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<b>MEETING:</b>	<b>DESC AUDIT AND FINANCE COMMITTEE MEETING</b>	<b>DATE:</b>	January 30, 2020
<b>IN-PERSON ATTENDEES:</b>	<b>DESC Board/Committee Members:</b> Mark Redman, Ric Preuss <b>DESC Staff:</b> Terri Weems, Alessia Baker-Giles, Lynette Robinson, Nicole Sherard-Freeman, Sharon-Rene Fowler, David Jackson <b>Guests:</b>	<b>LOCATION:</b>	440 E. Congress Corporate Board Room Detroit, MI 48226
<b>VIA TELEPHONE:</b>	<b>DESC Board/Committee Members:</b> Chris Uhl, Maria Woodruff-Wright, Alice Thompson	<b>CALLED TO ORDER:</b>	10:02 a.m.
<b>ABSENT:</b>	<b>Excused:</b> Calvin Sharp, Paul Trulik <b>Unexcused:</b>	<b>ADJOURNED:</b>	10:38 a.m.
<b>FACILITATOR:</b>	Chris Uhl, DESC Treasurer, Audit and Finance Committee Chair	<u>DATE MINUTES APPROVED/ADOPTED:</u>	January 30, 2020

ITEM	DISCUSSION	OUTCOME/ACTION ITEM(S)
I. Welcome, Roll Call and Introductions	<p>Chris Uhl, DESC Treasurer, Audit and Finance Committee Chair, called the meeting to order at 10:02 a.m., January 30, 2020.</p> <p>Chris Uhl called for a Motion to approve the Meeting's Draft Agenda:  <b>Motioned:</b> Ric Preuss  <b>Seconded:</b> Mark Redman  <b>Motion Carried-Passed/Approved Unanimously</b></p> <p>Chris Uhl, called for a Motion to approve, December 02, 2019, Draft Meeting Minutes:  <b>Motioned:</b> Mark Redman  <b>Seconded:</b> Ric Preuss  <b>Motion Carried-Passed/Approved Unanimously</b></p>	
II. Old Business	None	
III. Finance Report	<p>Terri Weems, Interim President &amp; CEO, DESC reported on:</p> <p><b>2020/2021 BUDGET PREPARATION</b></p> <ul style="list-style-type: none"> <li>It is required by the Board to approve the budget by June 30.</li> </ul>	



### **TIMELINE FOR BUDGET PREPARATIONS AND APPROVAL**

- The budget process starts in January
- Drafts of assumption In April
- Mayor's Workforce Development Board to weigh in on allocations, across training, supportive services and case management
- Audit and Finance Committee May/June
- Approve budget by June 30

### **FY20 BUDGETS TO ACTUALS**

- Budgeted revenue was \$64M - \$65M, we are about halfway through the year and halfway through the spend.
- Wages and subcontractor projections on target
- Training is light; spending is below the halfway point for the current year.
- Included in budget with about \$3M - \$4M of revenue still yet to fundraise for, this is a timing issue, will happen in the back half of the year.
- \$3 - \$4M of our training budget is meant to be spent on FCA, the majority of these funds will be spent in the back half of the year.
- We spent a reasonable amount on Math and Mechanical reasoning, tutoring, and training. Most of the training will happen at the back end of the year, where we will focus more on job readiness.
- There are other areas where we are spending more than projected, Technology, Supplies, and Professional Services. Spending is due in part to the fiduciary work, Census 2020, which was not included in the original FY 20 budget.

### **TECHNOLOGY**

- Launchpad went live July 1, 2019
  - Provide better data and automatically collect sift through and analyze information on our participants
  - Identify segments of the population
  - Schedules training with no scheduling conflicts and communicate with participants
  - The system focuses on the data and the participants
- DESC's next evolution of technology is to integrate our problematic financial data with Launchpad.
- DESC is working on our training providers to invoice us directly through the Launchpad system and our suppliers to invoice us through this web-based system, which should reduce the potential for fraud.

- IT is working on a solution better to manage the Contracting, RFP, and Grant process. Proxies are in place, but we're always looking to improve.
  - DESC's budget lines or assumptions in April, around Technology, grant management, contracts, procurement and linking our financial data with our participant data
  - Process Improvements will be facilitated by internal staff who have a background in lean with the assistance of the Certified Lean staff from the Mayor's office
  - Additional Technology purchases were made related to Census 2020

**GRANT MANAGEMENT FUNCTION**

- Streamline various ways DESC receives funding into one process, which should allow us to know immediately when a grant is received or applied for, the next steps, and to which path it's coming from.
- Technology to help support Grants received from:
  - Federal Level
  - Awards through the City
  - Philanthropic Awards received
  - Awards the City applies for on behalf of DESC

**FIDUCIARY WORK**

- DESC was asked to serve as the fiscal agent or fiduciary for the Census Work 2020. This aligns with what we are doing, and our interest in making sure everyone is counted, which impacts our funding.
- DESC charges a fiduciary
- Discussion was held regarding how fiduciary fees are established
- **Policy No. 2019-009 Fiscal Sponsorship Administration Policy and Procedure** was developed with the legal team to evaluate the types of work DESC will consider:
  - Align with our objectives
  - Align with our status of 501c3
  - Adequately compensated
  - All due diligence and caution

**AUDITING SERVICES RFP**

- DESC will be issuing an RFP for Auditing Services in February 2020
- Plante Moran's contract expires in April 2020.
- Chris Uhl and Mark Redman agreed to participate on the review committee

	<p><b>RESTRUCTURING</b></p> <ul style="list-style-type: none"> <li>- DESC has grown significantly from a \$40M to a \$70M organization (45 grants to over 80)</li> <li>- Finance and HR Department– evaluated the finance department and proposed a new structure: <ul style="list-style-type: none"> <li>- Current structure - 8 FTE</li> <li>- New structure - 14 FTE and (6) six additional positions</li> <li>- Accounting positions are currently posted on the website</li> </ul> </li> </ul>	
IV. <b>New Business</b>	New hire – David Jackson, Contract Compliance Manager Sheilah Clay, Director of Training Quality & Retention Gregory Anderson, Quality Improvement Manager	
V. <b>Public Comment</b>	No public attendees present	
VI. <b>Adjournment</b>	<p><b>Chris Uhl, DESC Treasurer, Audit and Finance Committee Chair called for a motion to adjourn the meeting:</b></p> <p style="text-align: center;"><b>Motioned:</b> Nicole Sherard-Freeman <b>Seconded:</b> Alice Thompson <b>Motion Carried-Passed/Approved Unanimously</b></p>	

**DRAFT SUBMITTED BY:**

Printed Name: S. Rene Fowler

Title: Executive Administrative Assistant

Signature: *S. Rene Fowler*

Date: February 7, 2020

DATE MINUTES APPROVED/ADOPTED: April 16, 2020 Initials: SRF

**NEXT MEETING:** April 9, 2020, 10:00 a.m. – 11:30 a.m., Detroit Employment Solutions Corporation, 440 E. Congress, Suite 400, Detroit, Mi 48226  
(Later advised to reschedule next meeting to April 16, 2020)

