptable equivalent alternative supporting documentation files of the ELC, if temporary transitioning SSIS system functionality issues occur. To report on the audit tests performed, the The auditor must include a statement in the Schedule of Findings and Questioned Costs confirming the following: (a) that the Coalition staff performs this reconciliation monthly; (b) that the Coalition has processes in place to identify and correct errors noted during the monthly reconciliation process; and (c) the Coalition's financial records and the SSIS records (or acceptable equivalent documentation files tested/audited upon issuance of written authorization ~~instructions~~ from OEL) were reconciled and in agreement as of the annual program year end (June 30th). Finally, a statement must be included to indicate the auditor's work papers include documentation to verify tests of these tasks were performed and such work papers are available for review by OEL staff upon request.

Except as expressly provided herein, all other terms and conditions not affected by this Addendum shall remain in full force and effect. If there is conflict between this Addendum and the grant agreement, the terms of this Addendum shall control.

IN WITNESS HEREOF, by signature below, both Parties agree to abide by the terms, conditions, and provisions of the original Agreement document and this Addendum that is hereby effective on the date the last party signs this Addendum.

Office of Early Learning	ELC of Brevard
SIGNED:	SIGNED:
NAME OF AUTHORIZED REPRESENTATIVE	NAME OF AUTHORIZED REPRESENTATIVE
TITLE OF AUTHORIZED REPRESENTATIVE Executive Director	TITLE OF AUTHORIZED REPRESENTATIVE
DATE:	DATE:

Approved as to form and legal sufficiency, subject only to full and proper execution by the parties.	
SIGNED:	
Printed Name: Maggi O'Sullivan Parker	
Title: General Counsel	
Date:	

DRAFT

