

FINANCIAL MONITORING REPORT

PY25

Subcontractor Name: Youth Alliance
Programs Monitored: WIOA Adult, Dislocated Worker, Youth, TANF Skill-up, Job League
Monitoring: Quarter 1: Desktop – Month end 9-30-2025
Quarter 2: Desktop – Month end 12-31-2025
Quarter 3: On-Site: February 18-19, 2026 – Period: 7-1-2025 to 12-31-2025
Quarter 4: Desktop – Month end 4-30-2026
Monitor: Jeanie Griffin, Fiscal Manager

I. Executive Summary and Scope of the Monitoring

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) Section 2 CFR 200.329, requires the monitoring of activities under Federal awards to assure compliance with applicable Federal requirements. The Workforce Innovation and Opportunity Act (WIOA) Section 184 (a)(4), also mandates the monitoring of each local area within the State to ensure compliance with OMB's Uniform Guidance.

The WDB conducted a financial monitoring of Youth Alliance's financial operations for the period July 1, 2025 through April 30, 2026 in fulfillment of the requirements of the Uniform Guidance, WIOA, and other applicable Federal and State regulations. Financial monitoring is not an audit and due to the limited scope of the monitoring, may not disclose all systems' weaknesses. The results presented in this report are based on the areas reviewed by WDB staff. The United States Department of Labor, the Missouri State Auditor's Office or any other applicable federal or state body may conduct reviews and have different conclusions, opinions, and/or results.

The purpose of the monitoring review is to obtain reasonable assurance that the subrecipient is in compliance with statutes, regulations, and terms and conditions of the sub-award. Reasonable assurance is the level of confidence or comfort based on professional judgment obtained through interviews, understanding the operations, and testing performed to assess the performance of the subrecipient. The results presented in this report are based on the areas reviewed by the WDB.

The scope of the financial monitoring utilized guidelines established in Uniform Guidance, 2 CFR 200.300 – 200.303 Standards for Financial Management Systems, 2 CFR 200.305(b) (8) Interest Earned on Advances, 2 CFR 200.307 Program Income, 2 CFR 200.313 Equipment, and 2 CFR 200.317-324 Procurement, WIOA, OWD, and the U.S. Department of Labor Employment and Training Administration (ETA).

The financial content areas and processes monitored include the following, as applicable:

Desktop in conjunction with monthly billing reimbursement

- Budget/Expenditure Levels; Agency-to-Participant Cost Ratio
- Cash Receipts
- Time Allocation
- ALL Participant Payments for the reporting period

On-site review items listed above as well as:

- Financial Management/Reporting Systems
- Review of all Financial Policies and Procedures, Accounting system, Separation of duties, personnel policies, organizational chart, completion of the fiscal functions and internal control questionnaire,
- Insurance Coverages/Bonding
- Accrued Leave
- Review of all staff wages and agency operational expenses for the reporting period
- Bank Statement and Reconciliation tracking
- Excess Cash Reporting

- Program Income/Stand-In Costs/Leveraged Resources Review
- Interest Earned on Advances; pledged security agreement
- Procurement
- Inventory
- Salary/Bonus Limitations
- E-Verify
- Participant Service Levels/Mojobs reconciliation
- ICR Compliance
- Audit Resolution
- Prior Year/Quarter Monitoring

II. Results of Financial Monitoring Review

The WDB rates issues discovered during financial monitoring review at two levels of severity: compliance findings and areas of concern, as defined below. In addition, opportunities have been identified and are also included below.

Compliance Findings - Compliance findings (findings) are items that disclose areas of significant non-compliance with WIOA, federal regulations, workforce development issuances or guidance, and material weaknesses in internal controls. Findings require written corrective action plans by either accepting the WDB's recommendation or proposing and receiving approval for an alternate course of action. Regulatory compliance monitors will provide citations from WIOA, federal regulations, or OWD issuances and procedures to identify specific areas of non-compliance and will explain the corrective measures necessary for resolution.

- The results of our monitoring disclose 2 Compliance Findings.

Finding – 1: Financial Management - See 2 CFR 200.302 (2-4)

Billings submitted to the WDB continue to be a concern. This is a repeat finding from last year's monitoring. During our on-site monitoring in February, the Director of Accounting and HR had submitted notice of resignation as well as the part-time accountant. In addition, it was learned that they Administrative Assistant had submitted her resignation two weeks earlier. Since that time, billings to the WDB has been difficult taking up to 3 months to process reimbursement due to the lack of correct documentation.

Billings regularly are missing adequate support documentation, have included several coding errors, have included duplicate payments to participants and/or vendors, have included payments processed for the incorrect amount, or included unallowable charges to the program. This has resulted in 8 disallowed costs for this program year to date. These disallowed costs have been resolved either by repayment to the WIOA program from unrestricted funds or deductions from a subsequent payment owed. In addition, reimbursements made to participants are not being processed in a timely manner (ravel for Feb paid in April). Payments reviewed indicate the delay is not with the customer but rather with the program and financial staff with approving and processing delays. This is a repeat issue as well.

Corrective Action: Please provide a written response as to what measures YA will take to ensure billings submitted to the WDB are on time, accurate, contain proper and correct support documentation, are correctly authorized and correctly allocated.

Finding 2: Financial Management – See 2 CFR 200.302:

December's bank statement shows 12 checks that are outstanding 90 – 250 days totaling \$2,227.80. Most are checks to vendors and participants, but three are to YA staff. This was a Finding in last year's report with YA updating their policy and procedures to indicate that "checks will be investigated and action taken on checks beyond 90 days". January's statement was reviewed, which showed 11 of the 12 same checks still outstanding.

Corrective Action: Please provide copies of the February bank reconciliation to show that the outstanding checks were investigated and action taken to void, reissue or report as unclaimed property. Please provide a response as to what steps will be taken to ensure staff are adhering to the policy.

Areas of Concern - Areas of concern (concerns) are items that may or may not be compliance-based but may impede effectiveness and efficiency of providing services to individual and business customers. Concerns are suggestions to management and do not generally require a response unless specifically indicated. Resolved findings and accompanying corrective actions may be included in this category. Concerns, although resolved, may rise to a level of severity that is subject to follow-up during subsequent review. Regulatory compliance monitors may offer suggestions or guidance to assist the entity in making improvements or may make a referral for further technical assistance.

- The results of our monitoring disclosed 5 areas of concern.

Area of Concern – 1: Financial Reporting – Dislocated Worker, Job League, Skill-Up

Expenditures for the Dislocated Worker, SkillUp and Job League programs are low. As of 4/30/2026, Dislocated Worker is reporting a 62% expenditure rate with SkillUp reporting 68% and 22% for Job League. In order to be on target to meet the expenditure requirements for DW by 6/30/2026 YA needs to be at 67%. For Job League and SkillUp, May 31st is the final reporting period for those funds and needs to be at 91%. While YA was able to fill the 2 Job League slots contracted to them, those youth were not enrolled until April, making it difficult to the youth to fill their contracted hours.

Corrective Action: YA has requested a transfer of dislocated worker funds to adult to help with the low expenditures for this program. While the Job League and Skillup program funds will end 5/31/2026, YA needs to make every effort to utilize these funds in the period that remains.

Area of Concern – 2: Accrual Reporting:

YA staff have failed to comply with the WDB's newly implemented ITA Accrual Reporting policy. For the period ending 4/30/2026, 26 individual's ITA obligation was not paid or accrued by the month end reporting period following the add/drop date. Training was provided by the WDB to both financial and programmatic staff prior to the start of this program year.

Corrective Action: Provide a response to indicate what procedures will be used to address this concern.

Area of Concern -3: – Performance Reporting/Contract Requirements

Service levels for the adult/dislocated worker program are low. As of 4/30/2026, Mojobs is reporting only 78 new enrollments reflecting a 58% service level for 83% of the program year.

Corrective Action: YA needs to monitor enrollments and make every effort to meet their enrollment goal for the year.

Area of Concern – 4: Time Allocation

Workforce staff allocate their time for the Youth program to out-of-school youth only. YA have 6 in-school youth being served out of the Chillicothe Job Center. Staff time being allocated to serve these youth as well as any additional outreach efforts to the in-school youth population needs to be allocated to the in-school youth staffing budget.

Corrective Action: Please provide a response as to why staff are not allocating their time to the youth program based on benefits received.

Area of Concern – 5: E-Verify

YA had two (2) youth and one (1) staff whose E-Verify was not done within the 3 day reporting period. This was an area of concern in last year's report. Both youth were 4 business days after their first day of work, however the one employee's E-Verify was 7 months after their 1st day of work before it was done.

Corrective Action – Please provide a response as to what steps will be taken to ensure appropriate YA staff are made aware of the E-Verify reporting requirements and ensure compliance.

Opportunities/Comments - Opportunities and/or comments are items the WDB has suggested for revision to strengthen internal controls, improve financial processing efficiencies or other processes. These pertain to effectiveness issues and do not require a written response, unless noted.

- During our monitoring, 2 comments were noted.

Comment – 1: The Director of Accounting/HR completed the Personnel Responsible for Fiscal Functions worksheet. However, upon interviewing staff there were a few areas in which staff performing fiscal functions related to WDB funded programs was not listed or identified correctly.

Comment – 2: YA hired a part-time Accountant in August, 2025 to assist the Director of HR/Accounting with payroll, accounts receivable and bank reconciliation functions that was related by blood, marriage or adoption. Upon reviewing the financial policies and procedures, job description for the PT accountant and time sheets for the month of December, documentation is missing or unclear as to the lines of authority. At the time of our on-site monitoring, both staff have submitted their notices of resignation to resolve any concerns. YA needs to be aware of the potential conflict and Nepotism violation and ensure any and all steps are taken to clearly documented the relationship. See: 25 CFR 700.535.

III. Prior Year Corrective Action Status

The final financial monitoring report issued for the year ending June 30, 2025 contained 3 compliance Findings and 3 Areas of Concern. The Findings were in the areas of 1) Financial Management – billings to the WDB, 2) inconsistent Cost Allocation and 3) Financial Management – bank reconciliations. The Areas of Concern included 1) Internal Controls, 2) Financial reporting (timeliness of bank reconciliations), and 3) E-Verify.

Follow-Up: YA provided a written response to the findings and concerns noted. An acceptance letter was issued. However, with this year's report, Financial Management and E-Verify are still areas of concern.