

**Northwest TN Workforce Board, Inc.**  
**Board of Directors Meeting**  
**Tuesday, December 18, 2018 – 11:00 am**

**Members Present:** Ted Piazza, Jimmy Williamson, Mayor Gary Reasons, and Jennifer Starks.

**Staff Members Present:** Jennifer Bane, Margaret Prater, Lana Burchfiel, Gina Johnson, Laura Speer, and LeAnn Lundberg.

**Welcome and Call to Order:** Jimmy Williamson, President, called the meeting to order.

**Review and Approval of May 15, 2018 and August 22, 2018 Minutes:**

- **MOTION to approve the May 15, 2018 and August 22, 2018 Electronic Meeting Minutes. Ted moved. Jimmy seconded. Motion carried.**

**Audit Update:** Jennifer Bane had sent out the financial statement prepared by the auditors. The auditors were great to work with and everything went well, but there were two findings. First, regarding general accounting, they found that we recognized 12 months of grant expenses, but only recognized eleven months of grant revenue. This is because invoices for grant reimbursements for the previous month are recorded when the claim is submitted to the State in the subsequent month instead of accrued in the month the grant expenses were incurred. In other words, we invoice department of labor, and we enter in QuickBooks on that date. They recommended that when we submit that claim, we enter a journal entry for the prior month so that the revenue will show up in that month and do a journal entry in the next month to reverse the original entry in order not to duplicate the revenue. The auditors officially recommended to do the journal entries monthly, but for practical purposes recognized that at least once at the end of the fiscal year would suffice. Jimmy agreed that making the entries yearly would be best. The second finding was for cash deposits not being flagged as public deposits. The bank made the change and our accounts were flagged as public funds as of November 2018. They auditors worked with us well and made the process easy. Jimmy stated the report showed an outstanding job especially in light of the recent restructuring, etc.

**Local and Regional Planning Update:** Jennifer gave a brief review of the Local and Regional Plan Modifications, focusing on what differed from the previous plans approved Spring 2017. Most information from the new plans came from the previous ones. The Local Plan is much more detailed than the last local plan. Fortunately most of the questions were already answered in either our current MOU, the certification of the AJCs, or the last local or most recent regional plans. New additions include information regarding what services we provide to youth—and how we will respond to the to OSY waiver, of which we haven't heard anything back yet from state. Also new were questions asking how we plan to meet the MPCR and how we plan to use the transfer of funds between adult and dislocated worker program. We put in what the law allows, a 100% transfer, which we will use for anything else our plan allows with our existing programs.

Additionally, they required us to choose a project working with participants with disabilities, SNAP, or corrections. Because we had already started working with the jails, we decided to go with this partnership that Margaret has written. Regionally, Jackson and Memphis also agreed with the offender project, and we will partner with parole for those have been released. Finally, the local plan now includes more detail regarding the one stop-operator relationships with referrals and partners. We shared our draft of local plan with Jackson and Memphis and currently working on the regional plan, which is due Jan 18<sup>th</sup>, and must be posted by Jan 3<sup>rd</sup> to meet the minimum 15 days for public comment. We are also required to have a public listening session, which will be held Jan 14<sup>th</sup> from 5-6 in Martin. The Regional Planning Council will meet to go over Regional plan on January 15<sup>th</sup>. We will send out emails as we get closer to let everyone know it has been posted for public comment. Any comments received will be added before it is sent to the state. State staff will notify us of any deficiencies before presentations are made as a region to the state workforce board in February. We should have official notice as to whether or not plans have been approved in May.

**Review and Approval of Financial Management Manual Changes:** Most changes were technical changes, such as updating LWDA 12 to Northwest Area, staff changes, COO to Director of Finance, etc. The segregation of duties chart was updated. Theresa's duties updated to being responsible for staff payroll and benefits. The auditors' recommendations to address the two findings were also added. The procurement policy is required to be submitted with the local plan.

- **MOTION to approve Financial Management Manual Changes made by Ted. Jennifer Starks seconded. Motion Carried.**

**Other:** Gina provided an update on the inquires for the Line of Credit. Security Bank called Lines of Credit Demand Deposit Loans (DDL). We can request any amount that we want to get pre-approved for and the bank will approve or deny. It should be an amount we can afford. The DDL will be associated with our checking account. One DDL per checking account is allowed. If checking account withdraws more than our balance, the exact amount will be pulled from the DDL & deposited in the checking account. Fees are \$1 per daily transfer and 15.96% interest accrued daily on the balance owed. If seven checks go through in one day, there will only be one transfer from DDL to checking account so there would only be a \$1 fee. We can pay off balance as often as needed. Documentation needed to open a DDL include our Financial statements and Collateral, depending on amount requested. Jimmy will call to try to get the interest rate down lower than 15.96%. We'll have to have a Board Approval to do this. Board will need to approve this and put in whatever form the bank requires for the application.

Jennifer Starks asked the reason for the line of credit. Last year when we split from Dyersburg State (DSCC) we had a lapse of funds. All our funding comes from the TN Department of Labor and Workforce Development (TDLWD), and all those grants had to be closed out because of the transition. They issued new grants, but not until 3 months later. We can use some unrestricted funds we have. This year with realignments, the TDLWD had other grants in place already to carry us through before they transitioned us to 9 areas. In the past delays in funding weren't a problem because DSCC had other funds to be used while waiting for reimbursement. The DDL would already need to be in place just in case we ever do need it. It would basically just be set up to cover overdrafts. The bank will set a limit on it, depending on the size of the grant. It will only be used in an emergency situation. Grants will not cover the interest costs on the line of credit. We don't want to pay a lot of interest. Margaret asked would we want to set it up where Jimmy has to approve the use of it. Jimmy said the board of directors (BOD) need to be notified when it is used. We can make it policy that if it's used, BOD notification will be made. We must ask for our money two weeks in advance from the TDLWD, so we pretty much project what we need ahead of time. Unless they do another close out and switch over, we would only ever need this if there is a glitch and the state didn't get a grant processed in a timely matter.

- **MOTION to authorize pursue line of credit made by Ted. Jennifer Starks seconded. Motion Carried.**

There being no further business, the meeting was adjourned.

Respectfully submitted,  
Lana Burchfiel  
Public Information Specialist