



A non-profit organization serving people with disabilities

September 28, 2009

Mr. Ross Weaver
Regional Program Manager
Office of Head Start, Region VIII
Federal Office Building
1961 Stout Street
Denver, CO 80294-3538

Dear Mr. Weaver,

From 04/26/2009 to 05/01/2009, the Administration for Children and Families conducted an on-site monitoring review of HIT, Inc.'s Head Start program. This letter and the attachments are in response to the area of noncompliance cited in the official report dated 7/14/1009, which must have been corrected within 120 days of the receipt of the official report.

On July 29, 2009, the HIT, Inc. Board of Director's met and reviewed the Federal Monitor Report as received by the Office of Head Start. The procurement procedure was reviewed by the Board. At the September 17, 2009 Head Start Policy Council meeting, the Federal Monitor Report was reviewed and the fiscal procedure was approved.

The Head Start program also had two areas of strength which the on-site monitoring review team identified. The HIT, Inc. Board of Directors appreciates that the Office of Head Start identified two areas of strength in the Head Start program in the areas of Human Resources and Self-Assessment.

Attached to this letter, you will find the following documents:

1. A copy HIT, Inc.'s written procurement procedures as per 74.44(a) through 74.44(a)(3)(iv) as reviewed/approved by the HIT, Inc. Board of Directors and the Head Start Policy Council as per HIT, Inc. Policies and Procedures.

2. A copy of the HIT, Inc. Board of Directors minutes indicating review of the written procurement procedures.
3. A signed copy of the Head Start Policy Council minutes indicating approval of the written procurement procedures.

Please consider this the official notification of completion of the corrective action.

Sincerely,



Stan Scott
Board Chairperson
Housing, Industry, Training, Inc.
1007 18th St. NW
Mandan, ND 58554

Cc: Mike Remboldt, HIT CEO
JoAnn Brager, WRHS Director
~~Laura Buchmann, WRHS Policy Council Chairperson~~

AGENCY PROCUREMENT POLICIES

I.a. GENERAL

It is recognized that individual program components of this agency have differing requirements in purchasing supplies, services, and equipment. Individuals being served may be involved in the purchasing process as part of a training activity. In other cases, equipment may be of such a specialized nature as to require direct service staff or consultants to become directly involved in the purchasing process. Because of these variances, the procedures are designed to be sufficiently flexible while adhering to basic principles of sound fiscal management and control.

All procurement and maintenance transactions, regardless of the dollar amount, shall be conducted in such a manner to provide maximum open and free competition. Where possible preferences shall be given to businesses:

1. owned or operated by minorities and/or women.
2. businesses utilizing metric form of measurements
3. businesses utilizing recycled materials

Vendors and contractors are excluded from bidding on items in which they have a prior interest. In addition, staff of HIT Inc. are not allowed to accept gratuities, favors, or anything of monetary value from contractors or potential contractors. Contract provisions will be required for the Copeland Anti-Kickback act for construction contracts in excess of \$100,000. Davis-Bacon Act will be followed when required by Federal program legislation (construction in excess of \$2,000).

In no case will corporate funds be used for partisan political activities of any kind. Hatch Act (5 U.S.C. 1501-1508).

The Board of Directors has appointed the Executive Director as it's "Chief Executive Officer".

In matters concerning Agency purchases and expenditures the following policies exist:

A. The Chief Operating Officer is delegate authority to take action in the absence of the Chief Executive Officer as well as the individual Vice Presidents.

B. Follow-up processes will be completed by the Business Office. These processes include:

1. Record keeping
2. Inventory of capitalized assets
3. Internal control
4. Financial compliance with funding sources

AGENCY PAYMENT POLICIES

II.a. GENERAL

The Agency's payments are all divided into two broad categories, accounts payable and payroll. Accounts payable includes all enumeration for products or services received by the Agency. Payroll includes all payments made to employees as compensation for work performed. All payment instruments (checks) will have two (2) signatures. Those authorized to sign checks on behalf of the Agency include:

1. Chief Executive Officer
2. Chief Operating Officer
3. Controller
4. Payroll/IT Manager
5. And/or those Board members designated by the Board of Directors.

HOUSING, INDUSTRY, TRAINING INC.
BOARD MEETING
July 29, 2009

PRESENT: Jane Porter, Kristi Paris, Jim Froelich, Richard Hagestuen, Curt Walth, Stan Scott, Linda Anseth

ABSENT:

STAFF: Mike Remboldt, Jeff Essler

GUEST:

CALL TO ORDER: 5:00 p.m.

The meeting was called to order by President, Stan Scott

CONSENT AGENDA ITEMS APPROVAL:

There was a motion by Walth, 2nd by Hagestuen to accept the consent agenda items for approval of the June 24, 2009 minutes and the WRHS VP Report. Motion carried.

PERSONNEL COMMITTEE REPORT:

No report.

OLD BUSINESS:

Foundation – Mike asked the Board members to pick two dates that he can present to HIT's attorney to have the HIT Foundation organizational meeting. After some discussion, it was decided that September 2, @ 4:30 and August 26 @ 4:30 were the preferred dates. Mike will try to coordinate the meeting.

NEW BUSINESS:

New ICF/MR Group Homes – Mike handed out the information that HIT presented to the NDDHS as a proposal to building two 4-bed ICF/MR group homes in the Bismarck/Mandan community. (See attachment) Mike & Jeff have met with representatives from the Department and Developmental Center and answered questions. As a result, JoAnn Hoesel (DD Director) told Mike that

Department is excited about the proposal and wants to proceed. Mike and Jeff talked about the new homes and that the target market for the residents is high behavior and/or medical needs residents of Grafton. General discussion followed about the impact to HIT's other programs as well as the unmet needs in the community for such a home. When choosing a site, Mike was instructed to give preference to the City of Mandan.

ACTION TAKEN: Motion by Hagestuen, 2nd by Anseth to allow Mike and Jeff to negotiate with the Department and proceed with the establishment of these homes.

Employee Tuition Reimbursement – Mike handed out some guidelines to begin the discussion about adding a fringe benefit that would allow staff to apply for assistance in continuing their college education. (See attachment). Discussion followed about the purpose of the benefit and the anticipated impact to staff turnover and program budgets. Mike asked the BOD members to forward him a copy of the plans in place at their respective employers.

ACTION TAKEN: Motion by Walth, 2nd by Porter to table this item until the next meeting. Motion carried.

MANAGEMENT REPORT:

Conversion of ISLA sites to MSLA – Mike and Jeff talked about the financial challenges of serving high needs individuals in ISLA and that HIT has a unique opportunity to convert 12 ISLA contracts into two MSLA group homes. Mike informed that BOD that if the conversion is deemed appropriate after completing the comparisons and reviews, he would hope to have the conversion completed by October 1, 2009.

WRHS Overview of Findings – A copy of the report was distributed to each BOD member. The finding was that our procurement procedures needed verbiage updates, which have been completed and the appropriate documentation has been submitted to the regional office.

2008 Job Service Statistics – Mike shared with the BOD that based on the 2008 statistics released by Job Service, HIT is ranked as the 73rd largest employer in ND and the 20th largest employer in Bismarck/Mandan..

FINANCIAL REPORT:

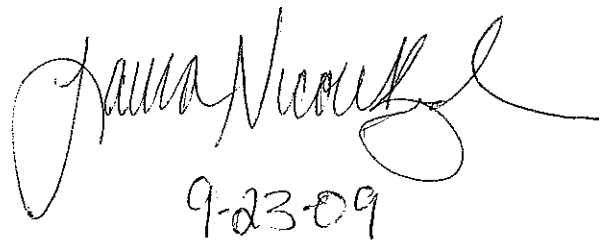
The finance committee met at noon today. Curt gave a brief summary of the preliminary financial statements for the fiscal year ending June 30, 2009. The projected year end profit will be around \$131,000 after accruing accounts payable and computing the amount owed to HIT from the NDDHS. All programs did very well, with the exception of ISLA, which can no longer cover the losses in the administration allocation versus reimbursement. Curt also stated that the accounts receivable balance is down over the previous month.

ACTION TAKEN: Motion by Hagestuen, 2nd by Paris to accept the finance committee report. Motion carried.

Hagestuen expressed concern about the order of the agenda and felt that the BOD should not leave the financial report as the last item of business. Stan stated that he is comfortable with moving the item to follow the personnel committee, but the report needs to be abbreviated unless the finance committee feels that there are some areas of concern.

ADJOURN: 6:02 p.m. Motion by Froelich 2nd by Hagestuen to adjourn. Motion carried

September 17, 2009



9-23-09

Policy Council Meeting

Meeting was called to order at 7:03 p.m.

Time Keeper:

Attendance: Jennette McLaughlin, Laura Buchmann, Bechke Deierling, Nancy Zander, Julie Schirado, Kristina Dionne, Jennifer Werven, Lacey Forderer, Danielle Olson, Grant Johnson, Tyler Schau, Art Bonogofsky, Maria Kessler, J'me Olson, Veronica Elkins, Danielle Hassel, Jessica Kraft, Jason Karlson

Staff: JoAnn Brager

Quorum was met

Minutes: Motion made by Jennette, 2nd by Laura for approval of May 21st minutes. Motion passed.

Treasurer's Report: In-kind will be \$337,390 for 2009-2010 but it is anticipated that there will be more as we are awaiting official notification of several grants. Policy Council checking account has \$9,759.59. Motion made by Danielle O. 2nd by Veronica to accept fiscal report – motion passed. The Mandan PC reps want to get together to write a letter to the Mandan parents to emphasize the need for in-kind. Danielle H. will take the lead in this.

Family Night Reports:

No reports yet as the first one for this year will be next Thursday, September 24 in each of the centers.

Old Business:

Personnel: Requested hiring personnel in the following positions: Lyn Jorda, Stephanie Frenzel & Theresa Kuhn for teacher assistant in Elgin; Theresa Kuhn as support services in Hebron; Janet Bahm and Lisa Bachler for support services in New Salem. Motion made by Jennette, 2nd by Nancy to approve hiring for those positions. Discussion followed. Motion passed.

Continuation Grant: For every \$4 we need to raise the last \$1 as in-kind. JoAnn explained how the Continuation Grant works and passed out the Financial Assistance Award letters.

Federal Monitoring Review Report: All PC members received a copy of the FMR report and it was reviewed. Bechke explained the FMR process from last May. There were two areas of strength and one area of non-compliance and that was the lack of a complete written fiscal procurement procedure. There was one in place, but it was missing some required parts. HIT was following the procurement requirements, but it wasn't in writing. The HIT fiscal procedure –

Agency Procurement - was reviewed. Motion made by Laura, 2nd by Jennette – motion passed.

Grant Updates: JoAnn explained that WRHS wrote many grants last spring and it is anticipated that we will be receiving several of them. We received American Recovery & Reinvestment Act (Stimulus) money and there are very strict reporting requirements that are due no later than October 9, 2009. JoAnn will keep PC updated about reporting requirements. It is not anticipated that WRHS will get the Early Head Start grant this time. We'll just keep trying because we need it so badly.

New Business:

In-Kind Valuation: Nancy motioned and Nancy 2nd to approve PC in-kind rate at \$29.18 per hour. Regular hourly rate is \$114.59 per hour. Volunteering in classroom is classified under the regular hourly in-kind rate. Motion passed.

H1N1 Flu Update: JoAnn passed around the letter that Michelle Honeyman, RN for WRHS, wrote to parents. WRHS will just continue to use the good sanitation procedures already in place. Nancy reviewed priorities for vaccinations. Key to the whole pandemic – we are not going to panic. ☺

Nomination for 2009-2010 Officers: Bechke needed to leave the meeting so she handed the gavel to Laura as the new Chairperson. The WRHS Operating Procedures were reviewed for officers and their duties. Jennette motioned and Nancy 2nd to nominate Maria Kessler for secretary. Motion passed. Danielle O. motioned and Maria 2nd to nominate Tyler as treasurer. Motion passed. Jennette moved and Kristina 2nd to nominate Danielle O. as Vice Chair. Motion passed. A letter to nominate Mandy Beerbower as the Hebron Community representative and Grant Johnson as the New Salem Community Representative was shared. Julie moved and Danielle 2nd. Motion passed. Congratulations to all.

Training:

Confidentiality and Leadership: Policy Council Subcommittee sign-up sheet was passed around for all of the new members to pick one of the three committees to be on. JoAnn sent around a current copy of the Policy Council membership list so changes could be made. JoAnn reviewed and discussion took place for the Training Overview, Intro to Parents, Website Release, conflict of Interest and confidentiality. Each PC member signed the agreements and provided it to JoAnn to sign as a witness.

Time and location of next meeting: Thursday, October 15 at 6:00 p.m. CT for Program Governance with the HIT Board of Directors. This meeting is for Policy Council and HIT Board members only and will be held at the Seven Seas in Mandan. Meeting adjourned at 9:00 p.m.